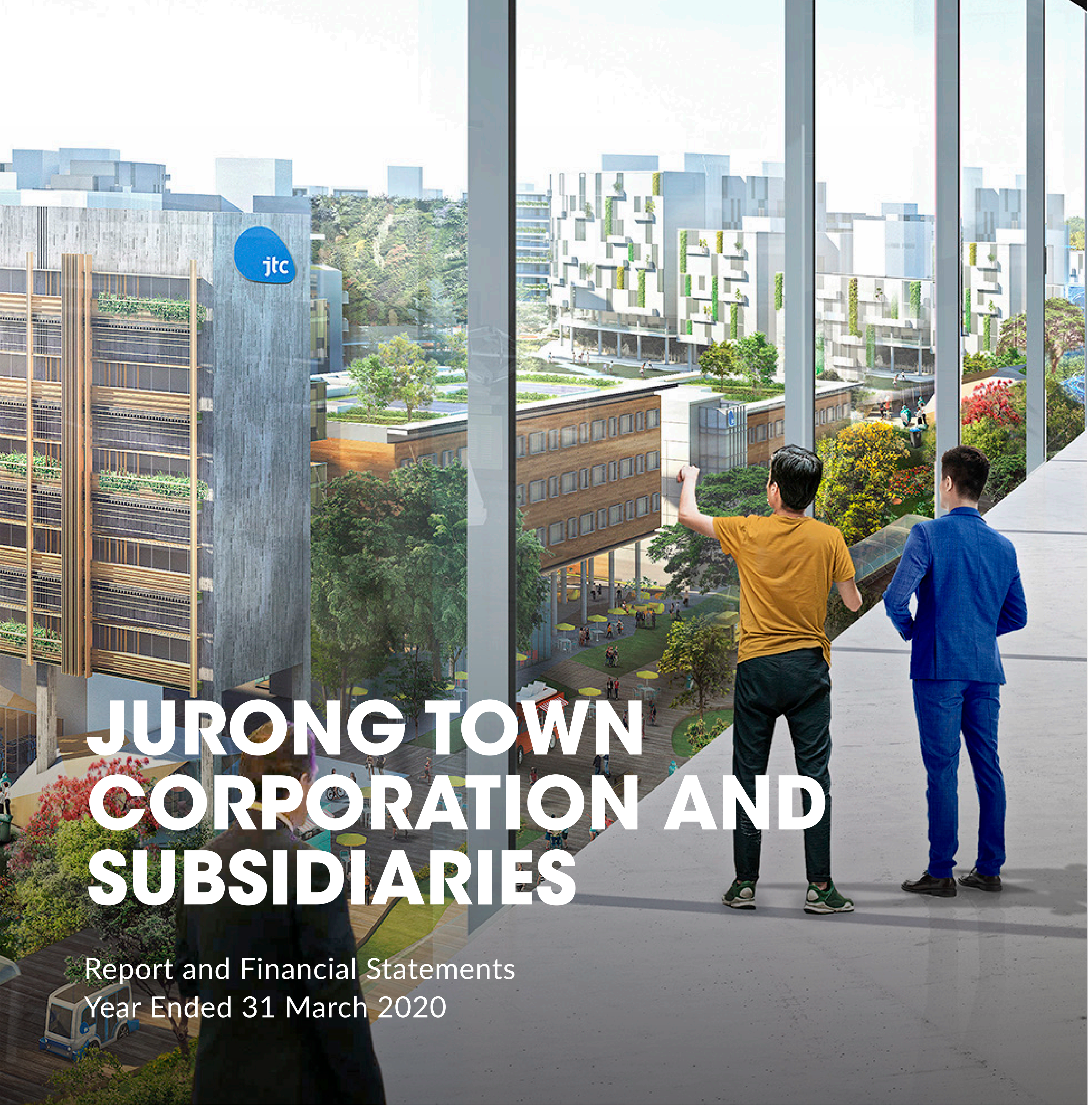

JURONG TOWN CORPORATION AND SUBSIDIARIES

Report and Financial Statements
Year Ended 31 March 2020

Contents

Statement By Jurong Town Corporation

In our opinion,

(a) the accompanying financial statements of Jurong Town Corporation (the "Corporation") and its subsidiaries (the "Group"), set out on pages 6 to 50 are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 ("PSG Act"), the Jurong Town Corporation Act (Cap. 150) ("JTC Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Group and the Corporation as at 31 March 2020, and the financial performance, changes in equity of the Group and the Corporation, and cash flows of the Group for the year ended on that date;

(b) the receipt, expenditure, investments of moneys and the acquisition and disposal of assets by the Corporation during the year have been, in all material respects, in accordance with the provisions of the PSG Act, the JTC Act and the requirements of any other written law applicable to moneys of or managed by the Corporation; and

(c) proper accounting and other records have been kept, including records of all assets of the Corporation and of those subsidiaries incorporated in Singapore, whether purchased, donated or otherwise.

On behalf of Jurong Town Corporation and subsidiaries

Tan Chong Meng	Ng Lang	Chee Wan Chin
Chairman	Chief Executive Officer	Group Chief Financial Officer

Singapore
23 June 2020

Independent Auditor's Report to the Members of the Board of Jurong Town Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jurong Town Corporation (the "Corporation") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Corporation as at 31 March 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in equity of the Corporation for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 50.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Corporation are properly drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 ("PSG Act"), the Jurong Town Corporation Act (Cap. 150) ("JTC Act") and Statutory Board Financial Reporting Standards ("SB-FRS") so as to present fairly, in all material respects, the financial position of the Group and the Corporation as at 31 March 2020 and the financial performance and changes in equity of the Group and the Corporation and cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Information Other than Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Statement by Jurong Town Corporation set out on page 1, but does not include the financial statements and our auditor's report thereon.

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

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

Deloitte & Touche LLP (Unique Entity No. T08LL0721A) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

Independent Auditor's Report to the Members of the Board of Jurong Town Corporation

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the PSG Act, JTC Act and SB-FRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

A statutory board is constituted based on its act and its dissolution requires Parliament's approval. 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 there is intention to wind up the Group or for the Group to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(a) 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.

(b) 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.

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

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

Independent Auditor's Report to the Members of the Board of Jurong Town Corporation

(e) 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.

(f) 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion:

(a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Corporation during the year are, in all material respects, in accordance with the provisions of the PSG Act, JTC Act and the requirements of any other written law applicable to moneys of or managed by the Corporation.

(b) proper accounting and other records have been kept, including records of all assets of the Corporation whether purchased, donated or otherwise.

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Compliance Audit* section of our report. We are independent of the Group in accordance with the 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 on management's compliance.

Responsibilities of Management for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the PSG Act, the JTC Act and the requirements of any other written law applicable to moneys of or managed by the Corporation. This responsibility includes monitoring related compliance requirements relevant to the Corporation, and implementing internal controls as management determines are necessary to enable compliance with the requirements.

Independent Auditor's Report to the Members of the Board of Jurong Town Corporation

Auditor's Responsibility for the Compliance Audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the PSG Act, JTC Act and the requirements of any other written law applicable to moneys of or managed by the Corporation.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

23 June 2020

Statements of Comprehensive Income
Year Ended 31 March 2020

	Note	The Group 2020 $ Millions	The Group 2019 $ Millions	The Corporation 2020 $ Millions	The Corporation 2019 $ Millions
Income					
Revenue	4	2,431	2,382	2,207	2,191
Other income	5	920	1,268	916	1,260
		3,351	3,650	3,123	3,451
Expenditure					
Property tax		(132)	(137)	(126)	(132)
Maintenance and conservancy		(216)	(210)	(202)	(195)
Employee benefits expense	6	(233)	(221)	(159)	(152)
Depreciation of property, plant and equipment	15	(44)	(59)	(13)	(26)
Depreciation of investment properties	16	(322)	(342)	(326)	(343)
Loss in recoverable amount of investment properties	16	(382)	(385)	(382)	(385)
Impairment loss on investment in associate and joint ventures	18	(94)	-	-	-
Finance costs	7	(16)	(13)	(13)	(13)
Other expenses	8	(435)	(754)	(375)	(701)
		(1,874)	(2,121)	(1,596)	(1,947)
Surplus before contribution to Consolidated Fund and taxation		1,477	1,529	1,527	1,504
Contribution to Consolidated Fund	9	(260)	(255)	(260)	(255)
Income tax	10	(6)	(8)	-	-
Surplus for the year		1,211	1,266	1,267	1,249
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to income or expenditure:					
Currency translation reserve:					
- Exchange differences arising on translation of foreign operations		(3)	(3)	-	-
Total comprehensive income		1,208	1,263	1,267	1,249
Surplus for the year attributable to					
Equity holders of the Corporation		1,215	1,269	1,267	1,249
Non-controlling interests		(4)	(3)	-	-
		1,211	1,266	1,267	1,249
Total comprehensive income attributable to					
Equity holders of the Corporation		1,212	1,266	1,267	1,249
Non-controlling interests		(4)	(3)	-	-
		1,208	1,263	1,267	1,249

See accompanying notes to financial statements.

Statements of Financial Position
Year Ended 31 March 2020

	Note	The Group 2020 $ Millions	The Group 2019 $ Millions	The Corporation 2020 $ Millions	The Corporation 2019 $ Millions
ASSETS					
Current assets					
Cash and bank balances	11	7,682	3,874	7,252	3,482
Trade receivables	12	55	48	33	33
Other receivables	13	342	3,798	324	3,768
Lease receivables	14	12	10	12	10
Raw materials		745	915	745	915
Investment securities	19	30	-	30	-
Total current assets		8,866	8,645	8,396	8,208
Non-current assets					
Property, plant and equipment	15	1,020	954	266	233
Investment properties	16	19,308	18,482	19,449	18,628
Investment in subsidiaries	17	-	-	716	716
Investment in associate and joint ventures	18	100	191	-	-
Lease receivables	14	719	731	719	731
Investment securities	19	47	-	47	-
Other non-current assets	20	182	187	147	149
Total non-current assets		21,376	20,545	21,344	20,457
Total assets		30,242	29,190	29,740	28,665
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	21	492	612	416	536
Borrowings	22	25	21	19	19
Deferred income	23	220	205	220	205
Income tax payable		11	11	-	-
Provision for contribution to consolidated fund	9	260	255	260	255
Total current liabilities		1,008	1,104	915	1,015
Non-current liabilities					
Borrowings	22	498	486	372	392
Deferred income	23	4,583	4,678	4,725	4,803
Trade and other payables	21	13	-	6	-
Deferred tax liability	24	17	18	-	-
Total non-current liabilities		5,111	5,182	5,103	5,195
Capital and reserves					
Capital account	25	167	167	167	167
Currency translation reserve		(5)	(2)	-	-
Accumulated surplus		23,931	22,716	23,555	22,288
Equity attributable to owners of the company		24,093	22,881	23,722	22,455
Non-controlling interests		30	23	-	-
Total equity		24,123	22,904	23,722	22,455
Total liabilities and equity		30,242	29,190	29,740	28,665

See accompanying notes to financial statements.

Statements of Changes In Equity
Year Ended 31 March 2020

	Capital account	Currency translation reserve	Accumulated surplus	Equity attributable to equity holders	Non-controlling interests	Total equity
	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions
The Group						
Balance as at 1 April 2018	167	1	21,447	21,615	18	21,633
Surplus for the year	-	-	1,269	1,269	(3)	1,266
Exchange differences arising on translation of foreign operations, representing other comprehensive income for the year, net of tax	-	(3)	-	(3)	-	(3)
Total comprehensive income for the year	-	(3)	1,269	1,266	(3)	1,263
Capital contribution by non-controlling interests	-	-	-	-	8	8
Balance as at 31 March 2019	167	(2)	22,716	22,881	23	22,904
Surplus for the year	-	-	1,215	1,215	(4)	1,211
Exchange differences arising on translation of foreign operations, representing other comprehensive income for the year, net of tax	-	(3)	-	(3)	-	(3)
Total comprehensive income for the year	-	(3)	1,215	1,212	(4)	1,208
Capital contribution by non-controlling interests	-	-	-	-	11	11
Balance as at 31 March 2020	167	(5)	23,931	24,093	30	24,123

	Capital account	Accumulated surplus	Total equity
	$ Millions	$ Millions	$ Millions
The Corporation			
Balance as at 1 April 2018	167	21,039	21,206
Total surplus for the year, representing total comprehensive income for the year	-	1,249	1,249
Balance as at 31 March 2019	167	22,288	22,455
Total surplus for the year, representing total comprehensive income for the year	-	1,267	1,267
Balance as at 31 March 2020	167	23,555	23,722

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows
Year Ended 31 March 2020

	Note	The Group 2020	2019
		$ Millions	$ Millions
Operating activities			
Surplus before contribution to consolidated fund and taxation		1,477	1,529
Adjustments for:			
Depreciation of property, plant and equipment	15	44	59
Depreciation of investment properties	16	322	342
Raw materials written down	8	-	29
Amortisation of long-term lease premium	23	(212)	(187)
Loss in recoverable amount of investment properties	16	382	385
Gain on disposal of investment properties	5	(18)	(484)
Loss on disposal of property, plant and equipment		1	1
Loss on disposal of joint venture		-	2
Loss allowance, net of reversal		11	7
Gain on disposal of debt securities	13	(504)	-
Impairment loss on investment in associate and joint ventures	18	94	-
Share of profits of associate/joint ventures	5	(6)	(9)
Interest income	4, 5	(204)	(211)
Finance costs	7	16	13
Operating profit before working capital changes		1,403	1,476
Changes in working capital:			
Raw materials		170	(100)
Trade and other receivables		55	(35)
Trade and other payables		(109)	55
Cash generated from operations		1,519	1,396
Long-term lease premium received		145	809
Interest received		214	172
Interest paid		(17)	(16)
Contribution to Consolidated Fund paid		(255)	(193)
Income tax paid (net)		(6)	(6)
Net cash from operating activities		1,600	2,162
Investing activities			
Purchase of property, plant and equipment		(86)	(137)
Purchase of investment properties		(1,728)	(1,602)
Proceeds from disposal of property, plant and equipment and investment properties		76	532
Dividends received from associate and joint ventures	18	12	3
Purchase of investment securities		(77)	-
Loan to TJ Holdings (IV) Pte. Ltd.		-	(10)
Proceeds from disposal of debt securities		3,885	-
Net cash from (used in) investing activities		2,082	(1,214)
Financing activities			
Grants received from government for investment properties		110	182
Capital contribution by non-controlling interest in a subsidiary		11	8
Proceeds from borrowings		37	96
Repayment of lease liabilities		(6)	-
Repayment of borrowings		(21)	(17)
Net cash from financing activities		131	269
Net increase in cash and cash equivalents		3,813	1,217
Cash and cash equivalents at beginning of year		3,866	2,649
Cash and cash equivalents at end of year	11	7,679	3,866

See accompanying notes to financial statements.

Notes to Financial Statements
31 March 2020

1 GENERAL

Jurong Town Corporation (the "Corporation") is established in the Republic of Singapore under the Jurong Town Corporation Act (Cap. 150) with its registered office at The JTC Summit, 8 Jurong Town Hall Road, Singapore 609434.

The principal activities of the Corporation are to develop and manage industrial estates in Singapore and to provide facilities to enhance the operations of industries. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries are set out in Note 17.

The financial statements for the year ended 31 March 2020 were authorised for issue by the Board on 23 June 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Public Sector (Governance) Act 2018, Act 5 of 2018 ("PSG Act"), the Jurong Town Corporation Act (Cap.150) ("JTC Act"), and Statutory Board Financial Reporting Standards ("SB-FRS"), including Interpretations of SB-FRS ("INT SB-FRS") and SB-FRS Guidance Notes.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SB-FRS 102 *Share-based Payment*, leasing transactions that are within the scope of SB-FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SB-FRS 2 Inventories or value in use in SB-FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are not based on observable market data (unobservable inputs) for the asset or liability.

The preparation of financial statements in conformity with SB-FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The consolidated financial statements of the Group and the statement of comprehensive income, statement of financial position and statement of changes in equity of the Corporation are presented in Singapore dollars ($), which is the functional currency of the Corporation and the presentation currency for the consolidated financial statements. All values in the tables are rounded to the nearest million ("$ Millions"), except when otherwise indicated.

2.2 Adoption of new and revised standards

On 1 April 2019, the Group adopted all the new and revised SB-FRSs, INT SB-FRS and SB-FRS Guidance Notes that are effective from that date and relevant to its operations. The adoption of these standards do not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below.

<u>SB-FRS 116 *Leases*</u>

There is no material impact on the Group, other than expanded disclosures, upon adoption of the standard on 1 April 2019 as SB-FRS 116 does not change substantially how a lessor accounts for leases. Under SB-FRS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

2.3 Standards issued but not yet effective

Management has considered and is of the view that adoption of the new/revised SB-FRSs that are issued as at the date of these financial statements but effective only in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and entities (including special purpose entities) controlled by the Corporation (its subsidiary). Control is achieved when the Corporation:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

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

Notes to Financial Statements
31 March 2020

When the Corporation has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Corporation considers all relevant facts and circumstances in assessing whether or not the Corporation's voting rights in an investee are sufficient to give it power, including:

- The size of the Corporation's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Corporation, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Corporation has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Corporation obtains control over the subsidiary and ceases when the Corporation loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Corporation gains control until the date when the Corporation ceases to control the subsidiary.

Income or expenditure and each component of other comprehensive income are attributed to the owners of the Corporation and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

In the Corporation's financial statements, investments in subsidiaries and joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

2.5 Associate and Joint ventures

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes to Financial Statements
31 March 2020

The results and assets and liabilities of associate and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SB-FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of SB-FRS 28 *Investments in Associates and Joint Ventures* are applied to determine whether it is necessary to recognise any impairment loss with respect to the group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SB-FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SB-FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or when an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2.6 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments mainly comprise cash and bank balances, trade and other receivables and investment securities that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets, consisting of trade and other receivables, lease receivables and investment securities. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group applied the simplified approach permitted by SB-FRS 109 and recognises lifetime ECL for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Pursuant to the Finance Circular Minute ("FCM") No. 26/2008 on Capital Management Framework ("CMF"), equity injection from the Government is recorded as share capital.

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Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.7 Leases

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment property. The unguaranteed residual values do not represent a significant risk for the Group.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

The Group as lessee

The Group assesses whether a contract is or contain a lease, at inception of the leases. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is a lessee, except for short term leases (defined as leases with lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The group applies SB-FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.9 and Note 2.10.

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2.8 Raw materials

Raw materials are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the raw materials to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.9 Property, plant and equipment

Measurement

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including borrowing costs incurred for the capital projects-in-progress. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset during that period.

Depreciation

The Group adopts the component approach to depreciation whereby the amount initially recognised in respect of an item of property, plant and equipment is allocated to its significant parts. Each significant part is depreciated separately if those parts have different useful lives.

Capital projects-in-progress are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold land and land development	-	over the lease period up to 99 years
Wharf and base structures	-	over the lease period up to 40 years
Bulk handling facilities	-	3 to 15 years
Tank storage facilities	-	2 to 30 years
Buildings	-	over the lease period up to 60 years
Computers, motor vehicles, furniture, equipment and renovation	-	1 to 20 years

No depreciation is provided for 999 years leasehold land and freehold land.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate. The effects of any revision of the residual values and useful lives are included in profit or loss when the changes arise.

In the current year, the management performed a review of the estimated useful lives of the property, plant and equipment. As a result of the review, the estimated useful lives of leasehold buildings and computers, motor vehicles, furniture, equipment and renovation are revised with effect from 1 April 2019.

The change in the useful lives reduced the Corporation's depreciation expenses for property, plant and equipment by $12 million in 2020.

Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when 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. All other repair and maintenance expenses are recognised in income or expenditure when incurred.

Derecognition

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

2.10 Investment properties

Investment properties comprise significant portions of leasehold land and freehold office buildings that are held for long-term rental yields and/or for capital appreciation.

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

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are included in profit or loss when the changes arise.

The Group adopts the component approach to depreciation whereby the amount initially recognised in respect of an item of investment properties is allocated to its significant parts. Each significant part is depreciated separately if those parts have different useful lives.

No depreciation is provided for 999 years leasehold land and freehold land.

Depreciation on other items of investment properties is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold land and land development	-	over the lease period up to 99 years
Buildings	-	12 to 99 years
Wharf and base structures	-	50 years

Included in buildings are the following items which are depreciable over their estimated useful lives as follows:

Renovations and improvements	-	3 to 5 years
Plant, machinery and equipment	-	3 to 20 years
Air-cons, lifts and escalators	-	15 to 20 years

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate. The effects of any revision of the residual values and useful lives are included in profit or loss when the changes arise.

In the current year, the management performed a review of the estimated useful lives of the investment properties. As a result of the review, the estimated useful lives of buildings are revised with effect from 1 April 2019.

The change in the useful lives reduced the Corporation's depreciation expenses for investment properties by $29 million in 2020.

Transfers are made to or from investment properties only when there is a change in use. Any transfer between investment properties and owner-occupied properties does not result in any change in the cost for disclosure purpose as the Group and Corporation use the cost model.

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

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.11 Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately as an expense.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.12 Loss in recoverable amount of investment properties

The loss in recoverable amount represents the amount which the carrying value of the investment properties exceed their recoverable amounts. The recoverable amounts are determined principally using the estimated future cash flows expected to be generated by each investment property by reference to the Corporation's prevailing and estimated future posted rent rates, which are generally lower than the prevailing rent rates in the open market.

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2.13 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 the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.14 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants that are utilised for the purchase or construction of non-current assets are deducted against the cost of such assets to calculate the carrying amount of the related assets.

2.15 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

<u>Rental income</u>

The Group's policy for recognition of revenue from operating leases is described above.

<u>Income from port operations</u>

Revenue from port and marine services rendered is recognised over time when the company satisfies a performance obligation by transferring control of a service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to each satisfied performance obligation. Transaction price is the amount of consideration in the contract to which the company expects to be entitled in exchange for transferring the promised services.

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<u>Agency fees</u>

Agency fees from the provision of consultancy services are recognised when the services are rendered, using the percentage of completion method based on the actual service provided as a proportion of the total services to be performed.

<u>Interest income</u>

Interest income, including income from finance lease and other financial instruments, is recognised using the effective interest method.

<u>Dividend income</u>

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

<u>Income from transfer of raw materials</u>

Income is recognised when control of the raw materials has transferred, being when the raw materials have been collected by the customer or delivered to the customer's specific location and all criteria for acceptance have been satisfied.

2.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 Retirement benefit obligations

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Contributions made to Singapore Central Provident Fund, are recognised in the profit or loss in the period when employees rendered their services entitling them to the contributions..

2.18 Employee leave entitlement

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

Notes to Financial Statements
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2.19 Contribution to Consolidated Fund

In lieu of income tax, the Corporation is required to make contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A. The provision is based on the guidelines specified by the Ministry of Finance and is computed based on the net surplus of the Corporation for each of the financial year at the prevailing corporate tax rate for the Year of Assessment. Contribution to consolidated fund is provided for on an accrual basis.

2.20 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax of the subsidiaries of the Corporation.

The tax currently payable is based on taxable profit of the subsidiaries for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

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2.21 Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances and deposits placed with the Accountant-General's Department ("AGD") less restricted cash and are subject to an insignificant risk of changes in value.

Under the Accountant-General's Circular No.4/2009 dated 2 November 2009, the Corporation is required to participate in the Centralised Liquidity Management Framework ("CLM"). Under the CLM, all bank accounts maintained with selected banks will be linked up with AGD's bank accounts such that excess available cash can be automatically aggregated for central management on a daily basis. These balances are included in cash and cash equivalents as "Centralised Liquidity Management ("CLM") deposits held with Accountant-General's Department ("AGD").

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

Apart from those involving estimations (see below), the management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

<u>Impairment review of investment properties</u>

In the assessment of impairment loss, fair values are determined using the income capitalisation method or direct comparison method. The income capitalisation method involves the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. The direct comparison method involves the comparison of recent sales transactions of similar properties.

Management is of the view that the valuation methods and estimates are reflective of the current market conditions and adequate impairment losses, as disclosed in Note 16 to the financial statements, have been made.

Impairment review of investment in associate and joint ventures

In the estimation of impairment loss for investment in associate and joint ventures, the Group estimates the recoverable amount using value-in-use computations and key assumptions such as discount rates, revenue growth, capital expenditures and working capital cycles as at the assessment date.

Management has considered the financial position and long-term business outlook of the associate and joint ventures, including factors such as changes in overall economic and industry performance and related market risks as well as prospective financial information. This assessment is highly subjective in nature. Accordingly, actual outcome may be different from that forecasted since anticipated events frequently do not occur as expected and the variation may be material.

Management is of the view that adequate impairment losses have been made and the carrying amount of the investments in associate and joint ventures, as disclosed in Note 18, do not exceed their respective recoverable amounts.

4 REVENUE

	The Group		The Corporation	
	2020	2019	2020	2019
	$ Millions	$ Millions	$ Millions	$ Millions
Land rental income	1,356	1,331	1,344	1,322
Building rental income	794	791	780	776
Income from port operations	189	163	-	-
Agency fees	18	37	18	37
Interest income on finance leases	33	33	33	33
Sundry income	41	27	32	23
	2,431	2,382	2,207	2,191

5 OTHER INCOME

	The Group		The Corporation	
	2020	2019	2020	2019
	$ Millions	$ Millions	$ Millions	$ Millions
Interest income from loans and receivables	171	178	163	171
Dividend income	-	-	13	10
Gain on disposal of investment properties	18	484	18	484
Share of profits of associate/ joint ventures	6	9	-	-
Income from transfer of raw materials to other government agencies	211	587	211	587
Gain on disposal of debt securities	504	-	504	-
Others	10	10	7	8
	920	1,268	916	1,260

6 EMPLOYEE BENEFITS EXPENSE

	The Group		The Corporation	
	2020	2019	2020	2019
	$ Millions	$ Millions	$ Millions	$ Millions
Salaries and other employee compensation	209	199	143	137
Employer's contribution to defined contribution plans including Central Provident Fund	24	22	16	15
	233	221	159	152

The above include the remuneration of key management of the Group and Corporation as follows:

	The Group		The Corporation	
	2020	2019	2020	2019
	$ Millions	$ Millions	$ Millions	$ Millions
Salaries and other employee compensation including employer's contribution to Central Provident Fund	12	11	8	7

The structure of Board members' fees is based on the guidelines provided by the Public Service Group. Total Directors' fees paid to the Board members of the Corporation amounted to $0.3 million (2019 : $0.3 million).

7 FINANCE COSTS

	The Group		The Corporation	
	2020	2019	2020	2019
	$ Millions	$ Millions	$ Millions	$ Millions
Interest expense	16	13	13	13

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8 OTHER EXPENSES

	The Group 2020	The Group 2019	The Corporation 2020	The Corporation 2019
	$ Millions	$ Millions	$ Millions	$ Millions
Security service expenses	44	43	39	39
Information technology expense	35	27	35	27
Professional fees	20	19	17	18
Cargo and container handling expenses	44	40	-	-
Raw materials written down	-	29	-	29
Allowance for impairment of receivables	24	9	24	9
Cost of raw materials transferred	173	475	173	475
Other expenses	95	112	87	104
	435	754	375	701

9 CONTRIBUTION TO CONSOLIDATED FUND

In lieu of income tax, the Corporation is required to make contribution to the Consolidated Fund in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A. The provision is based on the guidelines specified by the Ministry of Finance and is computed based on the net surplus of the Corporation for each of the financial year at the prevailing corporate tax rate for the Year of Assessment. Contribution to Consolidated Fund is provided for on an accrual basis.

The total contribution for the year can be reconciled to the surplus as follows:

	The Corporation 2020	The Corporation 2019
	$ Millions	$ Millions
Surplus of the Corporation before contribution to Consolidated Fund	1,527	1,504
Contribution at 17%	260	255

10 INCOME TAX

	The Group 2020	The Group 2019
	$ Millions	$ Millions
Current	9	9
Deferred tax	(1)	(1)
Overprovision in prior year	(2)	-
	6	8

Domestic income tax of the Corporation is calculated at 17% (2019 : 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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The charge for the year can be reconciled to the accounting surplus as follows:

	The Group 2020	The Group 2019
	$ Millions	$ Millions
Surplus before contribution to Consolidated Fund and taxation	1,477	1,529
Less: Surplus of the Corporation before contribution to Consolidated Fund and taxation not subjected to tax	(1,527)	(1,504)
	(50)	25
Income tax (benefit)/expense at statutory tax rate of 17% (2019 : 17%)	(9)	4
Expenses not deductible for tax purposes	13	3
Share of profit of joint ventures	(1)	(2)
Overprovision in prior years	(2)	-
Others	5	3
Total income tax expense	6	8

11 CASH AND BANK BALANCES

	The Group 2020	The Group 2019	The Corporation 2020	The Corporation 2019
	$ Millions	$ Millions	$ Millions	$ Millions
Cash at bank and on hand	16	33	-	20
Cash with AGD	7,252	3,462	7,252	3,462
Fixed deposits	414	379	-	-
Cash and bank balances	7,682	3,874	7,252	3,482
Less: Restricted cash	(3)	(8)	(3)	(8)
Cash and cash equivalents in the statement of cash flows	7,679	3,866	7,249	3,474

Cash at bank earns interest at floating rates based on daily bank deposit rates. Fixed deposits earn interest at the respective short-term deposit rates. The range of effective interest rates as at 31 March 2020 for the Group was 1.73% (2019 : 1.44% to 2.01%) per annum.

Cash with the Accountant-General's Department ("AGD") refers to cash that are managed by AGD under the Centralised Liquidity Management Scheme as set out in the Accountant-General's Circular No.4/2009.

Restricted cash under the Group's cash and cash equivalents of $3 million (2019 : $8 million) were held under project accounts and withdrawals from which are restricted to payments for expenditure incurred on projects.

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12 TRADE RECEIVABLES

	The Group		The Corporation	
	2020	2019	2020	2019
	$ Millions	$ Millions	$ Millions	$ Millions
Outside parties	75	61	54	46
Loss allowance:				
Balance at beginning of year	(13)	(13)	(13)	(13)
Allowance for the year	(24)	(9)	(24)	(9)
Reversal of allowance	13	2	13	2
Bad debts written off	4	7	3	7
Balance at end of year	(20)	(13)	(21)	(13)
	55	48	33	33

Loss allowance has been measured at an amount equal to expected credit losses. Apart from the above, no loss allowance is necessary in respect of the remaining trade receivables after taking into account the historical default experience, together with the value of deposits and bank guarantees.

There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period.

The following is an aging analysis of trade receivables:

	The Group		The Corporation	
	2020	2019	2020	2019
	$ Millions	$ Millions	$ Millions	$ Millions
Not past due	39	31	19	16
Less than 3 months	7	8	5	8
3 to 6 months	5	5	5	5
More than 6 months	4	4	4	4
	55	48	33	33

13 OTHER RECEIVABLES

	The Group		The Corporation	
	2020	2019	2020	2019
	$ Millions	$ Millions	$ Millions	$ Millions
Outside parties	282	261	275	244
Less: Impairment loss	(105)	(105)	(105)	(105)
	177	156	170	139
Prepayment of property tax	94	96	94	96
Debt securities	-	3,372	-	3,372
Amounts owing by:				
- Government agencies	60	162	58	160
- Others	11	12	2	1
	342	3,798	324	3,768

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Amounts owing by government agencies are unsecured, interest free and repayable on demand in cash.

Debt securities relate to the following:

(i) $490,000 shareholding in TJ Holdings (III) Pte. Ltd. which has been disposed for a consideration of $490,000 in June 2019.

(ii) Debt securities of $3,472 million was received as consideration from the disposal of subsidiaries in June 2015, with a fixed coupon rate of 3.5% per annum and mature in June 2025. As part of the consideration, the Corporation is entitled to 40% of the capital gains in the value of the properties and investments held by Ascendas Pte Ltd ("APL") as at June 2015, net of any capital losses.

In January 2016, the Corporation issued Total Return Securities ("TRS") to a financial institution for a principal amount of $100 million with reference to a proportion of the debt securities. At the end of the previous financial year, the debt securities net of TRS is $3,372 million.

In June 2019, the debt securities of $3,472 million was redeemed and correspondingly, the Corporation has also redeemed the $100 million TRS from the financial institution. The Corporation received earn-out amount of $404 million which was the 40% of the capital gains in the value of the transferred properties and investments held by APL as at June 2015, net of any capital losses. In addition, the Corporation also received a fee of $100 million for the early redemption of the debt securities.

(iii) As part of the transaction mentioned above, the Redeemable Preference Shares ("RPS") in TJ Holdings (IV) Pte. Ltd. ("TJ4") held by the Corporation as at the end of the current financial year amounted to $65 million (2019 : $65 million). The Corporation had committed to extend a loan of $64 million to TJ4, of which $40 million has been disbursed in previous financial years. The remaining unutilised loan commitment of $24 million is included in other payables (Note 21). Management has performed an impairment assessment and made full provision for the RPS and loan commitment totalling $105 million in 2017.

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14 LEASE RECEIVABLES

	The Group and Corporation	
	2020	2019
	$ Millions	$ Millions
Represented by:		
Current portion	12	10
Non-current portion	719	731
Total	731	741

These relate principally to rental receivable in respect of finance leases. Outstanding payments from lease receivables range from 10 to 406 months (2019 : 140 to 417 months). The discount rates implicit in the finance lease ranges from 2.56% to 5.5% (2019 : 2.56% to 5.5%) per annum.

	The Group and Corporation
	2020
	$ Millions
Amounts receivable under finance lease:	
Year 1	44
Year 2	45
Year 3	46
Year 4	47
Year 5	49
Year 6 onwards	1,019
Undiscounted lease payments, representing gross investment in the lease	1,250
Less: Unearned finance income	(519)
Present value of lease payments, representing net investment in the lease	731
Undiscounted lease payments analysed as:	
Recoverable within 12 months	44
Recoverable after 12 months	1,206
	1,250
Net investment in the lease analysed as:	
Recoverable within 12 months	12
Recoverable after 12 months	719
	731

The Group's finance lease arrangements do not include variable payments. Finance income on net investment in finance leases is disclosed in Note 4.

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Future minimum receivables under the lease agreements together with the present value of the net minimum receivables are as follows:

	The Group and Corporation	
	Minimum lease receivables	Present value of receivables
	2019	2019
	$ Millions	$ Millions
Within 1 year	43	42
Within 2 to 5 years	182	159
More than 5 years	1,068	540
Total minimum lease receivables	1,293	741
Less: Unearned finance income	(552)	-
Present value of minimum lease payments receivable	741	741

The loss allowance on finance lease receivables at the end of the reporting period is estimated at an amount equal to lifetime expected credit losses. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience in which the lessees operate, together with the value of deposits and bank guarantees held over these finance lease receivables, the Group considers that no finance lease receivables is impaired.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.

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15 PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land	Leasehold land*	Land development	Wharf and base structures	Bulk handling facilities	Tank storage facilities	Buildings	Other assets #	Capital projects-in-progress	Total
	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions
Cost:										
At 1 April 2018 (as previously reported)	59	92	44	493	126	-	225	120	107	1,266
Reclassification (Note 29)	22	28	123	-	-	-	-	-	-	173
At 1 April 2018 (after reclassification)	81	120	167	493	126	-	225	120	107	1,439
Additions	-	-	-	-	-	-	-	6	131	137
Disposals/Write-offs	-	-	-	(2)	-	-	-	(5)	-	(7)
Transfer (to) from investment properties (Note 16)	(8)	(5)	-	-	-	-	(14)	15	(3)	(15)
Transfers/Reclassifications	-	-	-	2	33	-	(2)	25	(58)	-
At 31 March 2019	73	115	167	493	159	-	209	161	177	1,554
Additions	-	5	-	-	-	-	-	1	80	86
Disposals/Write-offs	-	(13)	-	(4)	(1)	-	-	(2)	(1)	(21)
Transfer (to) from investment properties (Note 16)	6	6	-	-	-	-	11	(7)	17	33
Transfers/Reclassifications	-	-	-	30	2	155	14	11	(212)	-
At 31 March 2020	79	113	167	519	160	155	234	164	61	1,652

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The Group	Freehold land	Leasehold land*	Land development	Wharf and base structures	Bulk handling facilities	Tank storage facilities	Buildings	Other assets #	Capital projects-in-progress	Total
	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions
Accumulated depreciation:										
At 1 April 2018 (as previously reported)	-	8	4	236	91	-	58	96	-	493
Reclassification (Note 29)	-	11	44	-	-	-	-	-	-	55
At 1 April 2018 (after reclassification)	-	19	48	236	91	-	58	96	-	548
Depreciation charge	-	1	1	16	7	-	11	23	-	59
Disposals/Write-offs	-	1	(1)	(1)	-	-	-	(6)	-	(7)
Transfer (to) from investment properties (Note 16)	-	(1)	-	-	-	-	(6)	7	-	-
At 31 March 2019	-	20	48	251	98	-	63	120	-	600
Depreciation charge	-	(7)	2	17	7	5	7	13	-	44
Disposals/Write-offs	-	(4)	-	(3)	(1)	-	-	(2)	-	(10)
Transfer (to) from investment properties (Note 16)	-	2	-	-	-	-	3	(7)	-	(2)
At 31 March 2020	-	11	50	265	104	5	73	124	-	632
Carrying amount:										
At 31 March 2020	79	102	117	254	56	150	161	40	61	1,020
At 31 March 2019	73	95	119	242	61	-	146	41	177	954

Other assets include computers, motor vehicles, furniture, equipment and renovation.

* These are right-of-use assets with upfront payments.

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The Corporation	Freehold land	Leasehold land*	Land development	Buildings	Other assets #	Capital projects-in-progress	Total
	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions
Cost:							
At 1 April 2018	73	52	6	179	79	17	406
Additions	-	-	-	-	5	5	10
Disposals/Write-off	-	-	-	-	(5)	-	(5)
Transfer (to) from investment properties (Note 16)	(8)	(6)	-	(14)	15	(2)	(15)
Transfers/Reclassifications	-	-	-	(3)	23	(18)	2
At 31 March 2019	65	46	6	162	117	2	398
Additions	-	1	-	-	1	18	20
Disposals/Write-off	-	-	-	-	(2)	-	(2)
Transfer (to) from investment properties (Note 16)	6	6	-	11	(7)	9	25
Transfers/Reclassifications	-	-	-	13	2	(15)	-
At 31 March 2020	71	53	6	186	111	14	441

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The Corporation	Freehold land	Leasehold land*	Land development	Buildings	Other assets #	Capital projects-in-progress	Total
	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions
Accumulated depreciation:							
At 1 April 2018	-	11	3	66	64	-	144
Depreciation charge	-	-	-	7	19	-	26
Disposals/Write-off	-	-	-	-	(5)	-	(5)
Transfer (to) from investment properties (Note 16)	-	(1)	-	(6)	7	-	-
At 31 March 2019	-	10	3	67	85	-	165
Depreciation charge	-	2	-	3	8	-	13
Disposals/Write-off	-	-	-	-	(1)	-	(1)
Transfer (to) from investment properties (Note 16)	-	2	-	3	(7)	-	(2)
At 31 March 2020	-	14	3	73	85	-	175
Carrying amount:							
At 31 March 2020	71	39	3	113	26	14	266
At 31 March 2019	65	36	3	95	32	2	233

Other assets include computers, motor vehicles, furniture, equipment and renovation.

* These are right-of-use assets with upfront payments.

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16 INVESTMENT PROPERTIES

	The Group 2020	The Group 2019	The Corporation 2020	The Corporation 2019
	$ Millions	$ Millions	$ Millions	$ Millions
Cost:				
Balance at beginning of year (before reclassification)	27,951	26,753	28,121	26,750
Reclassification (Note 29)	-	(173)	-	-
Balance at beginning of year (after reclassification)	27,951	26,580	28,121	26,750
Additions	1,623	1,420	1,616	1,420
Disposals/Write-offs	(90)	(64)	(90)	(64)
Transfer (to) from property, plant and equipment (Note 15)	(33)	15	(25)	15
Balance at end of year	29,451	27,951	29,622	28,121
Accumulated depreciation and loss in recoverable amount of investment properties:				
Balance at beginning of year (before reclassification)	9,469	8,812	9,493	8,780
Reclassification (Note 29)	-	(55)	-	-
Balance at beginning of year (after reclassification)	9,469	8,757	9,493	8,780
Depreciation charge	322	342	326	343
Loss in recoverable amount	382	385	382	385
Disposals/Write-offs	(32)	(15)	(30)	(15)
Transfer (to) from property, plant and equipment (Note 15)	2	-	2	-
Balance at end of year	10,143	9,469	10,173	9,493
Carrying amount	19,308	18,482	19,449	18,628

The fair values of the investment properties are as follows:

	The Group and Corporation 2020	The Group and Corporation 2019
	$ Millions	$ Millions
Fair value (Level 3)	45,595	44,626

The fair values of the investment properties are determined annually by in-house professional valuers based on the properties' highest and best use, using the income method or direct comparison method as is appropriate to the nature of each property.

The following amounts are recognised in the statements of comprehensive income:

	The Group and Corporation 2020	The Group and Corporation 2019
	$ Millions	$ Millions
Rental income	2,115	2,089
Property tax and direct operating expenses arising from investment properties that generated rental income	(345)	(344)
Property tax and direct operating expenses arising from investment properties that did not generate rental income	(72)	(64)

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17 INVESTMENT IN SUBSIDIARIES

	The Corporation 2020	The Corporation 2019
	$ Millions	$ Millions
Unquoted shares, at cost	716	716

Details of the Corporation's significant subsidiaries as at the end of the reporting period are as follows:

Direct subsidiaries	Principal activities	Country of incorporation/ place of business	Proportion of ownership interest and voting power held 2020	Proportion of ownership interest and voting power held 2019	Cost of investments 2020	Cost of investments 2019
			%	%	$ Millions	$ Millions
Jurong Port Pte Ltd	Provision of port, marine and logistics services and facilities and investment holding	Singapore	100	100	683	683
SLI Holdings Pte. Ltd.	Investment holding	Singapore	100	100	33	33
					716	716

Indirect subsidiaries	Principal activities	Country of incorporation/ place of business	Class of shares	Effective interest held by the Group 2020	Effective interest held by the Group 2019
				%	%
Subsidiaries of Jurong Port Pte Ltd ("JP")					
Jurong Port Rizhao Holding Pte. Ltd.	Investment holding	Singapore	Ordinary	100	100
Jurong Port Hainan Holding Pte. Ltd.	Investment holding	Singapore	Ordinary	100	100
Jurong Port Jakarta Holding Pte. Ltd.	Investment holding	Singapore	Ordinary	100	100
Jurong Port Singapore Holding Pte. Ltd.	Investment Holding	Singapore	Ordinary	100	100
Subsidiary of Jurong Port Jakarta Holding Pte. Ltd.					
Jurong Port Marunda Holding Pte. Ltd.	Investment Holding	Singapore	Ordinary	100	100
Subsidiary of Jurong Port Singapore Holding Pte. Ltd.					
Jurong Port Tank Terminals Pte Ltd	Owners and operator of storage facilities for petroleum products/gas/chemicals	Singapore	Ordinary	60	60

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18 INVESTMENT IN ASSOCIATE AND JOINT VENTURES

	The Group 2020 $ Millions	The Group 2019 $ Millions
Investment in associate		
Equity shares, at cost	68	-
Add:		
Share of post-acquisition accumulated profits, net of dividends received	23	-
Translation differences	3	-
	94	-
Less:		
Impairment loss	(24)	-
	70	-
Investment in joint ventures		
Unquoted equity investments, at cost	110	178
Add:		
Share of post-acquisition accumulated (loss)/profits, net of dividends received	(2)	16
Translation differences	(8)	(3)
	100	191
Less:		
Impairment loss	(70)	-
	30	191
Total investment in associate and joint ventures	100	191

Details of the Group's associate and joint ventures as at the end of the reporting period are as follows:

Associate and joint ventures	Principal activities	Country of incorporation	Percentage of equity held by the Group 2020 %	Percentage of equity held by the Group 2019 %	Cost of investments 2020 $ Millions	Cost of investments 2019 $ Millions
Associate of Jurong Port Rizhao Holding Pte. Ltd.						
Rizhao Port Jurong Co., Ltd. (formerly known as Rizhao Jurong Port Terminals Co. Ltd.)	Provision of port, marine and logistics services	People's Republic of China	22	30	68	68
Joint venture of Jurong Hainan Holding Pte. Ltd.						
SDIC Jurong Yangpu Port Co. Ltd.	Provision of port, marine and logistics services	People's Republic of China	49	49	73	73
Joint venture of Jurong Port Marunda Holding Pte. Ltd.						
PT Pelabuhan Tegar Indonesia	Provision of port services	Indonesia	49	49	37	37
					178	178

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Rizhao Port Jurong Co., Ltd. (RZPJ) was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 19 June 2019. RZPJ was classified as a joint venture in prior year. As a result of the dilution due to listing this year, it is now accounted for as an associate as the Group has significant influence.

The fair value of the equity interest in RZPJ amounts to $44 million based on the last transacted market price for the year.

The Group's investments in the associates and joint ventures are equity-accounted for in the consolidated financial statements. Summarised financial information in respect of the share of the Group's associate is set out below:

	The Group 2020 $ Millions	The Group 2019 $ Millions
Current assets	14	-
Non-current assets	87	-
	101	-
Current liabilities	5	-
Non-current liabilities	2	-
	7	-
Share of net assets	94	-
Revenue	107	-
Net profit	28	-

Summarised financial information in respect of the share of the Group's joint ventures is set out below:

	The Group 2020 $ Millions	The Group 2019 $ Millions
Current assets	23	35
Non-current assets	92	191
	115	226
Current liabilities	15	35
Non-current liabilities	-	-
	15	35
Share of net assets	100	191
Revenue	19	55
Net (loss)/profit	(1)	9

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19 INVESTMENT SECURITIES

	The Group and Corporation 2020	The Group and Corporation 2019
	$ Millions	$ Millions
Quoted debt securities at amortised cost:		
Current portion	30	-
Non-current portion	47	-
	77	-

The quoted debt securities have nominal values amounting to $77 million (2019 : $Nil) with coupon rates ranging from 2.47% to 4.50% (2019 : Nil%) per annum and maturity dates ranging from April 2020 to November 2024.

The quoted debt securities are considered to have low credit risk as the counterparties to these instruments have a minimum BBB credit rating. Accordingly, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL) and no credit losses were recognised for the year.

20 OTHER NON-CURRENT ASSETS

	The Group 2020	The Group 2019	The Corporation 2020	The Corporation 2019
	$ Millions	$ Millions	$ Millions	$ Millions
Loans to investee companies and third parties	6	6	3	3
Less: Allowance for impairment of loans to investee companies and third parties	(6)	(6)	(3)	(3)
Loans, net	-	-	-	-
Rent-free incentive	137	139	137	139
Others	45	48	10	10
	182	187	147	149

The carrying amounts of non-current assets approximate their fair values at the end of the reporting period.

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21 TRADE AND OTHER PAYABLES

	The Group 2020	The Group 2019	The Corporation 2020	The Corporation 2019
	$ Millions	$ Millions	$ Millions	$ Millions
Trade payables and accrued operating expenses	81	106	60	88
Other payables:				
- Capital expenditure	140	149	123	123
- Miscellaneous	53	46	31	32
Accrual for building development	-	66	-	66
Accrual for property tax	2	8	2	8
Interest payable on borrowings	17	18	17	18
Deposits, advance rentals and collections	132	152	116	140
Employees' short term unutilised leave and benefits	50	47	49	45
Lease liability	16	-	12	-
Amounts owing to government agencies	14	20	12	16
	505	612	422	536
Represented by:				
Current portion	492	612	416	536
Non-current portion	13	-	6	-
	505	612	422	536

22 BORROWINGS

	The Group 2020	The Group 2019	The Corporation 2020	The Corporation 2019
	$ Millions	$ Millions	$ Millions	$ Millions
Unsecured term loans:				
- Current portion	25	21	19	19
- Non-current portion	498	486	372	392
	523	507	391	411

Unsecured term loans comprise:

- Loans of $391 million (2019 : $411 million), with fixed interest rates of 2.76% to 3.13% (2019 : 2.63% to 3.13%) per annum. The loans are repayable in semi-annual instalments between 1 year to 36 years.

- A loan of $132 million (2019 : $96 million), with floating interest rates of 1.14% to 2.55% (2019 : 2.08% to 2.85%) per annum. The loan is repayable in semi-annual instalments between 1 year to 3 years.

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23 DEFERRED INCOME

	The Group 2020	The Group 2019	The Corporation 2020	The Corporation 2019
	$ Millions	$ Millions	$ Millions	$ Millions
Balance at beginning of year	4,883	4,103	5,007	4,237
Additions	132	967	158	966
Amortisation	(212)	(187)	(220)	(195)
Balance at end of year	4,803	4,883	4,945	5,008
Represented by:				
Current	220	205	220	205
Non-current	4,583	4,678	4,725	4,803
	4,803	4,883	4,945	5,008

Deferred income relates principally to premium received in advance and receivable in respect of operating leases and the amount is amortised to the statement of comprehensive income in accordance with the policy of the Group.

24 DEFERRED TAX LIABILITY

This arose mainly from the excess of net book value over tax written down value of plant and equipment at the end of the year.

25 CAPITAL ACCOUNT

	The Group and Corporation			
	2020	2019	2020	2019
	Number of ordinary shares		Amount	
	Million	Million	$ Millions	$ Millions
At beginning and end of year	110	110	167	167

The shares are held by the Ministry of Finance, a body incorporated by the Minister for Finance (Incorporation) Act.

All issued ordinary shares are fully paid. The shares carry neither voting rights nor par value.

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26 COMMITMENTS

As at the end of the financial year, the Group and the Corporation have the following commitments:

Development and capital expenditure

	The Group 2020	The Group 2019	The Corporation 2020	The Corporation 2019
	$ Millions	$ Millions	$ Millions	$ Millions
Amounts approved and contracted for	2,837	2,275	2,828	2,254

As lessor

Future minimum lease receivables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as assets, are analysed as follows:

	2019
	$ Millions
Lease receivables due:	
- Within 1 year	26
- After 1 year but within 5 years	23
- After 5 years	30
	79

	2020
	$ Millions
Lease receivables due:	
- Year 1	25
- Year 2	10
- Year 3	7
- Year 4	6
- Year 5 onwards	31
	79

These are operating leases on leasehold land and buildings. The lease rentals are subject to yearly revision. The payments due are computed without the yearly revision as the quantum has not been determined.

27 RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, related parties refer to subsidiaries, joint ventures, Ministries, Organs of State, other Statutory Boards and key management personnel. The transactions with Government-related entities other than Ministries, Organs of State, and other Statutory Boards, are not disclosed unless there are circumstances to indicate that these transactions are of interest to the readers of the financial statements.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. These balances are unsecured and non-interest bearing.

Other than as disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties during the financial year:

	The Group and Corporation	
	2020	2019
	$ Millions	$ Millions
The Corporation's transactions with:		
Singapore Land Authority:		
- Purchase of land	(337)	(624)
Agency for Science, Technology and Research:		
- Rental income and others	147	140
Ministry of Law:		
- Proceeds from return of land to Government	-	90
Land Transport Authority:		
- Proceeds from return of land to Government	-	255
Key Management Personnel:		
- Fees paid to Board members and firms in which Board members are directors	1	1
- Income received from firms in which Board members are directors	8	15

28 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	The Group		The Corporation	
	2020	2019	2020	2019
	$ Millions	$ Millions	$ Millions	$ Millions
Financial assets				
At amortised cost	8,838	8,413	8,333	7,938
Financial liabilities				
At amortised cost	1,028	1,119	813	947

(b) Financial risk management policies and objectives

The Group is exposed to financial risk arising from its operations which include foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The risk management objective of the Group is to focus on minimising foreign exchange risk, interest rate risk, credit risk and liquidity risk. The companies within the Group set policies, strategies and mechanisms, which aim at effective management of these risks within their unique operating environment. The policies for managing each of these risks are discussed below.

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

(i) *Foreign exchange risk management*

The Group's operations are not exposed to significant foreign currency risk as its transactions, monetary assets and liabilities are predominantly denominated in Singapore dollars.

Foreign currency sensitivity analysis has not been presented as management do not expect any reasonable possible changes in foreign currency exchange rates to have a significant impact on the Group and the Corporation.

(ii) *Interest rate risk management*

The Group is exposed to interest rate risk on its cash balances placed with reputable financial institutions, and deposits held with AGD and borrowings.

The cash balances are mainly denominated in SGD. At 31 March 2020, if the SGD interest rate had increased/decreased by 0.5% (2019 : 0.5%) with all other variables including tax rate being held constant, the surplus for the year would have been higher/lower by $38 million (2019 : $19 million).

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(iii) ***Credit risk management***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In managing credit risk exposure, credit review and approval processes as well as monitoring mechanisms are applied

The Group's major classes of financial assets are cash and deposits with AGD, trade and other receivables, lease receivables and investment securities which have low risk of default. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments as presented on the statement of financial position.

(iv) ***Liquidity risk management***

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities.

Liquidity risk is managed by matching the payment and receipt cycle. The Group has sufficient cash from operations and credit lines to fund its capital investments and working capital requirements.

Liquidity risk analyses

The inclusion of information on non-derivative financial assets and liabilities is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period and financial liabilities based on the earliest date on which the Group can be required to pay. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset/liability on the statement of financial position.

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	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	More than 5 years	Adjustments	Total
	%	$ Millions	$ Millions	$ Millions	$ Millions	$ Millions
Group						
Financial assets						
2020						
Non-interest bearing	-	319	35	10	-	364
Lease receivables (fixed rate)	4.03	44	187	1,019	(519)	731
Variable interest rate instruments	-	7,252	-	-	-	7,252
Fixed interest rate instruments	1.85	444	47	-	-	491
		8,059	269	1,029	(519)	8,838
2019						
Non-interest bearing	-	411	38	10	-	459
Lease receivables (fixed rate)	4.03	43	182	1,068	(552)	741
Variable interest rate instruments	-	3,462	-	-	-	3,462
Fixed interest rate instruments	3.34	3,751	-	-	-	3,751
		7,667	220	1,078	(552)	8,413
Financial liabilities						
2020						
Non-interest bearing	-	492	13	-	-	505
Variable interest rate instrument	2.70	10	132	-	(10)	132
Fixed interest rate instruments	2.95	32	129	387	(157)	391
		534	274	387	(167)	1,028
2019						
Non-interest bearing	-	612	-	-	-	612
Variable interest rate instrument	2.45	4	100	-	(8)	96
Fixed interest rate instruments	2.96	32	130	419	(170)	411
		648	230	419	(178)	1,119

Notes to Financial Statements
31 March 2020

	Weighted average effective interest rate %	On demand or within 1 year $ Millions	Within 2 to 5 years $ Millions	More than 5 years $ Millions	Adjustments $ Millions	Total $ Millions
Corporation						
Financial assets						
2020						
Non-interest bearing	-	263	-	10	-	273
Lease receivables (fixed rate)	4.03	44	187	1,019	(519)	731
Variable interest rate instruments	-	7,252	-	-	-	7,252
Fixed interest rate instruments	2.84	30	47	-	-	77
		7,589	234	1,029	(519)	8,333
2019						
Non-interest bearing	-	353	-	10	-	363
Lease receivables (fixed rate)	4.03	43	182	1,068	(552)	741
Variable interest rate instruments	-	3,462	-	-	-	3,462
Fixed interest rate instruments	3.50	3,372	-	-	-	3,372
		7,230	182	1,078	(552)	7,938
Financial liabilities						
2020						
Non-interest bearing	-	416	6	-	-	422
Fixed interest rate instruments	2.95	32	129	387	(157)	391
		448	135	387	(157)	813
2019						
Non-interest bearing	-	536	-	-	-	536
Fixed interest rate instruments	2.96	32	130	419	(170)	411
		568	130	419	(170)	947

Notes to Financial Statements
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(v) Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities as reported on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes.

(c) Capital management policies and objectives

The Group manages its capital to ensure that it will be able to continue as a going concern while fulfilling its objective as a statutory board.

The capital structure of the Group consists of accumulated surplus and capital account. The overall strategy of the Group remains unchanged from the previous financial year.

29 RECLASSIFICATION AND COMPARATIVE FIGURES

Reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been amended on the statement of financial position, statement of comprehensive income, consolidated statement of cash flows, and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

	The Group	
	Before reclassification 31 March 2019 $ Millions	After reclassification 31 March 2019 $ Millions
Statement of financial position		
Property, plant and equipment	837	954
Investment properties	18,599	18,482
Statement of comprehensive income/ Consolidated statement of cash flows		
Depreciation of property, plant and equipment	58	59
Depreciation of investment properties	343	342

Notes to Financial Statements
31 March 2020

30 OTHER MATTERS

On 11 March 2020, the World Health Organisation declared the 2019 Novel Coronavirus ("Covid-19") outbreak a pandemic. The spread of Covid-19 has created a high level of uncertainty to the near-term global economic prospects and caused disruptions to various businesses. Singapore announced on 3 April 2020 a stringent set of preventive measures collectively referred to as "circuit breaker" to be applied from 7 April 2020 to 4 May 2020, which was subsequently extended to 1 June 2020.

The Covid-19 outbreak is expected to have a negative impact on the Group's financial performance for the next financial year due to general market uncertainty and volatility.

As the situation relating to COVID-19 remains uncertain, it is currently not possible to ascertain the full financial impact it may have on the Group for the year ending 31 March 2021. Notwithstanding the above, management has assessed that the Group has sufficient liquidity to continue as a going concern for at least the next 12 months from 31 March 2020.