

**Phillip Brokerage Pte Ltd
and its Subsidiaries
Registration Number: 199207062D**

**Annual Report
Year ended 30 June 2022**

Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 June 2022.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS72 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Lim Hua Min
Loh Hoon Sun
Lim Wah Tong
Lim Wen Jiang Luke
Lim Wen Sheong Linus

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ("the Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Phillip Brokerage Pte Ltd		
- ordinary shares		
Lim Hua Min	64,727,500	64,727,500
Lim Wah Tong	3,807,500	3,807,500

By virtue of Section 7 of the Act, Lim Hua Min is deemed to have interests in the wholly-owned subsidiaries of the Company, at the beginning and at the end of the financial year.

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

Share options

During the financial year, there were:

- (i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Lim Wen Sheong Linus
Director



Lim Wah Tong
Director

13 December 2024



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Independent auditors' report

Members of the Company
Phillip Brokerage Pte Ltd

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Phillip Brokerage Pte Ltd (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2022, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS72.

In our opinion, the accompanying consolidated financial statements of the Group and the statements of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (“the Act”) and Financial Reporting Standards in Singapore (“FRSs”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' 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 *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.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' 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 auditors' 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 scepticism throughout the audit. We also:

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

- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

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



KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

13 December 2024

Statements of financial position
As at 30 June 2022

	Note	Group	Company		
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Property, plant and equipment	4	19,217	22,641	—	—
Intangible assets and goodwill	5	3,694	4,097	—	—
Subsidiaries	6	—	—	213,651	211,984
Investments in equity-accounted investees	7	15,943	12,726	2,975	2,975
Investments	8	110,200	145,846	4,386	3,411
Deferred tax assets	9	2,624	2,785	—	—
Trade and other receivables	10	27,943	27,922	—	—
Non-current assets		<u>179,621</u>	<u>216,017</u>	<u>221,012</u>	<u>218,370</u>
Investments	8	57,672	51,685	702	757
Trade and other receivables	10	1,455,364	1,260,572	26,231	7,640
Cash and cash equivalents	11	314,955	350,109	1,176	1,059
Current assets		<u>1,827,991</u>	<u>1,662,366</u>	<u>28,109</u>	<u>9,456</u>
Total assets		<u>2,007,612</u>	<u>1,878,383</u>	<u>249,121</u>	<u>227,826</u>
Equity					
Share capital	12	76,150	76,150	76,150	76,150
Reserves	13	(54,379)	9,511	1,464	489
Retained earnings		<u>173,439</u>	<u>131,172</u>	<u>(19,041)</u>	<u>(20,804)</u>
Equity attributable to owners of the Company		<u>195,210</u>	<u>216,833</u>	<u>58,573</u>	<u>55,835</u>
Non-controlling interests	26	26,160	23,922	—	—
Total equity		<u>221,370</u>	<u>240,755</u>	<u>58,573</u>	<u>55,835</u>
Liabilities					
Deferred tax liabilities	9	25,068	35,153	526	503
Lease liabilities		1,941	5,557	—	—
Loans and borrowings	14	173,455	155,155	170,177	151,223
Trade and other payables	15	645	1,645	—	—
Employee benefits	27	4,320	5,608	—	—
Non-current liabilities		<u>205,429</u>	<u>203,118</u>	<u>170,703</u>	<u>151,726</u>
Bank overdrafts	11	4,949	787	—	—
Lease liabilities		3,539	4,208	—	—
Loans and borrowings	14	218,688	207,581	16,547	16,837
Trade and other payables	15	1,352,483	1,217,333	3,298	3,428
Tax payable		1,154	4,601	—	—
Current liabilities		<u>1,580,813</u>	<u>1,434,510</u>	<u>19,845</u>	<u>20,265</u>
Total liabilities		<u>1,786,242</u>	<u>1,637,628</u>	<u>190,548</u>	<u>171,991</u>
Total equity and liabilities		<u>2,007,612</u>	<u>1,878,383</u>	<u>249,121</u>	<u>227,826</u>

The accompanying notes form an integral part of these financial statements.

Consolidated statement of profit or loss
Year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Fee and commission income	17	162,143	156,690
Fee and commission expense	17	(37,260)	(37,786)
Net fee and commission income		<u>124,883</u>	<u>118,904</u>
Net trading income	18	8,825	16,359
Other income	19	12,600	10,045
Personnel expenses	20	(83,412)	(85,878)
Depreciation	4	(6,235)	(6,291)
Amortisation	5	(1,263)	(1,323)
Other expenses		<u>(38,920)</u>	<u>(34,623)</u>
Profit from operations		<u>16,478</u>	<u>17,193</u>
Share of profits from investments in equity-accounted investees (net of tax)	7	3,292	3,085
Finance income – net	21	22,859	19,632
Net monetary gain arising from hyperinflationary economy		<u>6,205</u>	<u>–</u>
Profit before tax	22	<u>48,834</u>	<u>39,910</u>
Tax expense	23	<u>(11,875)</u>	<u>(12,622)</u>
Profit for the year		<u>36,959</u>	<u>27,288</u>
Profit attributable to:			
Owners of the Company		34,080	24,404
Non-controlling interests	26	<u>2,879</u>	<u>2,884</u>
		<u>36,959</u>	<u>27,288</u>

The accompanying notes form an integral part of these financial statements.

Consolidated statement of comprehensive income
Year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Profit for the year		36,959	27,288
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net change in fair value of equity investments at FVOCI		(9,392)	(2,908)
Defined benefit plan remeasurements	27	623	3
Others		(351)	761
		<u>(9,120)</u>	<u>(2,144)</u>
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		(46,286)	(21,268)
Hyperinflationary adjustments		(6,945)	–
		<u>(53,231)</u>	<u>(21,268)</u>
Other comprehensive income for the year, net of tax		<u>(62,351)</u>	<u>(23,412)</u>
Total comprehensive income for the year		<u>(25,392)</u>	<u>3,876</u>
Total comprehensive income attributable to:			
Owners of the Company		(27,630)	1,573
Non-controlling interests	26	2,238	2,303
Total comprehensive income for the year		<u>(25,392)</u>	<u>3,876</u>

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity
Year ended 30 June 2022

	Attributable to owners of the Company								
	Share capital \$'000	Translation reserve \$'000	Fair value reserve \$'000	Legal reserve \$'000	Other reserve \$'000	Retained earnings \$'000	Total \$'000	Non- controlling interests \$'000	Total equity \$'000
At 1 July 2020	76,150	(74,568)	105,289	1,400	64	106,925	215,260	21,619	236,879
Total comprehensive income for the year									
Profit for the year	—	—	—	—	—	24,404	24,404	2,884	27,288
Other comprehensive income									
Foreign currency translation differences	—	(20,687)	—	—	—	—	(20,687)	(581)	(21,268)
Net change in fair value of equity investments at FVOCI	—	—	(2,908)	—	—	—	(2,908)	—	(2,908)
Defined benefit plan remeasurements	—	—	—	—	907	14	3	3	3
Others	—	—	—	—	—	(160)	761	—	761
Total other comprehensive income	—	(20,687)	(2,908)	907	14	(157)	(22,831)	(581)	(23,412)
Total comprehensive income for the year									
At 30 June 2021	76,150	(95,255)	102,381	2,307	78	131,172	216,833	23,922	240,755

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (continued)
Year ended 30 June 2022

Attributable to owners of the Company							Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Translation reserve \$'000	Fair value reserve \$'000	Legal reserve \$'000	Other reserve \$'000	Retained earnings \$'000	Total \$'000	
At 1 July 2021	76,150	(95,255)	102,381	2,307	78	131,172	216,833	23,922
Business combination under common control	–	–	–	–	–	15	15	–
Hyperinflation restatement to 1 July 2022	–	–	(3,671)	1,082	–	8,580	5,991	5,991
Total comprehensive income for the year	–	–	–	–	–	34,080	34,080	2,879
Profit for the year	–	–	–	–	–	34,080	34,080	2,879
Other comprehensive income								36,959
Foreign currency translation differences	–	(45,645)	–	–	–	–	(45,645)	(641)
Net change in fair value of equity investments at FVOCI	–	–	(9,392)	–	–	–	(9,392)	–
Hyperinflationary adjustments	–	–	(6,945)	–	–	–	(6,945)	(6,945)
Defined benefit plan remeasurements	–	–	–	(536)	–	–	623	623
Related tax	–	–	–	–	860	357	(124)	(660)
Others	–	–	–	–	–	357	(907)	310
Total other comprehensive income	–	(45,645)	(16,873)	860	357	(408)	(61,709)	(641)
Total comprehensive income for the year	–	(45,645)	(16,873)	860	357	33,672	(27,629)	2,238
At 30 June 2022	76,150	(140,900)	81,837	4,249	435	173,439	195,210	26,160
								221,370

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows
Year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Profit for the year		36,959	27,288
Adjustments for:			
Finance income	21	(35,745)	(30,658)
Fair value changes in investments carried at FVTPL	18	(8,825)	(16,359)
Dividend income	19	(5,309)	(5,136)
Depreciation	4	6,235	6,291
Amortisation	5	1,263	1,323
Impairment loss recognised on trade and other receivables	10	247	310
Finance costs	21	14,114	11,876
Gain on sale of financial assets at FVTPL	19	(3,604)	(3,033)
Gain on sale of property, plant and equipment		(14)	(5)
Loss on disposal of intangible assets		337	26
Share of profit of equity-accounted investees, net of tax	7	(3,292)	(3,085)
Tax expense	23	11,875	12,622
Net monetary gain arising from hyperinflationary economy		(6,205)	—
		8,036	1,460
Changes in:			
- trade and other receivables, including prepayments		(182,861)	(228,129)
- investments		14,003	813
- trade and other payables, including provision and employee benefits		131,753	141,978
Cash flows used in operating activities		(29,069)	(83,878)
Finance income received		35,186	30,148
Finance costs paid		(14,447)	(12,218)
Repayment of borrowings		(16,965)	(2,790)
Proceeds from borrowings		46,373	103,753
Tax paid		(15,322)	(9,784)
Net cash from operating activities		5,756	25,231

The accompanying notes form an integral part of these financial statements.

Consolidated statement of cash flows (continued)
Year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from investing activities			
Dividends received		5,308	5,136
Proceeds from sale of property, plant and equipment		1,234	244
Proceeds from sale of investments		—	101
Acquisition of property, plant and equipment	4	(2,134)	(6,335)
Acquisition of intangible assets	5	(1,602)	(1,460)
Net cash from/(used in) investing activities		<u>2,806</u>	<u>(2,314)</u>
Cash flows from financing activities			
Interest paid	24	(572)	(568)
Payment of lease liabilities	24	(4,877)	(4,348)
Net cash used in financing activities		<u>(5,449)</u>	<u>(4,916)</u>
Net increase in cash and cash equivalents			
Cash and cash equivalents at 1 July		3,113	18,001
Effect of exchange rate fluctuations on cash held		349,322	352,763
Cash and cash equivalents at 30 June	11	<u>(42,429)</u>	<u>(21,442)</u>
		<u>310,006</u>	<u>349,322</u>

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 13 December 2024.

1 Domicile and activities

Phillip Brokerage Pte Ltd (the “Company”) is incorporated in the Republic of Singapore. The address of the Company’s registered office is 250 North Bridge Road #06-00, Raffles City Tower, Singapore 179101.

The financial statements of the Group as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the ‘Group’ and individually as ‘Group entities’) and the Group’s interest in equity-accounted investees.

The principal activities of the Company are those of an investment holding company. The principal activities of the subsidiaries are stated in Note 6.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (“FRS”). The changes to significant accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

Application of IAS 29, Financial Reporting in Hyperinflationary Economies for Group entities whose functional currency is the Turkish Lira

The Turkish economy was designated as hyperinflationary for reporting periods ending on or after 30 April 2022. As a result, IAS 29, Financial Reporting in Hyperinflationary Economies has been applied for Group entities whose functional currency is the Turkish Lira.

The assets, liabilities, equity items, income and expenses of the Group’s foreign operations in Turkey are translated to Singapore dollars at the exchange rate at the reporting date. Prior to that, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the reporting date.

The application of IAS 29 includes:

- Adjustment of historical cost non-monetary assets and liabilities for the change in purchasing power caused by inflation from the date of initial recognition to the reporting date;
- Adjustment of the income and expenses for inflation during the reporting period;

- The income and expenses are translated at the foreign exchange rate at the reporting date instead of an average rate; and
- Adjustment of the income and expenses to reflect the impact of inflation and exchange rate movement on holding monetary assets and liabilities in local currency.

Hyperinflationary adjustments are based on available data for changes in the Consumer Price Index published by the Turkish Statistical Institute.

Net monetary gain/(loss) arising from hyperinflationary economies is derived as the difference resulting from the restatement of non-monetary assets and liabilities, owners' equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to management.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the management.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the Note 16 - Financial instruments.

Impairment allowance on trade receivables

The Group provides impairment allowance on trade receivables on outstanding amounts due from its customers as disclosed in Note 10 whereby objective evidence of impairment exists.

The Group evaluate the collectability on an individual accounts basis and assess the recoverable amount by taking into consideration the customer creditworthiness, history of repayment for customers who entered into debt repayment arrangement as well as the outcome of legal proceedings when making a judgement to evaluate the adequacy of the impairment allowance.

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 July 2021:

- Amendment to FRS 116: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to FRS 103: *Reference to the Conceptual Framework*
- Amendments to FRS 16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to FRS 37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to FRSs 2018-2020

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see note ii). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group measures goodwill at the date of acquisition as:

- the consideration transferred (generally measured at fair value); plus
- the recognised amount of any non-controlling interests (“NCI”) in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree’s net assets in the event of liquidation are measured either at fair value or at the NCI’s proportionate share of the recognised amounts of the acquiree’s identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition- date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Acquisition from entity under common control

Business combinations arising from transfers of interests in entity that is under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the consolidated financial statements of the Group's controlling shareholder. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

(iv) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as fair value through other comprehensive income financial asset depending on the level of influence retained.

(v) Investments in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

Investments in equity accounted investees are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vii) Subsidiaries and equity-accounted investees in the separate financial statements

Investments in subsidiaries and equity-accounted investees are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions, adjusted for hyperinflationary effects as described in note 2.2, where applicable. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined, adjusted for hyperinflationary effects as described in note 2.2, where applicable. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss, except for the following differences which are recognised in other comprehensive income arising on the translation of an investment in equity securities designated as at FVOCI (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations, excluding the Group's foreign operations in Turkey which is a hyperinflationary economy, are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI.

For foreign operations in hyperinflationary economies, the income statement and non-monetary items in the foreign operation's statement of financial position are first restated to reflect charges in the general purchasing power of the foreign operation's functional currency based on the inflation rate up to the reporting date, with the resultant adjustment taken to the foreign operation's income statement as a net gain or loss on monetary items. All amounts (i.e. assts, liabilities, equity items, income and expenses) are then translated to Singapore dollars at the exchange rate prevailing at the reporting date, with the differences from opening balances recognised in other comprehensive income, and presented within equity in foreign currency translation reserve.

When a foreign operation is disposed of such that control, or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised bank overdrafts, loans and borrowings and trade and other payables.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

(vi) Derivative financial instruments

Derivative financial instruments

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

(vii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for hyperinflationary effects as described in note 2.2, where applicable.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset, adjusted for hyperinflationary effects as described in note 2.2, where applicable, less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Buildings	20 years
• Leasehold improvement	5 years
• Fixtures and fixtures	2-15 years
• Office equipment	3-10 years
• Computer equipment	2-5 years
• Motor vehicles	4-5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses, adjusted for hyperinflationary effects as described in note 2.2, where applicable. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, adjusted for hyperinflationary effects as described in note 2.2, where applicable.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value, adjusted for hyperinflationary effects as described in note 2.2, where applicable.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

• Computer software	3-5 years
• Web development cost	3 years
• Business license	3-5 years
• Telephone and trading rights	10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Leases

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

(i) As a lessee

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

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

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

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- amounts expected to be payable under a residual value guarantee.

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

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

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

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

3.7 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances ECL on financial assets measured at amortised costs, and debt investments measured at FVOCI.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

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

Presentation of allowance for ECLs in the statement of financial position

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

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

(ii)

Non-financial assets

The carrying amounts of the Group’s non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (“CGU”) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an equity-accounted investee is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an equity-accounted investee is tested for impairment as a single asset when there is objective evidence that the investment in an equity accounted investee may be impaired.

3.8 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets are deducted. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income. Net interest expenses and other expenses related to defined benefit plans in employee benefits expense in profit or loss.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.9 Revenue

(i) Services sold

Revenue from sale of services in the ordinary course of business is recognised when the Group satisfies a performance obligation (“PO”) by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

(ii) Gain (loss) on trading in securities and derivatives

Gain (loss) on trading in securities and derivatives is recognised in profit or loss at the date of the transactions.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date the Company and its subsidiaries' rights to receive payments is established.

3.10 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.11 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and equity-accounted investees to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.12 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 July 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Group's consolidated financial statements and Company's statement of financial position.

- FRS 117 *Insurance Contracts* and Amendments to *FRS 117 Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to FRS 1)
- *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to FRS 116)
- *Reference to the Conceptual Framework* (Amendments to FRS 103)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to FRS 16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to FRS 37)
- *Annual Improvements to FRSs 2018 – 2020*
- *Disclosure of Accounting Policies* (Amendments to FRS 1 and FRS Practice Statement 2)
- *Definition of Accounting Estimates* (Amendments to FRS 8)
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
(Amendments to FRS 12)

4 Property, plant and equipment

Group	Land \$'000	Building \$'000	Leasehold improvement \$'000	Furniture and fixtures \$'000	Office equipment \$'000	Computer equipment \$'000	Motor vehicles \$'000	Leasehold work-in- progress \$'000	Right of use assets* \$'000	Total \$'000
Cost										
At 1 July 2020	4,763	3,287	5,763	4,990	4,558	16,311	1,621	4	17,324	58,621
Additions	2,957	422	404	1,321	86	966	147	32	2,957	9,292
Disposals	–	–	(355)	(11)	(261)	(332)	(43)	(4)	(1,100)	(2,106)
Effect of movements in exchange rates	(1,142)	(337)	(477)	(656)	(268)	(947)	(88)	(20)	(924)	(4,859)
At 30 June 2021	<u>6,578</u>	<u>3,372</u>	<u>5,335</u>	<u>5,644</u>	<u>4,115</u>	<u>15,998</u>	<u>1,637</u>	<u>12</u>	<u>18,257</u>	<u>60,948</u>
At 1 July 2021 Hyperinflation restatement to 1 July 2021	5,353	1,212	968	4,190	–	–	37	–	1,661	13,421
At 1 July 2021, restated	11,931	4,584	6,303	9,834	4,115	15,998	1,674	12	19,918	74,369
Additions	–	2	202	612	212	882	219	5	1,545	3,679
Disposals	–	–	(180)	(98)	(106)	(194)	(567)	–	(2,113)	(3,258)
Effect of movements in exchange rates and hyperinflation adjustment	(5,002)	(1,239)	(1,025)	(3,365)	(171)	(895)	(86)	(14)	(2,332)	(14,129)
At 30 June 2022	<u>6,929</u>	<u>3,347</u>	<u>5,300</u>	<u>6,983</u>	<u>4,050</u>	<u>15,791</u>	<u>1,240</u>	<u>3</u>	<u>17,018</u>	<u>60,661</u>

Group	Land \$'000	Building \$'000	Leasehold improvement \$'000	Furniture and fixtures \$'000	Office equipment \$'000	Computer equipment \$'000	Motor vehicles \$'000	Leasehold work-in- progress \$'000	Right of use assets* \$'000	Total \$'000
Accumulated depreciation and impairment losses										
At 1 July 2020										
Depreciation	–	136	4,854	3,977	4,101	15,446	1,387	–	5,149	36,347
Disposals	–	–	(322)	(10)	453	175	124	–	4,400	6,291
Effect of movements in exchange rates	–	–	(87)	(375)	(389)	(247)	(329)	(43)	–	(903)
At 30 June 2021	–	1,482	4,503	4,031	3,769	14,815	1,395	(73)	–	(1,867)
At 1 July 2021 Hyperinflation restatement to 1 July 2021										
At 1 July 2021, restated	–	32	516	2,883	–	–	–	12	–	367
Depreciation	–	1,514	5,019	6,914	3,769	14,815	1,407	–	8,679	42,117
Disposal	–	137	324	575	209	693	157	–	4,140	6,235
Effect of movements in exchange rates and hyperinflation adjustment	–	–	(148)	(99)	(96)	(189)	(555)	–	(951)	(2,038)
At 30 June 2022	–	1,463	4,590	5,259	3,718	14,535	951	(58)	–	10,928
Carrying amounts										
At 1 July 2020	4,763	1,854	909	1,013	457	865	234	4	12,175	22,274
At 30 June 2021	6,578	1,890	832	1,613	346	1,183	242	12	9,945	22,641
At 30 June 2022	6,929	1,884	710	1,724	332	1,256	289	3	6,090	19,217

* Right-of-use assets of \$6.09 million (2021: \$9.95 million) related to leased office spaces, office equipment and motor vehicles. (see Note 24).

5 Intangible assets and goodwill

Group	Computer software \$'000	Web development cost \$'000	Business license \$'000	Telephone rights \$'000	Trading rights \$'000	Computer software under development \$'000		Total \$'000
						Goodwill \$'000	Goodwill \$'000	
Cost								
At 1 July 2020	14,584	3,833	291	39	86	1,992	498	21,323
Additions	642	—	—	—	—	—	818	1,460
Disposals	(26)	—	—	—	—	—	—	(26)
Effect of movement in exchange rates	(746)	(86)	(15)	(2)	(2)	151	(152)	(852)
At 30 June 2021	<u>14,454</u>	<u>3,747</u>	<u>276</u>	<u>37</u>	<u>84</u>	<u>2,143</u>	<u>1,164</u>	<u>21,905</u>
 At 1 July 2021								
Hyperinflation restatement to 1 July 2021	1,128	—	—	—	—	—	—	1,128
At 1 July 2021, restated	<u>15,582</u>	<u>3,747</u>	<u>276</u>	<u>37</u>	<u>84</u>	<u>2,143</u>	<u>1,164</u>	<u>23,033</u>
Additions	826	—	—	—	—	—	776	1,602
Disposals	(535)	—	—	—	—	—	—	(535)
Effect of movement in exchange rates and hyperinflation adjustment	(1,636)	(93)	(4)	(6)	(2)	(275)	(517)	(2,533)
At 30 June 2022	<u>14,237</u>	<u>3,654</u>	<u>272</u>	<u>31</u>	<u>82</u>	<u>1,868</u>	<u>1,423</u>	<u>21,567</u>

Group	Computer software \$'000	Web development cost \$'000	Business license \$'000	Telephone rights \$'000	Trading rights \$'000	Goodwill \$'000	Computer software under development \$'000	Total \$'000
Accumulated amortisation and impairment losses								
At 1 July 2020	11,083	3,833	29	—	86	1,992	—	17,023
Amortisation	1,323	—	—	—	—	—	—	1,323
Effect of movement in exchange rates	(599)	(86)	(2)	—	(2)	151	—	(538)
At 30 June 2021	<u>11,807</u>	<u>3,747</u>	<u>27</u>	<u>—</u>	<u>84</u>	<u>2,143</u>	<u>—</u>	<u>17,808</u>
At 1 July 2021	11,807	3,747	27	—	84	2,143	—	17,808
Hyperinflation restatement to 1 July 2021	708	—	—	—	—	—	—	708
At 1 July 2021, restated	12,515	3,747	27	—	84	2,143	—	18,516
Amortisation	1,263	—	—	—	—	—	—	1,263
Disposal	(198)	—	—	—	—	—	—	(198)
Effect of movement in exchange rates and hyperinflation adjustment	(1,336)	(93)	(2)	—	(2)	(275)	—	(1,708)
At 30 June 2022	<u>12,244</u>	<u>3,654</u>	<u>25</u>	<u>—</u>	<u>82</u>	<u>1,868</u>	<u>—</u>	<u>17,873</u>
Carrying amounts								
At 1 July 2020	3,501	—	262	39	—	—	498	4,300
At 30 June 2021	2,647	—	249	37	—	—	1,164	4,097
At 30 June 2022	1,993	—	247	31	—	—	1,423	3,694

6 Subsidiaries

	Company	
	2022 \$'000	2021 \$'000
Unquoted ordinary shares, at cost	226,787	226,887
Less: impairment losses	(67,798)	(67,895)
	<hr/>	<hr/>
Interest in subsidiaries	158,989	158,992
	<hr/>	<hr/>
	54,662	52,992
	<hr/>	<hr/>
	213,651	211,984

The interest in subsidiaries, comprised of loans to the subsidiaries, form part of the Company's net investment in the subsidiaries and are denominated in Singapore dollar, United States dollar and Australian dollar. Loans to subsidiaries denominated in Australian dollar are unsecured and bears a fixed interest rate of 7% (2021: 7%). The remaining loans to subsidiaries are unsecured, interest-free and the repayment is not expected to be within the next 12 months.

Management will determine the recoverable amount of its subsidiaries and assess for impairment if indicators such as continuing operating losses, decline in market share and conditions exist and if such indicators reverse, assess if previously recognised impairment losses should be reversed.

The recoverable amounts of the investments in subsidiaries are determined based on the estimated fair value of the subsidiaries. The change in the balance for impairment loss provision in respect of subsidiaries during the year is as follows:

	Company	
	2022 \$'000	2021 \$'000
At 1 July	67,895	63,982
(Reversal of) impairment loss	(97)	3,913
	<hr/>	<hr/>
At 30 June	67,798	67,895

Details of significant subsidiaries are as follows:

Principal activities	Principal place of business/ Country of incorporation	Ownership interest	
		2022 %	2021 %
PT Phillip Securities Indonesia	Stockbroking	Indonesia	95.00
Phillip Securities (Thailand) Public Company Limited	Stockbroking	Thailand	99.89
King & Shaxson Holdings Limited (f.k.a. Phillip UK Holdings Ltd)	Stockbroking	United Kingdom	100.00
			100.00

Principal activities	Principal place of business/ County of incorporation	Ownership interest	
		2022 %	2021 %
Phillip Securities Japan Co., Ltd	Stockbroking	Japan	100.00
PhillipCapital Menkul Degerler A.S.	Stockbroking	Turkey	100.00
Phillip (Mauritius) Private Limited	Investment holding	Mauritius	100.00
Phillip Capital Holdings Pty Ltd	Investment holding	Australia	99.99
PhillipCapital UK Limited	Stockbroking	United Kingdom	<u>100.00</u>
			<u>100.00</u>

On 8 July 2020, an additional share capital of A\$500,000 was injected to Phillip Capital Holdings Pty Ltd.

On 29 September 2020, an additional share capital of USD\$1,500,000 was converted from loan and injected to PhillipCapital UK Limited.

On 22 October 2020, an additional share capital of USD\$2,000,000 was injected to PhillipCapital Menkul Degerler A.S.

On 19 November 2020, an additional share capital of USD\$2,500,000 was injected to PhillipCapital Menkul Degerler A.S.

On 15 December 2020, an additional share capital of USD\$1,000,000 was converted from loan and injected to PhillipCapital UK Limited.

On 5 March 2021, an additional share capital of USD\$1,000,000 was injected to PhillipCapital UK Limited.

On 17 June 2021, an additional share capital of USD\$1,500,000 was injected to PhillipCapital UK Limited.

7 Investments in equity-accounted investees

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Unquoted ordinary shares, at cost	5,941	5,941	5,835	5,835
Share of post-acquisition results of equity-accounted investees	12,862	9,645	—	—
Less: impairment loss	(2,860)	(2,860)	(2,860)	(2,860)
	15,943	12,726	2,975	2,975

Management will determine the recoverable amount of its equity-accounted investees and assess for impairment if indicators such as continuing operating losses, decline in market share and conditions exist and if such indicators reverse, assess if previously recognised impairment losses should be reversed.

Investments in equity-accounted investees are reviewed for impairment annually. Investments in equity-accounted investees are stated in the Company's statement of financial position at cost less accumulated impairment losses.

There is no changes in the balance for impairment loss provision in respect of equity-accounted investees during the year.

Name of companies (Country of incorporation)	Principal activities	Cost of investment 2022 \$'000	Cost of investment 2021 \$'000	Equity held 2022 %	Equity held 2021 %
<u>Equity-accounted investees</u>					
<i>Held by the Company</i>					
Phillip Capital Holdings Sdn Bhd (Malaysia)	Asset management	5,835	5,835	49.00	49.00
<i>Held through Phillip (Mauritius) Pvt Ltd</i>					
Phillip Services India Private Limited	Insurance agent	106	106	36.43	36.43
		5,941	5,941		

	Phillip Capital Holdings Sdn Bhd \$'000	Phillip Services India Private Limited \$'000	Total \$'000
2021			
Group's interest in net assets of investee at beginning of the year	9,518	125	9,643
Group's share of:			
- profit from continuing operations	2,777	308	3,085
- other comprehensive income	(2)	—	(2)
- total comprehensive income	2,775	308	3,083
Carrying amount of interest in investee at end of the year	<u>12,293</u>	<u>433</u>	<u>12,726</u>
2022			
Group's interest in net assets of investee at beginning of the year	12,293	433	12,726
Group's share of:			
- profit from continuing operations	2,568	724	3,292
- other comprehensive income	(75)	—	(75)
- total comprehensive income	2,493	724	3,217
Carrying amount of interest in investee at end of the year	<u>14,786</u>	<u>1,157</u>	<u>15,943</u>

8 Investments

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Non-current investments				
Investment securities as fair value through other comprehensive income				
- Equity securities (quoted)	65,816	102,532	—	—
- Equity securities (unquoted)	21,547	26,361	4,386	3,411
Investments measured at amortised costs				
- Debt securities	16,430	16,953	—	—
- Others	6,407	—	—	—
	110,200	145,846	4,386	3,411
Current investments				
Investments at amortised costs				
- Government bonds	3,453	3,807	—	—
- Others	—	153	—	—
Investment securities as FVTPL				
- Asset-backed securities	—	3,331	—	—
- Equity securities (quoted)	31,310	27,689	702	757
- Equity securities (unquoted)	203	133	—	—
- Debt securities (quoted)	19,286	16,384	—	—
- Others	1,194	171	—	—
Investment securities as FVOCI				
- Equity securities (quoted)	—	—	—	—
- Equity securities (unquoted)	18	17	—	—
- Debt securities (quoted)	2,208	—	—	—
	57,672	51,685	702	757
Total investments	167,872	197,531	5,088	4,168

Certain equity securities have been designated at FVTPL because they are managed on a fair value basis and their performance is actively managed.

Pledged Government Bonds have been given as guarantee to Capital Markets Board, Istanbul Stock Exchange and Turkish Derivatives Exchange.

Credit and market risks, and fair value measurement

Information about the Group's and the Company's exposures to credit and market risks, and fair value measurement, is included in Note 16.

9 Deferred tax assets and liabilities

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Deductible temporary differences				
Tax losses	34,608	40,071	—	—

Tax losses carried forward

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Group				
Financial assets at fair value through other comprehensive income	—	—	(23,023)	(34,478)
Derivative	57	—	—	—
Employee benefits obligations	1,427	1,625	—	—
Financial assets at FVTPL	—	—	(15)	(55)
Interest income not remitted	—	—	(526)	(503)
Other provisions	110	123	—	(7)
Property, plant and equipment	195	231	(1,423)	(102)
Provision for doubtful debts	623	610	—	—
Others	212	196	(81)	(8)
Net deferred tax assets/(liabilities)	2,624	2,785	(25,068)	(35,153)
Company				
Interest income not remitted	—	—	(526)	(503)
Deferred tax liabilities	—	—	(526)	(503)

Movement in temporary differences during the year

Group	At 1 July 2020 \$'000	Recognised in profit or loss (note 23) \$'000	Recognised in other comprehensive income \$'000	Others \$'000	Exchange differences \$'000	At 30 June 2021 \$'000
						At 30 June 2021 \$'000
2021						
Financial assets at fair value through other comprehensive income	(34,139)	(129)	(2,665)	—	2,455	(34,478)
Employee benefit obligations	1,780	(62)	(2)	—	(91)	1,625
Financial assets at FVTPL	(6)	(49)	—	—	—	(55)
Interest income not remitted	(481)	(22)	—	—	—	(503)
Other provisions	52	60	—	—	4	116
Property, plant and equipment	197	(81)	—	—	13	129
Provision for doubtful debts	621	4	—	—	(15)	610
Others	205	(2)	—	—	(15)	188
Deferred tax assets/(liabilities)	(31,771)	(281)	(2,667)	—	2,351	(32,368)
2022						
Financial assets at fair value through other comprehensive income	(34,478)	(792)	8,648	(1,842)	5,441	(23,023)
Employee benefit obligations	1,625	(8)	(131)	—	(91)	1,427
Financial assets at FVTPL	(55)	40	—	—	—	(15)
Interest income not remitted	(503)	(23)	—	—	—	(526)
Other provisions	116	(2)	—	(4)	(1)	109
Property, plant and equipment	148	89	(1,162)	(885)	583	(1,227)
Provision for doubtful debts	610	30	—	—	(17)	623
Others	170	29	—	(5)	(6)	188
Deferred tax assets/(liabilities)	(32,367)	(637)	8,517	(1,162)	(2,704)	5,909
						(22,444)

Company	At 1 July	Recognised in profit or loss	At 30 June	Recognised in profit or loss	At 30 June
	2020 \$'000	\$'000	2021 \$'000	\$'000	2022 \$'000
Interest income not remitted	(481)	(22)	(503)	(23)	(526)

10 Trade and other receivables

	Group	2022 \$'000	2021 \$'000	Company	2022 \$'000	2021 \$'000
Non-current						
Trade receivables:						
Securities business receivables		2,114	2,168		—	—
Loans and advances		—	—		—	—
Less: allowance for trade receivables		(2,114)	(2,168)		—	—
Other receivables:						
Fixed and Term Deposits with financial institutions - more than 12 months maturity		6,167	6,906		—	—
Security deposits with stock exchange		8,959	8,516		—	—
Deposits		854	742		—	—
Other loans and advances		9,444	10,040		—	—
Advance tax and tax deducted at source		2,474	1,705		—	—
Others		31	12		—	—
Less: allowance for other receivables		(10)	(12)		—	—
Non-current receivables		27,919	27,909		—	—
Prepayments		24	13		—	—
		27,943	27,922		—	—
Allowance for doubtful trade receivables						
At beginning of financial year		(2,168)	(839)		—	—
Addition during the year		—	(1,361)		—	—
Translation		54	32		—	—
At end of financial year		(2,114)	(2,168)		—	—

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Allowance for doubtful other receivables				
At beginning of financial year	(12)	(64)	—	—
Reversal during the year	—	58	—	—
Translation	2	(6)	—	—
At end of financial year	(10)	(12)	—	—
Current				
Trade receivables:				
Management fee receivables	21	21	—	—
Receivables from clearing house	84,424	83,762	—	—
Securities collateral receivables	2,811	12,914	—	—
Derivative business receivables	19,595	16,341	—	—
Securities business receivables	731,876	764,505	—	—
Loans and advances	221,689	244,704	—	—
Other assets	37,554	36,543	—	—
Less: allowance for trade receivables	(1,874)	(1,817)	—	—
Total trade receivables	1,096,096	1,156,973	—	—
Other receivables:				
Fixed and term deposits with financial institutions - more than 3 months maturity but less than 12 months	152,599	73,407	—	—
Deposits	169,936	9,122	—	—
Interest receivables	2,354	1,592	1,008	1,289
Loans and advances to customers	—	127	—	—
Loan to a subsidiary	—	—	1,500	1,500
Amounts due from related parties (non-trade)	27,022	9,635	24,594	6,040
Loans to staff	36	263	—	—
Other assets	4,821	6,862	22	22
Less: allowance for other receivables	—	—	(893)	(1,211)
Current loans and receivables	1,452,864	1,257,981	26,231	7,640
Prepayments	2,500	2,591	—	—
	1,455,364	1,260,572	26,231	7,640
Total loans and receivables	1,480,783	1,285,890	26,231	7,640
Total trade and other receivables	1,483,307	1,288,494	26,231	7,640

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Allowance for doubtful trade receivables				
At beginning of financial year	(1,817)	(2,943)	—	—
(Addition)/Reversal during the year	(247)	993	—	—
Translation	190	133	—	—
At end of financial year	(1,874)	(1,817)	—	—
Allowance for doubtful other receivables				
At beginning of financial year	—	—	(1,211)	(1,527)
Addition during the year	—	—	318	316
At end of financial year	—	—	(893)	(1,211)

Loan to a subsidiary

Loan to a subsidiary is unsecured, interest at 3% (2021: 3%) and repayable on demand.

Amounts due from related parties

Amounts due from related parties are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances.

Credit and market risks, and impairment losses

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables are disclosed in Note 16.

11 Cash and cash equivalents

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash on hand	31	45	—	—
Bank balances	99,450	125,557	1,176	1,059
Short-term liquid investments	531	905	—	—
Fixed and Term Deposits with financial institutions - less than 3 months maturity	33,831	34,302	—	—
Deposits with non-bank financial institutions	181,112	161,742	—	—
Money market fund	—	27,558	—	—
Cash and cash equivalents in the statements of financial position	314,955	350,109	1,176	1,059
Bank overdrafts	(4,949)	(787)	—	—
Cash and cash equivalents in the statement of cash flows	310,006	349,322	1,176	1,059

12 Share capital

Share capital

Company	Ordinary shares		No. of shares	
	2022 \$'000	2021 \$'000	2022	2021
In issue at 1 July and 30 June	76,150	76,150	76,150	76,150

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

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base in order to support its business and maximize shareholders' value at all times. Capital comprises paid up share capital, reserve and accumulated profits. The Group's capital structure is regularly reviewed and managed by the management. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group, to the extent that these do not conflict with the directors' fiduciary duties towards the Group or the provisions of the Singapore Companies Act. There were no changes in the Group's approach to capital management during the year.

Certain subsidiaries are subject to the base capital and financial resources requirements as imposed by their respective regulatory bodies. If not properly monitored and adjusted, the regulatory capital levels could fall below the required minimum amounts set by the regulators, which could expose the respective companies to various sanctions ranging from fines and censure to imposing partial or complete restrictions on their ability to conduct business. To mitigate the risk, the Group continuously evaluates the levels of regulatory capital requirements. These may increase or decrease as required by regulatory capital to accommodate periods of unusual or unforeseen market volatility, and the Group monitors regulatory developments regarding capital requirements and prepare for increases in the required minimum levels of regulatory capital that may occur from time to time in the future.

The Group was in compliance with all externally imposed capital requirements for the financial years ended 30 June 2022 and 2021.

13 Reserves

The reserves of the Group and the Company comprise the following balances:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Translation reserve	(140,900)	(95,255)	—	—
Fair value reserve	81,837	102,381	1,464	489
Legal reserve	4,249	2,307	—	—
Other reserve	435	78	—	—
	(54,379)	9,511	1,464	489

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI (2021: fair value of equity investments designated at FVOCI) until the assets are derecognised or impaired.

Legal reserve

Legal reserve are statutory reserve funds appropriated out from retained earnings based on the prescribed requirements determined by the local Central Banks and not available for dividend distribution to the shareholders.

14 Loans and borrowings

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Non-current liabilities				
Secured bank loans	177	—	—	—
Loan from associate	—	41	—	—
Loans from related parties	3,053	3,884	—	—
Loans from shareholders	170,225	151,230	170,177	151,223
	173,455	155,155	170,177	151,223
Current liabilities				
Secured bank loans	6,724	1,816	—	—
Unsecured bank loans	58,579	97,321	—	—
Unsecured bond issues	31,830	—	—	—
Borrowing on margin transactions	31,141	8,205	—	—
Promissory notes	68,014	57,949	—	—
Working capital loans repayable on demand	2,895	—	—	—
Loans from related parties	18,481	21,217	13,018	13,018
Loan from subsidiary	—	—	3,529	3,819
Others	1,024	21,073	—	—
	218,688	207,581	16,547	16,837
Total loans and borrowings	392,143	362,736	186,724	168,060

Loan from related party amounting to \$3,053,000 (2021: \$2,958,000) is non-trade in nature, unsecured with interest rate of SIBOR+2% and matured on 5 October 2023. The principal and interest of this loan was fully paid on 12 October 2023.

Loan from related party amounting to \$Nil (2021: \$926,000) is non-trade in nature, unsecured with interest rate of 3% and matured on 2 September 2022.

Other loans from related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

Loans from shareholders are non-trade in nature, unsecured, interest-free, and settlement is neither planned nor likely to occur in the foreseeable future.

Working capital loans are secured by pledge of clients shares placed as collateral with the Group.

Loan from subsidiary is non-trade in nature, unsecured, with interest rate of 3% per annum and repayable on demand.

Market and liquidity risks

Information about the Group's and the company's exposure to interest rate, foreign currency and liquidity risk is included in Note 16.

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate %	Year of maturity	Face value \$'000	Carrying amount \$'000
Group					
2022					
Secured bank loan	JPY	1.00 – 1.08	2022	6,658	6,658
Secured bank loan	INR	7.9	2022	66	66
Secured bank loan	INR	7.9	2022	177	177
Working Capital Loans	INR	8.3	2022	1,410	1,410
Working Capital Loans	INR	8.00-9.00	2022	1,485	1,485
Unsecured bank loan	TRY	18.30 – 37	2022	28,130	28,130
Unsecured bank loan	INR	7.5 – 10	2022	30,449	30,449
Unsecured bond issues	TRY	25.06 – 34.71	2022	30,860	31,830
Borrowing on margin transactions	JPY	0.40	NA	29,590	29,590
Borrowing on margin transactions	INR	7.5	NA	1,551	1,551
Promissory Note - Call loan	THB	0.85	2022	3,934	3,934
Promissory Note - Call loan	THB	0.95	2022	7,869	7,869
Promissory Note - Call loan	THB	2.50	2022	5,115	5,115
Promissory Note - Call loan	THB	1.56	2022	19,673	19,673
Promissory Note - Short term loan	THB	2.60	2022	23,608	23,608
Promissory Note - Short term loan	THB	3.60	2022	3,934	3,934
Promissory Note - Short term loan	THB	3.60	2022	3,881	3,881
				198,390	199,360
2021					
Secured bank loan	JPY	1.00 – 1.08	2021	1,816	1,816
Unsecured bank loan	JPY	0.95	2021	35,565	35,565
Unsecured bank loan	TRY	19.05 – 20.25	2021	2,334	2,334
Unsecured bank loan	TRY	20 – 20.75	2021	16,440	16,440
Unsecured bank loan	TRY	Nil	2021	8	8
Unsecured bank loan	INR	7.7	2024	111	111
Unsecured bank loan	INR	8.5	2021	42,863	42,863
Borrowing on margin transactions	JPY	0.40	NA	8,205	8,205
Promissory Note - Call loan	THB	1.45	2021	9,659	9,659
Promissory Note - Call loan	THB	0.85	2021	4,199	4,199
Promissory Note - Call loan	THB	1.56	2021	6,299	6,299
Promissory Note - Call loan	THB	0.85	2021	8,398	8,398
Promissory Note - Call loan	THB	1.56	2021	8,398	8,398
Promissory Note - Short term loan	THB	1.55	2021	12,598	12,598
Promissory Note - Short term loan	THB	1.55	2021	8,398	8,398
				165,291	165,291

15 Trade and other payables

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Non-current				
Deposits	127	169	—	—
Provisions	102	897	—	—
Restoration costs	401	428	—	—
Others	15	151	—	—
	645	1,645	—	—
Current:				
Trade payables				
Securities business payables	845,060	970,458	—	—
Derivative business payables	107,577	106,860	—	—
Due to clearing house	262,524	35,407	—	—
Other trade payables	72,487	38,768	—	—
Other payables				
Deposits received	161	305	—	—
Contract liabilities	47	398	—	—
Withholding tax/tax deducted at source	22,634	7,469	—	—
Amount due to related parties	3,774	3,411	3,228	3,393
Accrued expenses	7,698	12,726	70	35
Others	30,521	41,531	—	—
	1,352,483	1,217,333	3,298	3,428
Total trade and other payables	1,353,128	1,218,978	3,298	3,428

Market and liquidity risks

The Group and the Company's exposures to currency risk and to liquidity risk related to trade and other payables are disclosed in Note 16.

Amounts due to related parties are unsecured, interest-free and repayable on demand.

16 Financial instruments

Financial risk management

Overview

The Group's business activities consist mainly of provision for broking services, forex trading and asset management. The main risks to which the Group is exposed to are credit, liquidity, interest rate, foreign currency and price risks. The Group's overall risk management objective is to effectively manage these risks and seek to minimise potential adverse effects on the financial performance of the Group.

Credit risk

Credit risk is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Group.

The Group's exposure to credit risk arises from its stockbroking, forex trading and investment operations, investments in securities and from transactions with counterparties such as brokers, custodians and banks.

The Group's maximum exposure to credit risk, before taking into account any collateral held or other credit enhancements, equals the carrying amount of on-balance sheet financial assets. Cash and cash equivalents are placed with reputable financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Note	Group		Company	
	Carrying amount		Carrying amount	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Investments	8	167,872	197,531	5,088
Loans and receivables	10	1,480,783	1,285,890	26,231
Cash and cash equivalents	11	314,955	350,109	1,176
		1,963,610	1,833,530	32,495
				12,867

Impairment losses on financial assets recognised in profit or loss were as follows:

	Group	
	2022 \$'000	2021 \$'000
Impairment loss on trade receivables arising from contracts with customers	247	368

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in note 17.

The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

Exposure to credit risk

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Group	
	Carrying amount	
	2022	2021
	\$'000	\$'000
Singapore	22,309	10,224
Indonesia	20,332	23,654
United Kingdom	614,853	675,145
Europe (excluding UK)	70,026	32,978
Japan	62,774	75,338
Thailand	162,667	167,424
Australia	507	793
Hong Kong	7	261
India	35,718	81,900
Turkey	77,125	61,416
Others	29,778	27,840
	<u>1,096,096</u>	<u>1,156,973</u>

The exposure to credit risk for trade receivables at the reporting date by type of counterparty was:

	Group	
	Carrying amount	
	2022	2021
	\$'000	\$'000
Institutional clients	799,346	774,030
Retail clients	291,440	377,368
Others	5,310	5,575
	<u>1,096,096</u>	<u>1,156,973</u>

Expected credit loss assessment

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 June 2022.

Group	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
As at 30 June 2022				
Neither past due nor impaired	—	1,053,187	—	No
Past due 0-30 days	—	14,810	—	No
Past due 31-120 days	—	3,509	—	No
More than 120 days	14.0	28,578	(3,988)	No
		<u>1,100,084</u>	<u>(3,988)</u>	

Group	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
As at 30 June 2021				
Neither past due nor impaired				
	—	1,082,559	—	No
Past due 0-30 days	—	47,247	—	No
Past due 31-120 days	—	2,043	—	No
More than 120 days	13.7	29,109	(3,985)	No
		<u>1,160,958</u>	<u>(3,985)</u>	

Concentration of credit risk relating to trade and receivables is limited due to the Group's many varied customers and related parties. The Group's historical experience in the collection of loans and receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for impairment losses is inherent in the Group's loans and receivables. At the reporting date, there are no significant concentrations of credit risk.

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of loans and receivables not past due or not impaired. These receivables are mainly arising from customers that have a good record with the Group.

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group \$'000
At 1 July 2020	3,782
Impairment loss recognised	368
Translation	(165)
<u>At 30 June 2021</u>	<u>3,985</u>
At 1 July 2021	3,985
Impairment loss recognised	247
Translation	(244)
<u>At 30 June 2022</u>	<u>3,988</u>

The Group has the following credit policies in place and exposure to credit risk is managed through the following:

(a) Securities broking and financing

Credit risk is managed through credit approval, credit exposure, limits setting and monitoring procedures on an on-going basis. Where appropriate, the Group will obtain collateral from its clients.

(b) Cash and cash equivalents

The Group and the Company held cash and cash equivalents of \$310,006,000 and \$1,176,000 respectively at 30 June 2022 (2021: \$349,322,000 and \$1,059,000 respectively). The cash and cash equivalents are held with bank and financial institution counterparties which are rated AA- to AA+.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt investments. The amount of the allowance on cash and cash equivalents is negligible.

(c) Investments and transactions with counterparties

The Group limits its exposure to credit risk on its investments by investing only with counterparties that are credit worthy. Management actively monitors the credit worthiness of each investment based on assessment of regular financial information provided to management. As at each reporting date, management does not expect any counterparty to fail to meet its obligations.

(d) Collateral held as security and other credit enhancements against trade receivables

The Group holds collateral as security and other credit enhancements (not impaired) against loans and receivables with estimated fair values of \$17,168,000 (2021: \$20,297,000). The Group is able to dispose of the collaterals when the customers fail to meet the obligations.

(e) Debt investments

The Group limits its exposure to credit risk on investments held by investing only in liquid debt securities.

The exposure to credit risk for debt investments at amortised cost, FVOCI and FVTPL at the reporting date by geographic region was as follows:

	Group	
	Net carrying amount	
	2022 \$'000	2021 \$'000
United Kingdom	3,453	3,807
Japan	16,430	16,953
India	6,653	6,457
Indonesia	770	—
Turkey	2,632	153
Thailand	12,633	13,429
	<u>42,571</u>	<u>40,799</u>

The following table presents an analysis of the credit quality of debt investments at amortised cost, FVOCI and FVTPL. It indicates whether assets measured at amortised cost or FVOCI were subject to a 12-month ECL or lifetime ECL allowance and, in latter case, whether they were credit-impaired.

Credit rating	Group					
	2022		At amortised cost		2021	
	FVTPL	FVOCI	12-month ECL	12-month ECL	FVTPL	FVOCI
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
BBB- to AAA	6,653	—	3,453	2,957	—	3,808
Unrated	13,827	2,208	16,430	16,929	—	17,105
Carrying amount	<u>20,480</u>	<u>2,208</u>	<u>19,883</u>	<u>19,886</u>	—	<u>20,913</u>

(f) *Non-trade amounts due from related parties*

The Group held non-trade receivables from its related parties of \$27,022,000 (2021: \$9,635,000). These balances are amounts lent to related parties to satisfy short term funding requirements. The Group uses a similar approach for assessment of ECLs for these receivables to those used for debt investments. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's liquidity risk is minimal as it maintains sufficient funds to meet its committed liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Carrying amount \$'000	Contractual cash flows \$'000	Within 1 year \$'000	Between 1-5 years \$'000	More than 5 years \$'000
Group					
2022					
Bank overdrafts	4,949	4,949	4,949	–	–
Loans and borrowings	392,144	392,144	218,689	173,455	–
Trade and other payables	1,353,128	1,353,128	1,352,483	645	–
Lease liabilities	5,480	5,480	3,539	1,941	–
	<u>1,755,701</u>	<u>1,755,701</u>	<u>1,579,660</u>	<u>176,041</u>	<u>–</u>
2021					
Bank overdrafts	787	787	787	–	–
Loans and borrowings	362,736	362,736	207,581	155,155	–
Trade and other payables	1,218,978	1,218,978	1,217,333	1,645	–
Lease liabilities	9,765	9,765	4,208	5,557	–
	<u>1,592,266</u>	<u>1,592,266</u>	<u>1,429,909</u>	<u>162,357</u>	<u>–</u>
Company					
2022					
Loans and borrowings	186,724	186,724	16,547	–	170,177
Trade and other payables	3,298	3,298	3,298	–	–
	<u>190,022</u>	<u>190,022</u>	<u>19,845</u>	<u>–</u>	<u>170,177</u>
2021					
Loans and borrowings	168,060	168,060	16,837	–	151,223
Trade and other payables	3,428	3,428	3,428	–	–
	<u>171,488</u>	<u>171,488</u>	<u>20,265</u>	<u>–</u>	<u>151,223</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to bank deposits, bank loans and bank overdrafts.

At the reporting date, the interest rate profile of the Group's interest earning / bearing financial instruments was:

Exposure to interest rate risk

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management was as follows:

	Group		Company	
	Nominal amount		Nominal amount	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Fixed rate instruments				
Financial assets	473,721	430,422	1,176	1,059
Financial liabilities	(197,155)	(164,384)	—	—
	<u>276,566</u>	<u>266,038</u>	<u>1,176</u>	<u>1,059</u>
Variable rate instruments				
Financial assets	—	—	—	—
Financial liabilities	(3,053)	(2,958)	—	—
	<u>(3,053)</u>	<u>(2,958)</u>	<u>—</u>	<u>—</u>

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

Group	Profit or loss	
	100 bp increase	100 bp decrease
30 June 2022		
Variable rate instruments	<u>(31)</u>	<u>31</u>
30 June 2021		
Variable rate instruments	<u>(30)</u>	<u>30</u>

Foreign currency risk

The Group is exposed to currency risk on investments, trade and other receivables, cash and cash equivalents, trade payables and other payables and accruals that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Singapore dollar ("SGD"), British pounds ("GBP"), Thailand Baht ("THB") and US Dollars ("USD").

The SGD-denominated trade and other receivables are held by subsidiaries whose functional currencies are Japanese Yen, Indian Rupee and Australian Dollar.

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	SGD \$'000	GBP \$'000	THB \$'000	USD \$'000	Others \$'000
Group					
2022					
Investment securities designated at FVOCI	–	–	–	4,273	–
Investment securities measured at amortised cost	–	–	–	–	–
Investment securities designated at FVTPL	–	702	–	–	–
Trade and other receivables	778	5,640	–	542	67,943
Cash and cash equivalents	–	4	22	1,299	2,655
Trade and other payables	–	(3,228)	–	–	–
	778	3,118	22	6,114	70,598
2021					
Investment securities designated at FVOCI	–	–	–	3,299	–
Investment securities measured at amortised cost	–	–	–	1,802	–
Investment securities designated at FVTPL	–	757	–	–	–
Trade and other receivables	568	6,040	–	1,366	228,680
Cash and cash equivalents	–	94	23	1,001	2,896
Trade and other payables	–	(3,393)	–	(463)	(228,612)
	568	3,498	23	7,005	2,964
Company					
2022					
Investment securities designated at FVOCI	–	–	–	4,273	–
Investment securities designated as at FVTPL	–	702	–	–	–
Trade and other receivables	–	5,640	–	43	–
Cash and cash equivalents	–	–	22	518	–
Trade and other payables	–	(3,228)	–	–	–
	–	3,114	22	4,834	–
2021					
Investment securities designated at FVOCI	–	–	–	3,299	–
Investment securities designated as at FVTPL	–	757	–	–	–
Trade and other receivables	–	6,040	–	42	–
Cash and cash equivalents	–	–	23	506	–
Trade and other payables	–	(3,393)	–	–	–
	–	3,404	23	3,847	–

A strengthening of the above currencies against the Singapore dollar, as indicated below at 30 June 2022 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021, albeit that the reasonably possible foreign exchange rate variances were different.

	Group		Company	
	Profit or loss \$'000	Equity \$'000	Profit or loss \$'000	Equity \$'000
30 June 2022				
GBP (10% strengthening)	312	—	312	—
THB (10% strengthening)	2	—	2	—
USD (10% strengthening)	184	427	56	427
Others (10% strengthening)	7,060	—	—	—
30 June 2021				
GBP (10% strengthening)	350	—	340	—
THB (10% strengthening)	2	—	2	—
USD (10% strengthening)	371	330	55	330
Others (10% strengthening)	296	—	—	—

A weakening of the above currencies against the Singapore dollar at 30 June 2022 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Group and the Company hold quoted or marketable financial instruments, and hence, is exposed to movements in market prices.

Sensitivity analysis – equity price risk

A 10 percent increase in the underlying equity prices at the reporting date would have increased/(decreased) equity or profit and loss after tax by the amounts shown below:

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Equity	8,738	12,891	439	341
Profit or loss	3,151	2,782	70	76

A 10 percent decrease in the underlying equity prices at the reporting date would have had the equal but opposite effect to the amounts shown above.

Estimation of fair values

Investments in equity and debt securities

The fair value of quoted financial assets at fair value through profit and loss and fair value through other comprehensive income is determined by reference to their quoted bid prices at the reporting date.

Certain unquoted equity securities at fair value through profit and loss and fair value through other comprehensive income have been recorded at cost as there is no quoted market price in an active market and other means of reasonably ascertaining the fair value are not readily available.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. The carrying amount of the long term deposits with stock exchanges approximates its fair value.

Fair value hierarchy

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 3 fair values relate to unquoted equity securities carried at fair value and funds carried at net asset value. The fair value is determined by reference to the net asset value of the investments prepared by the trustee of the fund.

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Carrying amount	Note	Mandato- rily at FVTPL \$'000	Designated at FVTPL \$'000	Amortised cost*	FVOCL – debt instruments \$'000	FVOCL – equity instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group												
30 June 2022												
Financial assets measured at fair value												
Designated as fair value through other comprehensive income – equity securities	8	–	–	–	2,208	87,381	–	89,589	68,024	4,385	17,180	89,589
Designated as FVTPL equity securities	8	31,513	–	–	–	–	–	31,513	31,310	–	203	31,513
Designated as FVTPL debt securities	8	20,480	–	–	–	–	–	20,480	20,480	–	–	20,480
		51,993	–	–	2,208	87,381	–	141,582	–	–	–	–
Financial assets not measured at fair value												
Debt investments at amortised cost	8	–	–	–	26,290	–	–	–	–	–	26,290	–
Trade and other receivables*	10	–	–	–	1,480,783	–	–	–	–	–	1,480,783	–
Cash and cash equivalents	11	–	–	–	314,955	–	–	–	–	–	314,955	–
		–	–	–	1,815,885	–	–	–	–	–	1,815,885	–
Financial liabilities not measured at fair value												
Bank overdrafts	11	–	–	–	–	–	–	–	(4,949)	(4,949)	(4,949)	–
Loans and borrowings	14	–	–	–	–	–	–	–	(392,144)	(392,144)	(392,144)	–
Trade and other payables	15	–	–	–	–	–	–	–	(1,353,128)	(1,353,128)	(1,353,128)	–
Lease liabilities	–	–	–	–	–	–	–	–	(5,480)	(5,480)	(5,480)	–
		–	–	–	–	–	–	–	(1,755,701)	(1,755,701)	(1,755,701)	–

* Excludes prepayments which are not financial assets

Carrying amount	Note	Mandatorily at FVTPL \$'000	Designated at FVTPL \$'000	Amortised cost* \$'000	FVOCI – debt instruments \$'000	FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Group												
Group												
30 June 2021												
Financial assets measured at fair value												
Designated as fair value through other comprehensive income – equity securities	8	–	–	–	–	128,910	–	128,910	102,532	3,411	22,967	128,910
Designated as FVTPL equity securities	8	27,822	–	–	–	–	–	–	27,822	27,689	–	133
Designated as FVTPL debt securities	8	19,886	–	–	–	–	–	–	19,886	19,886	–	19,886
		47,708	–	–	–	–	–	–	128,910	–	176,618	
Financial assets not measured at fair value												
Debt investments at amortised cost	8	–	–	20,913	–	–	–	–	20,913	–	–	20,913
Trade and other receivables*	10	–	–	1,285,890	–	–	–	–	1,285,890	–	–	1,285,890
Cash and cash equivalents	11	–	–	350,109	–	–	–	–	350,109	–	–	350,109
		–	–	1,636,912	–	–	–	–	1,636,912	–	–	1,636,912
Financial liabilities not measured at fair value												
Bank overdrafts	11	–	–	–	–	–	–	–	(787)	(787)	–	(787)
Loans and borrowings	14	–	–	–	–	–	–	–	(362,736)	(362,736)	–	(362,736)
Trade and other payables	15	–	–	–	–	–	–	–	(1,218,978)	(1,218,978)	–	(1,218,978)
Lease liabilities	–	–	–	–	–	–	–	–	(9,765)	(9,765)	–	(9,765)
		–	–	–	–	–	–	–	(1,592,266)	(1,592,266)	–	(1,592,266)

* Excludes prepayments which are not financial assets

Carrying amount	Note	Designated at FVTPL \$'000	Amortised cost \$'000	FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1	Level 2	Level 3	Total						
							\$'000	\$'000	\$'000	\$'000						
Company																
30 June 2022																
Financial assets measured at fair value																
Designated as fair value through other comprehensive income	8	–	–	4,386	–	4,386	–	–	4,386	–						
- equity securities										4,386						
Designated as fair value through profit or loss	8	702	702	–	–	702	702	–	–	702						
- equity securities										702						
Financial assets not measured at fair value																
Trade and other receivables	10	–	26,231	–	–	–	–	–	26,231	–						
Cash and cash equivalents	11	–	1,176	–	–	–	–	–	1,176	–						
		–	27,407	–	–	–	–	–	27,407	–						
Financial liabilities not measured at fair value																
Loans and borrowings	14	–	–	–	–	(186,724)	(186,724)	(186,724)	(186,724)	–						
Trade and other payables	15	–	–	–	–	(3,298)	(3,298)	(3,298)	(3,298)	–						
		–	–	–	–	(190,022)	(190,022)	(190,022)	(190,022)	–						

Carrying amount	Note	Designated at FVTPL \$'000	Amortised cost \$'000	FVOCI – equity instruments \$'000	Other financial liabilities \$'000	Total \$'000	Level 1	Level 2	Level 3	Total						
							\$'000	\$'000	\$'000	\$'000						
Company																
30 June 2021																
Financial assets measured at fair value																
Designated as fair value through other comprehensive income	8	–	–	3,411	–	3,411	–	3,411	–	3,411						
- equity securities																
Designated as fair value through profit or loss	8	757	–	–	–	757	757	–	–	757						
- equity securities		757	–	3,411	–	4,168										
Financial assets not measured at fair value																
Trade and other receivables	10	–	7,640	–	–	–	–	–	7,640							
Cash and cash equivalents	11	–	1,059	–	–	–	–	–	1,059							
		–	8,699	–	–	–	–	–	8,699							
Financial liabilities not measured at fair value																
Loans and borrowings	14	–	–	–	–	(168,060)	(168,060)									
Trade and other payables	15	–	–	–	–	(3,428)	(3,428)									
		–	–	–	–	(171,488)	(171,488)									

There have been no transfers between the various levels in 2022 and 2021.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Group Unquoted equity securities, at fair value \$'000	Company Unquoted equity securities, at fair value \$'000
30 June 2022		
At 1 July	23,100	—
Purchase	92	
Total gains and losses recognised in other comprehensive income	(14,179)	—
At 30 June	9,013	—
30 June 2021		
At 1 July	24,768	—
Total gains and losses recognised in other comprehensive income	(1,668)	—
At 30 June	23,100	—

17 Fee and commission income (expense)

Group	2022 \$'000	2021 \$'000
Fee and commission income		
<i>Revenue from contracts with customers</i>		
Commission from trading activities	144,141	138,286
- Brokerage income	107,255	105,560
- Underwriting commissions	4,888	2,409
- Fees and commission	31,998	30,317
Investment unit fees	6,294	8,169
Clearing fees	491	528
Collateral handling charges	100	232
Depository services	366	368
Service income	3,206	—
Others	7,545	9,107
Total	162,143	156,690
Fee and commission expense		
Securities business	(8,316)	(10,586)
Derivative business	(2,712)	(2,917)
Exchange and clearing expense	(3,624)	(5,223)
Sub-brokerage fees	(7,608)	(7,586)
Trade cost, net of recoveries	(4,332)	(3,510)
Others	(10,668)	(7,964)
Net fee and commission income	(37,260)	(37,786)
	124,883	118,904

The following tables provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Brokerage income

Nature of goods or services	Brokerage income
When revenue is recognised	The Group earns brokerage income on trade date upon execution of the sale or purchase of securities
Significant payment terms	Brokerage income is deducted from customer's trading account on settlement date.
Obligations for returns and refunds, if any	Not applicable

Underwriting commission

Nature of goods or services	Underwriting commissions
When revenue is recognised	Underwriting commissions is recognized when the obligation under the underwriting or sub-underwriting agreement has expired.
Significant payment terms	Payable on listed date.
Obligations for returns and refunds, if any	Not applicable

Fees and commission

Nature of goods or services	Fees and commission
When revenue is recognised	The Group earns fees and commission from a range of services rendered to its customers. Fees and commissions are generally recognised upon the completion of a transactions. For services provided over a period of time or credit risk undertaken, fees and commissions are amortised over the relevant period. Expenses are offset against gross fees and commissions in the income statement only when they are directly related.
Significant payment terms	Fees revenue invoice is being issued to customers immediately on performance of services. It becomes due on issuance.
Obligations for returns and refunds, if any	Not applicable

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets and type of customers.

	2022 \$'000	2021 \$'000
Group		
Primary geographical markets		
Indonesia	10,022	12,609
United Kingdom	14,269	12,648
Europe (excluding UK)	1,229	525
Japan	16,989	17,103
Thailand	50,603	49,299
Australia	14,955	13,402
India	39,995	33,100
Turkey	13,547	17,564
Others	534	440
Total	162,143	156,690

Contract balances

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	Note	2022 \$'000	2021 \$'000
Trade receivables	10	1,096,096	1,156,973
Contract liabilities	15	<u>47</u>	<u>398</u>

The contract liabilities primarily relate to advance consideration received from customers.

Significant changes in the contract liabilities balances during the period are as follows.

	Contract liabilities 2022 \$'000	Contract liabilities 2021 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	398	549
Increases due to cash received, excluding amounts recognised as revenue during the year	<u>(47)</u>	<u>(398)</u>

18 Net trading income

Group	Group	
	2022 \$'000	2021 \$'000
Net trading income		
- Fixed income	2,737	4,791
- Equities	1,214	9,696
- Foreign exchange	1,262	1,016
- Derivatives	3,698	563
- Others	(86)	293
	8,825	16,359

19 Other income

	Group	
	2022 \$'000	2021 \$'000
Dividend on equity investments designated at FVOCI	5,309	5,136
Gain on sales of financial assets at FVTPL	3,604	3,033
Others	3,687	1,876
	12,600	10,045

20 Personnel expense

	Group	
	2022 \$'000	2021 \$'000
Wages, salaries and bonuses	77,008	78,768
Contribution to Provident Fund	1,667	1,759
Other pension costs	910	991
Employee benefit expenses	953	982
Others	2,874	3,378
	83,412	85,878

21 Finance income

	Group	
	2022 \$'000	2021 \$'000
Interest income		
Loans and advances	20,093	16,710
Interest on late payments	5,333	3,985
Money market instruments and deposits	6,921	6,172
Investment in debt securities	820	682
Others	2,578	3,109
	35,745	30,658

	Group	
	2022	2021
	\$'000	\$'000
Interest expense		
Interest on borrowings	(12,823)	(7,276)
Interest on customers' deposits	(637)	(410)
Interest on bank overdrafts	(234)	(123)
Interest on lease liabilities	(572)	(568)
Others	152	(3,499)
	<hr/>	<hr/>
	(14,114)	(11,876)
 Foreign exchange (loss)/gain (net) - realised		
Foreign exchange gain/(loss) (net) - unrealised	(638)	1,458
Others	2,666	(167)
Finance income – net	<hr/>	<hr/>
	(800)	(441)
	<hr/>	<hr/>
	22,859	19,632
	<hr/>	<hr/>

22

Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2022	2021
	\$'000	\$'000
Advertising and promotion expenses		
Entertainment expenses	(2,099)	(2,401)
Insurance expenses	(703)	(671)
(Impairment losses)/reversal of impairment losses on trade and other receivables	(942)	(870)
	<hr/>	<hr/>
and other receivables	(291)	993
General administrative expenses	(9,943)	(7,587)
Legal and professional fees	(2,409)	(487)
Membership fee	(1,331)	(1,067)
Operating lease rentals	(1,460)	(1,264)
Office supplies	(1,986)	(1,405)
Repair, maintenance and equipment expenses	(2,688)	(2,556)
Property related expenses	(861)	(722)
Transportation and travelling expenses	(1,549)	(1,055)
Telecommunication expenses	(6,640)	(6,264)
Utilities and premises expense	<hr/>	<hr/>
	(1,558)	(1,504)

23 Tax expense

Tax recognised in profit or loss

	Group	
	2022 \$'000	2021 \$'000
Current tax expense		
Current year	10,057	12,343
Adjustment for prior years	19	(2)
	<u>10,076</u>	<u>12,341</u>
Deferred tax expense		
Origination and reversal of temporary differences	1,799	251
Change in unrecognised deductible temporary differences	–	30
	<u>1,799</u>	<u>281</u>
Tax expense on continuing operations	<u>11,875</u>	<u>12,622</u>

Tax expense on continuing operations excludes the Group's share of the tax expense of equity-accounted investees of \$612,216 (2021: \$735,232), which has been included in 'share of profit of equity-accounted investees, net of tax' in the statement of profit or loss.

Reconciliation of effective tax rate

	Group	
	2022 \$'000	2021 \$'000
Profit before tax	<u>48,834</u>	<u>39,910</u>
Tax using the tax rate of Singapore tax rate of 17% (2021: 17%)	8,302	6,785
Effect of tax rates in foreign jurisdictions	2,775	3,687
Effects of results of equity-accounted investees	(31)	187
Non-deductible expenses	1,382	1,189
Tax exempt income	(694)	(388)
Recognition of tax effect of previously unrecognised tax losses	(467)	(407)
Current year losses for which no deferred tax asset was recognised	436	1,305
Over provision in prior years	19	(2)
Others	<u>153</u>	<u>266</u>
	<u>11,875</u>	<u>12,622</u>

24 Leases

Leases as lessee (FRS 116)

The Group leases office spaces, office equipment and motor vehicles. The leases typically run for a period ranging from two to five years, with an option to renew the lease after that date. Lease payments are renegotiated upon expiration of lease terms to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The Group leases office equipment with contract terms of one year. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see Note 4).

	Leased office spaces \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
2022				
Balance at 1 July	9,880	60	5	9,945
Depreciation charge for the year	(4,060)	(80)	—	(4,140)
Additions to right-of-use assets	1,363	182	—	1,545
Disposals	(1,162)	—	—	(1,162)
Reclassifications	—	—	—	—
Effect of movements in exchange rates and hyperinflation adjustments	(98)	—	—	(98)
Balance at 30 June	5,923	162	5	6,090
2021				
Balance at 1 July	12,080	90	5	12,175
Depreciation charge for the year	(4,351)	(49)	—	(4,400)
Additions to right-of-use assets	2,948	9	—	2,957
Disposals	(197)	—	—	(197)
Reclassifications	(11)	11	—	—
Effect of movements in exchange rates	(589)	(1)	—	(590)
Balance at 30 June	9,880	60	5	9,945

Amounts recognised in profit or loss

	2022 \$'000	2021 \$'000
Leases under FRS 116		
Interest on lease liabilities	572	568
Expenses relating to short-term leases	1,460	980
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	—	284

Amounts recognised in statement of cash flows

	2022 \$'000	2021 \$'000
Total cash outflow for leases	5,449	4,916

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

In 2022, the Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of \$4,898,322 (2021: \$5,042,798).

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Note	Group	
		2022 \$'000	2021 \$'000
Balance at 1 July		9,973	12,353
Hyperinflationary adjustments		488	—
Adjusted balance at 1 July		10,461	12,353
 Changes in financing cash flows			
Interest paid		(572)	(568)
Payment of lease liabilities		(4,877)	(4,348)
Total changes from financing cash flows		(5,449)	(4,916)
 The effect of changes in foreign exchange rates		(910)	(733)
 Other changes			
New leases		1,330	2,957
Termination of lease		—	(464)
Interest expenses	21	572	568
Monetary gain arising from hyperinflationary economy		(524)	—
Total liability-related other changes		1,378	3,061
 Balance at 30 June		5,480	9,765

25 Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other related party transactions

Other than disclosed elsewhere in the financial statements, there is no significant transactions with related parties.

26 Non-controlling interests

The following subsidiaries have non-controlling interest (NCI) that are material to the Group.

Name	Ownership interests held by NCI	
	2022	2021
	%	%
PhillipCapital (India) Private Limited	25	25
Phillip Commodities India Pvt Ltd	25	25
Phillip Finance & Investment Services Private Limited	25.04	25.04

The following summarised financial information for the above subsidiaries are prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	Phillip Capital Limited \$'000	Phillip (India) Private Limited \$'000	Phillip Commodities India Pvt Ltd \$'000	Other subsidiaries with intra- group elimination \$'000	Total \$'000
2022					
Fee and commission income - net	25,063	7	1,888		
Net trading income	2,645	955	119		
Other income	1,088	53	211		
Profit	8,996	180	1,737		
Other Comprehensive Income	(2,062)	(356)	(242)		
Total comprehensive income	6,934	(176)	1,495		
Attributable to NCI:					
- Profit	2,250	45	434	174	(24)
- Other comprehensive income	(509)	(89)	(60)	13	4
- Total comprehensive income	1,741	(44)	374	187	(20)
Non-current assets	24,578	952	559		
Current assets	211,868	39,119	42,904		
Non-current liabilities	(631)	(96)	(36)		
Current liabilities	(156,200)	(26,025)	(33,880)		
Net assets	79,615	13,950	9,547		
Net assets attributable to NCI	19,904	3,488	2,387	1,900	(1,519)
Cash flows from operating activities	(35,411)	(4)	11,142		
Cash flows from investing activities	6,871	63	4,706		
Cash flows from financing activities	(670)	—	—		
Net increase in cash and cash equivalents	(29,210)	59	15,848		
					26,160

	Phillip Capital (India) Limited \$'000	Phillip Private Commodities Limited \$'000	Phillip India Pvt Ltd \$'000	Other subsidiaries with intra- group elimination \$'000	Total \$'000
2021					
Fee and commission income - net	21,779	5	398		
Net trading income	4,749	2,285	284		
Other income	539	141	598		
Profit	7,809	1,336	1,248		
Other Comprehensive Income	(1,536)	(307)	(169)		
Total comprehensive income	6,273	1,029	1,079		
Attributable to NCI:					
- Profit	1,952	334	312	180	106
- Other comprehensive income	(384)	(77)	(42)	(75)	(3)
- Total comprehensive income	1,568	257	270	105	103
Non-current assets	28,679	760	393		
Current assets	167,567	40,619	60,400		
Non-current liabilities	(1,440)	(106)	(30)		
Current liabilities	(122,129)	(27,145)	(52,712)		
Net assets	72,677	14,128	8,051		
Net assets attributable to NCI	18,169	3,532	2,013	1,725	(1,517)
					23,922
Cash flows from operating activities	42,054	(97)	(705)		
Cash flows from investing activities	5,369	574	4,411		
Cash flows from financing activities	(662)	—	—		
Net increase in cash and cash equivalents	46,761	477	3,706		

27 Employee benefits

The Group contributes to post-employment defined benefit plans which are administered by pension funds that are legally separated from the Group.

Movement in net defined benefit liability

The following table shows reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

	Group	
	2022 \$'000	2021 \$'000
Balance as 1 July	5,608	5,579
Included in profit or loss:		
Current service cost	716	483
Interest cost	268	156
Administrative expenses	19	61
	1,003	700
Included in other comprehensive income:		
Actuarial gain on obligation	623	3
Effect of movements in exchange rates	(1,710)	(193)
	(1,087)	(190)
Other		
Benefits paid	(1,204)	(481)
Balance at 30 June	4,320	5,608

The following were the actuarial assumptions used to calculate employee benefits:

	Group	
	2022	2021
Discount rate	7.3%-12.9%	6.9%-12.9%
Future salary growth	4%-9%	4%-9%
Retirement age	55-65	55-65

28 Involvement with unconsolidated structured entity

One of the Group's subsidiaries, PhillipCapital (India) Private Limited ("PCI"), established PhillipCapital (India) Private Limited Management Employees Trust ("MET Trust") during the financial year ended 31 March 2013 for the purpose of administration of the employee stock plan. The Group advanced an interest free loan of equivalent of \$10,792,711 (2021: \$11,068,426) to MET Trust for purchase of 12,973,545 equity shares of PCI. Accordingly, the interest free loan outstanding to MET Trust as at year end is \$9,443,560 (2021: \$10,039,786).

The interest free loan advanced to MET Trust represents the Group's maximum exposure to loss from its interest in MET Trust.

29 Subsequent event

On 5 July 2022, the Company acquired 51% of interest in Phillip Capital Holdings Sdn. Bhd. at the consideration of MYR 41,702,778 from an individual non-controlling interest. Upon acquisition, Phillip Capital Holdings Sdn. Bhd. became a wholly owned subsidiary to the Company and the financial information was required to be consolidated from the financial year ended 2023 onwards.

On 5 July 2022, the Company increased its investment in Phillip Capital Holdings Sdn. Bhd. with an issued capital of MYR 60,000,000 comprising of 60,000,000 ordinary shares fully paid.

On 28 July 2022, the Company issued a loan to Phillip Capital holdings Sdn. Bhd. amounting to MYR 40,000,000 with interest at 4% and repayable on demand.

On 3 January 2023, RV Capital Sdn Bhd, a wholly owned subsidiary of the Company's subsidiary, Phillip Capital Holdings Sdn. Bhd., has increased its investment in Eshan Astaka Sdn Bhd with an issued capital of MYR 4,200,000 comprising of 4,200,000 ordinary shares fully paid.

On 27 January 2023, the Company increased its investment in Phillip Capital Holdings Sdn. Bhd. by way of capitalisation of a loan of MYR 40,000,000 to 40,000,000 ordinary shares fully paid.

On 26 January 2024, King & Shaxson Capital Markets, S.V., S.A., a wholly owned subsidiary of the Company's subsidiary, King & Shaxson Holdings Limited, has discontinued its business activities.

On 22 August 2024, the Company has issued a loan to Phillip Capital Holdings Pty Ltd, amounting to AUD 6,150,000 with interest free and repayable on demand.

On 17 September 2024, the Company increased its investment in Phillip Capital Holdings Pty Ltd by way of capitalisation of a loan of AUD 6,150,000 to 6,150,000 million ordinary shares fully paid. On the same day, the Company also increased its investment in Phillip Capital Holdings Pty Ltd with an issued capital of AUD1,000,000 comprising of 1,000,000 million ordinary shares fully paid.

On 21 November 2024, the Company acquired 99.95% of interest in RHB Securities (Thailand) Public Company Limited at a consideration of THB 1,365,000,000. Upon acquisition, RHB Securities (Thailand) Public Company Limited became a direct subsidiary to the Company and the financial information will be required to be consolidated from the financial year ended 2025 onwards.

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Supplementary information				
Trust accounts				
Cash at bank	106,448	129,220	—	—
Equity securities	—	—	—	—
Less:				
Amounts due to clients and remisiers	(106,448)	(129,220)	—	—
	—	—	—	—

Trust accounts are assets held by the Group in fiduciary or management capacities for its customers and which the Group does not exercise control over have not been included in the statements of financial position as such items are not assets of the Group.