RETAIL HOLDINGS N.V.

2020 SUMMARY
ANNUAL REPORT
MARCH 2021

CAUTIONARY STATEMENT WITH RESPECT TO FORWARD-LOOKING STATEMENTS

Statements made herein with respect to the Company's current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of the Company. Forward-looking statements include, but are not limited to, those using words such as believe, expect, anticipate, plan, strategy, prospects, forecast, estimate, project, may or might, and words of similar meaning in connection with a discussion of future operations, financial performance, financial position, capital resources, strategy, and plans and objectives of management. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. All forward-looking statements are based on management's assumptions and beliefs, which are expressed in light of the information available to management at the time; the ultimate outcome in many cases is outside of management's control and may be substantially different than anticipated. The Company cautions that no assurance can be given that expectations reflected in forward-looking statements will prove to be correct, that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and, therefore, that you should not place undue reliance on such forward-looking statements. You should not assume that the information contained in this Summary Annual Report is accurate as of any date other than the date for which the information is presented. You should not rely on any obligation to update or revise any information, including any forward-looking statements, whether as a result of new information, future events or otherwise. The Company disclaims any such obligation. Risks and uncertainties that might affect the Company and its ultimate liquidation value include, but are not limited to: general economic, political and security conditions, particularly in India, including levels of consumer spending; exchange rates, particularly between the U.S. dollar and the Indian Rupee; Singer India's ability to continue to win acceptance of its products and services, which are offered in a highly competitive market; Singer India's continued ability to collect on outstanding receivables; continuing relationships with financial institutions, suppliers and other creditors; and the outcome of contingencies.

Important information regarding risks and uncertainties is also set forth elsewhere herein including, without limitation, in the section "Certain Risk Factors", and in the audited consolidated financial statements included in Financial Statements.

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NOTES

As used herein, except as the context otherwise requires, the term "Company" or "Group" refers to Retail Holdings N.V., together with its subsidiaries and affiliates; the term "ReHo" refers to Retail Holdings N.V., the ultimate Curacao public holding company, on a stand-alone basis; and the term "Singer Asia" refers to Singer Asia Limited, together with its subsidiaries and affiliates, including Singer India Limited ("Singer India"), the Company's only remaining operating entity.

The Company prepares its consolidated Financial Statements in U.S. dollars, in accordance with International Financial Reporting Standards ("IFRS"). Totals may not add due to rounding.

The Company's registered office is located at Kaya W.F.G. (Jombi) Mensing 36, Willemstad, Curaçao, and its telephone number is + 599-9-461-1299. The Company's share transfer agent is Computershare, regular mail, P.O. Box 505000, Louisville, Kentucky, 40233-5000, telephone number 800-851-9677 (or from outside the United States, +1 -201- 680-6578; overnight delivery, 462 South 4th Street, Suite 1600, Louisville, Kentucky, 40202. The Company's website is: www.retailholdings.com.

Price quotations for the ReHo common shares (the "Shares") are available on the OTC Pink ("Pink Sheets") quotation service under the symbol "RHDGF". The Shares' Cusip number is N74108106. Investor relation questions should be addressed to Ms. Amy Pappas, Company Secretary, email: apappas@retailholdings.com, .

The information included in this Summary Annual Report does not purport to be inclusive of all of the information that might be included in a Form 20-F annual report. It only contains summary information that, in the opinion of management, is most relevant for understanding the Company's financial results during 2020. All information in this Summary Annual Report is presented as at December 31, 2020, unless otherwise indicated.

INFORMATION ABOUT THE COMPANY AND SINGER ASIA LIMITED

Background

Retail Holdings N.V. ("ReHo", together with its subsidiaries and affiliates the "Company") was organized as a new corporate entity in Curaçao (formerly part of the Netherlands Antilles) in 1999. Pursuant to a reorganization plan, effective September 2000, the Company acquired several operating companies formerly owned by The Singer Company N.V. ("Old Singer").

The Company has as its principal asset a 54.1% equity interest in Singer Asia Limited ("Singer Asia"). Singer Asia, a Cayman Islands company, was formed in 2003 to hold the Company's interests in several operating companies in Asia. Singer Asia's only remaining operating entity is Singer India Limited ("Singer India"), a public company further described below.

In July 2003, the Company placed with a private investment fund, UCL Asia Partners, L.P. (the "Fund"), a minority equity interest in Singer Asia. The Fund now owns 41.1% of the Singer Asia equity. A 4.8% equity interest in Singer Asia is owned by Singer Asia's Chief Executive Officer as a result of the exercise of his options. The Company consolidates Singer Asia's financial results in its own Financial Statements. In September 2004, the Company completed the sale of the Singer worldwide sewing business and of the ownership of the Singer trademarks to KSIN Holdings, Ltd., now called SVP Worldwide Limited ("SVP"), an investee company of Ares Capital.

Strategy

The Company's strategy has been to maximize and, ultimately, to monetize the value of its assets. Consistent with this strategy the Company has since 2015 been actively selling stakes in its operating company subsidiaries and affiliates in Bangladesh, India, Pakistan, Sri Lanka and Thailand, all of which are public companies, including in 2019 the indirect sale of its remaining 57.0% equity interest in Singer Bangladesh Limited ("Singer Bangladesh") and in 2020 the indirect sale of 42.4% of its 59.1% equity interest in Singer India. A total of $261.8 million in net proceeds has been realized from these sales.

Pending the disposition of its remaining 57.6% indirect equity interest in the 59.1% of the equity of Singer India, the Company's only remaining operating entity, and ReHo's ultimate liquidation, likely to take place in late 2022 or early 2023, the Company intends to minimize holding company personnel and other administrative costs, and to use cash in excess of requirements to make distributions to shareholders. Significant corporate personnel and other cost reductions have taken place since 2015.

Each of ReHo, Singer Asia and their intermediate holding companies are free of third-party debt; debt is occasionally outstanding at Singer India without any parent or affiliate guarantee or other support.

Dividends/Distributions

In 2007, ReHo introduced a dividend/distribution program, paying a dividend of $1.00 per Share in that year. During 2008, ReHo made a distribution to shareholders of $0.75 per Share, during 2009 a distribution of $0.20 per Share, during 2010 a distribution of $0.80 per Share, during 2011 and 2012 distributions each year of $2.50 per Share, during 2013, 2014 and 2015 distributions each year of $1.00 per Share, during 2016 a distribution of $5.00 per Share, during 2017 a distribution of $3.00 per Share, during 2018 a distribution of $10.00 per Share, during 2019 a distribution of $8.00 per Share and during 2020 a distribution of $0.50 per Share. A further distribution of $1.05 per Share has so far been paid in 2021. Total dividends/distributions in the period since 2007 through 2021 have totalled $38.30 per Share. Management believes that an additional distribution of up to $0.50 per Share may be paid in late 2021 or early 2022 with a final nominal liquidation distribution in late 2022 or early 2023, although these amounts cannot be assured and there may in practice be nil additional distributions beyond the most recent $1.05 distribution.

ReHo has also actively sought to reduce the number of Shares outstanding. In the period from 2002, ReHo, through negotiated transactions and open market purchases, purchased a total of 2,206,317 Shares, of which nil were purchased in 2020 and 2019. 4,650,244 Shares are issued and outstanding; an additional 107,356 Shares remain outstanding, but the addresses and other contact details for the shareholders of these shares are unknown and no distributions have been accrued. (See Note 32 to the Financial Statements.)

Information About Singer Asia

Singer Asia's only remaining operating entity is Singer India. Singer India is primarily a wholesale distributor and manufacturer of sewing products and a wholesale distributor of home appliances, throughout India. The India Company has over 2,250 wholesale dealers and distributors, an e-commerce platform, 28 small retail locations and a unique right, for a foreign-owned company, to retail nationwide. Singer has operated in India since 1871.

The India Company

US $ Millions	2020	2019	2018
Revenue	52.3	68.4	67.0
Net Income	0.7	1.3	1.2

Singer India has about a 42% share of the organized India home and artesian sewing market. The home appliance category was added in 2013 to boost and diversify revenue. Sales of sewing products represent approximately 63% of Singer India's total sales. The India Company has 377 employees.

Singer India manufactures and also assembles through contract arrangements some of the sewing machines that it sells; sewing machines are also purchased from outside suppliers in India and from SVP. Singer India's manufacturing operations are intended to meet a portion of the India Company's own requirements and to export to SVP.

For additional information about the India Company, see the Singer India website: www.singerindia.net.

License

Singer Asia had a royalty bearing license from a subsidiary of SVP, the owner of the Singer trademark, allowing Singer Asia: to use the Singer name in its company name and in the name of its Indian affiliate; to use the Singer trademark on Singer India's store and dealer locations, and on certain sewing products it manufacturers or sources in India and on non-sewing products it manufactures or sources; and to sub-license the Singer trademark (except for use on sewing machines) to third party licensees in a number of countries in Asia including India, Malaysia, Pakistan and Thailand. This license has now been terminated, effective December 31, 2021, and has been replaced, with respect to India, by a new direct license between Singer India and SVP, and with the expectation that similar arrangements will be agreed for Malaysia, Pakistan and Thailand.

OPERATING AND FINANCIAL REVIEW

Management Discussion and Analysis

The following discussion and analysis should be read in conjunction with the audited, consolidated Financial Statements of the Company for the year ended December 31, 2020. Certain comparative figures for the year ended December 31, 2019 are restated.

The Financial Statements, as presented, for the years ended December 31, 2020 and December 31, 2019, reflect the sale, in December 2020 of 42.4% of the Company's equity interest in Retail Holdings (India) B.V. ("India BV"), which, in turn, owns 59.1% of Singer India Limited ("Singer India"), and in March 2019, of the Company's entire equity interest in Retail Holdings Bhold BV, which, in turn, held 57.0% of the equity of Singer Bangladesh Limited ("Singer Bangladesh"), as well as the voluntary liquidation in 2020 of Sewko Holdings Limited, an intermediate holding company, and in 2019, of NV Adminservice Corporation, an administrative company.

Results of Operations

Year Ended December 31, 2020 and December 31, 2019

As a consequence of the partial disposal in 2020 of India BV, the Company no longer has controlling stakes either in India BV or in Singer India, and both companies are now treated as associates rather than as subsidiaries. (See Notes 6 and 17 to the Financial Statements.) The results of operations for these entities are reflected as discontinued operations in the Consolidated Statement of Income.

Continuing operations *(excludes India BV and Singer India for 2019 and 2020 and excludes Retail Holdings Bhold BV and Singer Bangladesh for January-March 2019).*

For the year ended December 31, 2020, the Company's U.S. Dollar consolidated revenue from continuing operations was $327 thousand, compared to consolidated revenue from continuing operations of $456 thousand for the same period in 2019. Revenue from continuing operations primarily is from royalties earned from certain third parties for use of the Singer brand and tradename. Revenue from sales of goods and services by Singer India in 2020 and 2019 and by Singer Bangladesh for the period January-March 2019 are included in discontinued operations.

As there are essentially no costs directly related to the generation of royalty income, gross profit is equal to revenue in both the year ended December 31, 2020 and the year ended December 31, 2019. Other income for the years ended December 31, 2020 and December 31, 2019 was $13 thousand and $175 thousand, respectively.

S&A expenses for the year ended December 31, 2020 were $1,665 thousand, compared to $2,871 thousand for the same period prior year. The high S&A expenses relative to revenue, 509.2% and 629.6% for the years ended December 31, 2020 and December 31, 2019, respectively, reflect both continuing, albeit declining, legacy expenses in the face of revenue decline as the Company proceeds to liquidation, and certain fixed costs of being a public company and of maintaining a management structure.

Results from operating activities from continuing operations for the year ended December 31, 2020 were a loss of $1,327 thousand, compared to a loss of $2,307 thousand in the same period in 2019. The smaller loss primarily reflects lower S&A expenses.

Net finance income was $30 thousand for the year ended December 31, 2020, and $287 thousand for the year ended December 31, 2019, reflecting lower cash balances at the intermediate holding companies during the year ended December 31, 2020, as compared to the prior year.

The Company's loss from continuing operations, before tax, was $1,297 thousand for the year ended December 31, 2020, compared to a loss from continuing operations, before tax, of $2,020 thousand for the year ended December 31, 2019. The Company's loss from continuing operations for the year ended December 31, 2020, after tax, was $1,306 thousand, compared to a loss from continuing operations, net of tax, of $2,044 thousand for the same period in 2019. The improvement of $738 thousand in income from continuing operations reflects the flow through of the reduced S&A expenses, offset, in part, by other factors.

Discontinued Operations *(includes India BV and Singer India for 2019 and 2020 and Retail Holdings Bhold BV and Singer Bangladesh, for the three months January-March 2019).*

Singer India's revenue for the year ended December 31, 2020 was $52,288 thousand and net profit from operations was $790 thousand, offset in part, by a loss on disposal of $766 thousand, resulting in a net profit from discontinued operations of $24 thousand in that year. Singer India's results from operation for 2019 was a profit of $1,328 thousand.

Singer Bangladesh's net results from operations for the period January-March 2019 was a profit of $1,628 thousand. In addition, there was a gain on disposal that year of $48,102 thousand. Bangladesh's net profit from discontinued operations for the three months January-March 2019 was a profit of $49,730 thousand.

In 2019, the Group also incurred a net loss of $727 thousand on disposal of Sewko Holdings Limited, an intermediate holding company.

Overall

The Company's total net loss for the year ended December 31, 2020 was $1,282 thousand, compared to a net profit of $48,287 thousand for the same period prior year. The Company's 2019 results benefitted from the gain on the divestment of Retail Holdings Bhold BV in March 2019.

The loss attributable to ReHo shareholders is $1,632 thousand for the year ended December 31, 2020 compared to a profit of $24,129 for the same period prior year. A profit of $350 thousand is attributable to non-controlling interests, for the year ended December 31, 2020, as compared to a profit of $24,158 thousand for the year ended December 31, 2019. The loss by ReHo shareholders for the year ended December 31, 2020 as compared to a profit attributable to non-controlling interests reflects that a greater part of the S&A expenses is attributable to ReHo shareholders than to the non-controlling interests. The ReHo share of the Company's profit for the year ended December 31, 2019 was 50%, reflecting that 54% of the gain from the Bangladesh divestment flowed through to ReHo shareholders.

The profit attributable to ReHo shareholders is equivalent to a loss per Share of $0.35 for the year ended December 31, 2020, compared to a profit per Share attributable to ReHo shareholders of $5.19 for the year ended December 31, 2019.

Total comprehensive loss for the year ended December 31, 2020 was $1,452 thousand, compared to a comprehensive income for the year ended December 31, 2019 of $47,802 thousand. The decline in comprehensive income is largely due to the flow through of the Company's loss and profit explained above.

Liquidity and Capital Resources

The individual balance sheet elements for Singer India are no longer included in the Consolidated Statement of Financial Position, but rather are reflected as a single carrying amount of the net investment. As it is the Company's intention to sell this remaining investment within the next year, the carrying amount of the investment is characterized as "Assets held for sale". As a result of the differences in treatment of the net assets of Singer India between 2020 and 2019, interpretation of changes in the individual balance sheet elements are no longer meaningful.

Year Ended December 31, 2020

For the year ended December 31, 2020, the Company had a net cash inflow from operations of $1,866 thousand, primarily reflecting the changes in inventories and trade and other receivables. Net cash from investing activities for the year ended December 31, 2020 was an inflow of $3,698 thousand, largely due to the $3,475 thousand received from the partial sale of India BV.

Distributions to ReHo shareholders and to non-controlling interests during the year ended December 31, 2020, utilized $2,325 thousand and $2,470 thousand cash, respectively.

The net effect of the cash flow movements and exchange rate fluctuations was to leave the Company's net cash and cash equivalents position at December 31, 2020 largely unchanged from prior year. Cash and cash equivalents were $11,536 thousand at December 31, 2020.

Current assets less current liabilities at December 31, 2020 were $16,559 thousand.

Neither ReHo, nor Singer Asia, nor any of the Company's other subsidiaries or affiliates were in default at December 31, 2020, or at any time during 2020, with respect to any interest or principal payments or with respect to any financial covenants under any of their lending arrangements.

For a discussion of liquidity and capital resources during 2019, see the Company's 2019 Annual Report, dated March 2020.

Other

Research and Development

The Company does not carry out significant research and development, thus, amounts spent on research and development for the years ended December 31, 2020 and December 31, 2019 were not material.

Environment

The Company is subject to a variety of environmental and pollution control laws and regulations in India and in other jurisdictions in which it operates and faces exposure from actual and potential claims involving such matters. The Company believes that any costs resulting from environmental matters known to it will not have a material, adverse impact on the Company's revenue, results of operation or financial condition. The amount spent on environmental and pollution matters was not material for the years ended December 31, 2020 or December 31, 2019.

Legal Proceedings

The Company may in the ordinary course of business be engaged either as a defendant or a plaintiff in a variety of lawsuits or other contested legal proceedings. The Company believes that any ultimate, uninsured liability with respect to any litigation known to it, will not have a material adverse impact on the Company's revenue, results of operations or financial condition. The amount spent in settlement or for assessed damages was not material for the years ended December 31, 2020 or December 31, 2019.

Market Risks

For a discussion of credit risk, liquidity risk, currency risk and interest rate risk, see Note 26 to the Financial Statements.

The Company does not have any derivative financial instruments outstanding. The Company does not hold or issue financial instruments for trading purposes. The Company does not have any foreign exchange forward contracts outstanding. The Company does not have any interest rate forward contracts outstanding.

Accounting Policies

The Company's Financial Statements and accompanying notes are prepared in accordance with International Financial Reporting Standards. The significant accounting policies used by the Company in preparing its consolidated Financial Statements are described in Note 35 to the Financial Statements, which should be read to ensure a proper understanding and evaluation of the estimates and judgments made by management in preparing the Financial Statements. Recent accounting pronouncements are described in Note 36.

Preparing the Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expense. These estimates are based on management's application of accounting policies, historical experience and assumptions that are believed to be reasonable.

CERTAIN RISK FACTORS

There are a number of important risks to the Company, certain of which are discussed below.

COVID-19 Pandemic

An overriding risk factor that emerged early in 2020 and has continued in 2021 is the COVID-19 pandemic and resulting economic, social, and political disruptions. The consequences include, among others: depressed levels of consumer spending and purchases of the Company's products, additional rules and regulations, and disruptions to the Company's management and supply chain, each of which has and is likely to continue to negatively impact the Company's revenue, results of operations and financial condition.

Economic Developments and Exogenous Events May Adversely Impact Results

Purchases of the Company's products are to a significant extent discretionary. National economic policies and developments, and national and global uncertainties, could depress consumption in India, the principal market in which the Company continues to operate. This could adversely impact the Company's revenue, results of operations and financial condition. The level of consumer spending in India may also be negatively impacted by exogenous, unanticipated political or natural events.

Foreign Exchange Rate Fluctuations May Negatively Impact Results

Local currency denominated financial results for Singer India are translated into U.S. Dollars by applying the weighted average market exchange rate during each financial reporting period. Local currency denominated assets and liabilities are translated into U.S. Dollars by applying the market exchange rate at the end of each financial reporting period. Accordingly, the financial results as reported in the consolidated income statement, and the assets and liabilities as reported in the consolidated balance sheet, are subject to foreign exchange rate fluctuations. Currency changes will also affect the cost of imported products and components, impacting margins, prices and affordability. Generally, a strong U.S. Dollar relative to the India Rupee has a negative influence on the Company's revenue, results of operations and financial condition as measured in U.S. Dollars.

There are Intense Competitive Pressures

The Company's operations in India face a broad range of competitors and potential competitors including from new channels of distribution. Some competitors may be willing to engage in unethical or illegal business practices that may give them at least a temporary advantage. Other potential competitors may have greater financial, technical and marketing resources available to them. If the Company is unable to effectively respond to these competitive pressures, this may adversely affect the Company's revenue, results of operations and financial position.

International Operations Have Special Risks

All of the Company's operating activities are conducted in India. There are a number of special risks inherent in doing business in any foreign market, including India, among others: uncertainty with respect to regulatory and legal procedures, potential breakdowns in civil order, reduced protection for intellectual property rights, and potential adverse changes in tax regimes. If the Company is unable to manage these risks, this may adversely affect the Company's revenue, results of operations and financial condition.

ReHo's Incorporation Outside the United States Imposes Additional Uncertainties

As a company incorporated in Curaçao, ReHo is subject to Curaçao law. As a consequence, the rights of ReHo shareholders may differ from the rights associated with companies governed by other laws, including the laws of the United States.

The Company Shares are Currently Quoted Only on the "Pink Sheets"

The Company does not anticipate that its Shares will be listed on any U.S. or overseas securities exchange, the NASDAQ National Market System, the NASDAQ Small Cap Market, the OTC Bulletin Board, or a similar trading system. Price quotations for the Company's Shares currently are available only on the OTC Pink ("Pink Sheets") quotation service under the symbol "RHDGF". If the Shares cease to be traded on the Pink Sheets quotation service or on an alternative trading system, shareholders seeking to sell or buy Shares may only be able to do so with difficulty and at prices that may not reflect the Shares' inherent value. Even to the extent that quotations on the Pink Sheets quotation service continue, there is no assurance that there will be adequate liquidity and there still may be wide swings in prices and significant differences between "bid" and "asked" prices, particularly given the current low per Share price (reflecting substantial past distributions), which could make trading difficult and cause prices for the Company's Shares to both fluctuate widely and to deviate substantially from their inherent value. The shares of the Company's principal operating entity, Singer India, trade on the Bombay stock exchange.

The Company Provides Only Limited Disclosure

Pursuant to the laws and regulations of Curaçao, The Company is only required to provide certain information to shareholders on an annual and semi-annual basis. The Company only provides a Summary Annual Report, including audited, full year, consolidated Financial Statements and notes, with limited commentary, and a Summary Semi-Annual Report, including unaudited, six-month Financial Statements with limited notes and commentary, all prepared in accordance with IFRS. Reflecting the Company's substantially reduced market value and the relatively high disclosure costs, the Company's management may seek to further reduce the information provided to shareholders. The Company's decision not to provide quarterly reports and more comprehensive annual and semi-annual reports, and possible further reduction in the extent of information provided, could make it more difficult for investors to assess the Company and its results and prospects, and could result in reduced liquidity for the Company's Shares and prices that may not reflect the Shares' inherent value. Singer India, as an India public company, may provide additional information, as required or suggested by its local laws, regulations and practices.

DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES
SHARE AND SHAREHOLDER INFORMATION

Board of Directors

The Board of the Company has three Directors, with each Director serving until the conclusion of the next Annual General Meeting ("AGM").

The table below and the following text set forth certain information regarding the Company's Directors:

Name	Age	Position
Stephen H. Goodman................................	76	Director, Chairman of the Board, President and Chief Executive Officer of the Company and Executive Director and Chairman of the Board of Singer Asia
Alex Johnston..	56	Director of the Company and of Singer Asia
Stewart M. Kasen......................................	81	Director, Chairman of the Audit Committee of the Company

Stephen H. Goodman. Mr. Goodman was elected a Director, Chairman, President and Chief Executive Officer of the Company in September 2000. From the beginning of 1998 through that date, he was a Director, President and Chief Executive Officer of Old Singer. Mr. Goodman is Executive Director and Chairman of the Board of Singer Asia and serves as Chairman or as a member of the Board of each of the Company's other subsidiaries.

Alex Johnston. Mr. Johnston is a communication strategist and entrepreneur overseeing a portfolio of digital businesses in mobile games and social messaging. He was a Board Director of "Pitch at the Palace", a global innovation initiative launched by the Royal Family, and serves on the Board of the "Web Foundation". Mr. Johnston is an advisor to Velocity Capital Partners and Outernet Global. He has served in senior positions at Omnicom, an international marketing company, and at PepsiCo, and is a founding partner of Freund Communications. Mr. Johnston was elected a Company director in September 2000; he also serves as Chairman of the Compensation Committee. Mr. Johnston serves as a member of the Singer Asia Board.

Stewart M. Kasen. Mr. Kasen is an independent financial and retail consultant. He serves as lead independent director of Markel Corp., a property and casualty insurer. He was on the board of Gordmans, a department store chain, until their bankruptcy was finalized in 2017. From 2007 to 2011, he was Chairman of the Board of Lenox Group Inc. Mr. Kasen was elected a Company Director in September 2000. Mr. Kasen serves as Chairman of the Company's Audit Committee.

The Company's Board of Directors met six times during 2020 in addition to six joint meetings with the Board of Directors of Singer Asia.

Messrs. Kasen (Chairman) and Johnston are members of the Audit Committee of the Company's Board of Directors, which is authorized to act on behalf of the Board in respect to matters relating to the selection of auditors and audit and accounting issues. In 2020, the Audit Committee of the Board had one joint meeting with the Audit Committee of the Board of Singer Asia and with the Company's and Singer Asia's external auditors, including, at a portion of such meeting, an executive session without the Company's management present.
Messrs. Johnston (Chairman) and Kasen are members of the Compensation and Nominating Committee of the Board, which is authorized to act on behalf of the Board in respect of matters relating to compensation and benefits and to select nominees to the Board. The Compensation and Nominating Committee of the Board met once in 2020.

The Board of Directors has determined that at least one member of the Audit Committee of the Board, Mr. Stewart M. Kasen, Chairman of the Audit Committee, is an audit committee financial expert as that term is defined in regulations under the United States Securities Exchange Act of 1934, as amended. Each of the Company's directors, other than Mr. Goodman, meets the independence standards contained in the New York Stock Exchange Listed Company Manual. The Audit Committee and the Compensation and Nominating Committee consist only of independent directors.

In addition to Messrs. Goodman (Chairman), and Johnston, Mr. Peter James O'Donnell, a representative of the Fund, and Mr. Gavin Walker, the President and Chief Executive Officer of Singer Asia, serve as directors of Singer Asia. Messrs. O'Donnell (Chairman), and Johnson serve as members of the Singer Asia Audit Committee.

Corporate Officers

The following table sets forth certain information regarding the other officers of the Company as at December 31, 2020:

Name	Age	Position
Gavin Walker..	57	Vice President of the Company, Executive Director, President and Chief Executive Officer of Singer Asia.
Nandun Wickramasinghe	32	Controller of the Company and Finance Director of Singer Asia. Mr. Wickramasinghe resigned these positions effective December 31, 2020
Amy Pappas..	61	Secretary of the Company, Secretary of Singer Asia
Gayathridevi Pathmarajah………………	34	Assistant Controller of the Company until her resignation from the Company effective October 31, 2020
Ramona Alfred………………………….	67	Assistant Secretary of the Company

Gavin J. Walker. Mr. Walker was elected a Vice President of the Company in August 2005. Prior to joining the Company, Mr. Walker held offices as Managing Director and Chief Executive Officer of several publicly quoted and private companies in the United Kingdom and South Africa. Mr. Walker is Executive Director, President and Chief Executive Officer of Singer Asia and serves as a Director of Singer India Limited.

Amy Pappas. Ms. Pappas was elected Secretary of the Company in August 2007. From August 2006 until that date, she served as Assistant Secretary of the Company. Prior to that time, Ms. Pappas was an executive assistant at a venture capital firm. She also serves as Secretary of Singer Asia.

Ramona Alfred. Ms. Alfred was elected Assistant Secretary of the Company in September 2019. Ms. Alfred also serves as a Director of Retail Holdings Asia N.V.

In addition, Mr. Rajeev Bajaj (Managing Director and CEO, Singer India Limited), serves as an officer (Vice President) of Singer Asia.

Employees

At December 31, 2020, the Company had approximately 381 employees. Employees by segment and geographic location are shown in the following table:

	US/Curacao	Asia	Total Company
ReHo Administrative Office	2	-	2
Singer Asia Administrative Office	-	1	1
Curacao Administrative Office	1	-	1
India Management	-	377	377
	3	378	381

The Company has adopted a Code of Business Conduct that applies to all Company and subsidiary and affiliate directors and to all Company employees. The text of the Code of Business Conduct is posted on the Corporate/Investor section of the Company's website: www.retailholdings.com.

Executive Compensation

The Company had in place during 2019 and the first five months of 2020 a bonus program for the Company's President and Chief Executive Officer, which provided for a cash award based on the dividends/distributions paid to shareholders in the period January 1, 2019 through May 31, 2020. A bonus of $692 thousand was paid under this program in June 2020; $41 thousand of this amount was recognized as an expense in 2020. Mr. Goodman is not a beneficiary of any continuing bonus program.

Singer Asia had adopted a short-term bonus plan for 2020, which provided a deferred cash award for selected executives and senior managers at Singer India and at Singer Asia. Only $2 thousand in bonuses were accrued for current employees in 2020, reflecting below Plan and prior year performance due largely to the impact of the COVID 19 pandemic and related lockdowns; the bonus will be distributed in 2021. The Singer Asia bonus plan has been discontinued although a local bonus program continues at Singer India.

Corporate Governance

The Company's Board of Directors has responsibility for: formulating the Company's strategy; determining the size and timing of distributions to shareholders and of share purchases; determining the manner, size and minimum required proceeds in any divestiture; nomination and compensation of Directors; selection and compensation of corporate officers; and approval, each January, of the Company's Business Plan. Almost all matters taken to the Board have been unanimously resolved, although only a majority of Board members are required to decide on any matter.

The Company's Board has delegated certain operational responsibility, subject to review and approval by the Board, to the Board of Singer Asia.

Supervisory responsibility for Singer India, the Company's only remaining operating entity, rests with that public company's Board of Directors. The India Board has six members including two nominees proposed by the Company. A majority of Board members are generally required to approve most actions, although certain matters involving relations with the Company may require a separate vote of the independent directors.

Shareholding

The following chart summarizes the Company's share capital as at December 31, 2020:

Class	Shares Authorized	Shares Issued, Outstanding and Fully-Paid	Par Value per Share
Preferred Shares	1,000,000	0	$0.01
Shares	20,000,000	4,650,244*	$0.01

*Excludes 584,099 Treasury Shares and a further 107,356 Shares where the address of the attributed owner of the Shares is unknown, both of which groups of shares are not included as outstanding in the Financial Statements.

Share Ownership

At December 31, 2020, the total number of Shares of the Company beneficially owned by the persons listed in the previous section under "Board of Directors" and "Executive Officers" was 1,087,708 Shares, representing approximately 23.4% of the total Shares outstanding. To the Company's knowledge, none of the persons listed beneficially owns more than 1.0% of the Shares outstanding other than Stephen H. Goodman, who, together with his spouse, beneficially own 1,067,158 Shares, representing approximately 22.9% of the Company's total Shares. Three trusts for which Mr. Goodman's spouse is the trustee own an additional 174,600 Shares, representing an additional approximately 3.8% of the Company's total Shares outstanding.

To the Company's knowledge, it is not directly owned or controlled by any other corporation, by any government, or by any other natural or legal person, severally or jointly. The Company is not aware of any arrangement which would result in a change of control of the Company. The Company's management believes that one or more outside shareholders may each own more than 5.0% of the outstanding Shares. The shareholders do not believe that they have any obligation to file a Schedule 13G or any other form or notification under the rules and regulations applicable to the Company or its shareholders. The Company has less than 500 shareholders of record corresponding to an estimated 1,100 individual shareholder accounts. The Company does not have sufficient data to accurately estimate the number of the Company's outstanding Shares held by residents of the United States.

Trading

The Company's Shares are quoted on the Pink Sheets quotation service under the symbol "RHDGF". A link to the prices for the Shares may be found at the Corporate/Investor section of the Company's website: www.retailholdings.com.

The last reported sale price of the Company's Shares on the Pink Sheet quotation service, on March 31, 2021 was $0.43. The highest closing price for the Company's Shares during 2020 was $2.39, the price on January 23, 2020, prior to the payment of a $0.50 per Share distribution during 2020 and a $1.05 per Share distribution to shareholders on February 10, 2021; the lowest closing price for the Company's shares during 2020 was $0.96, the price on August 6, 2020.

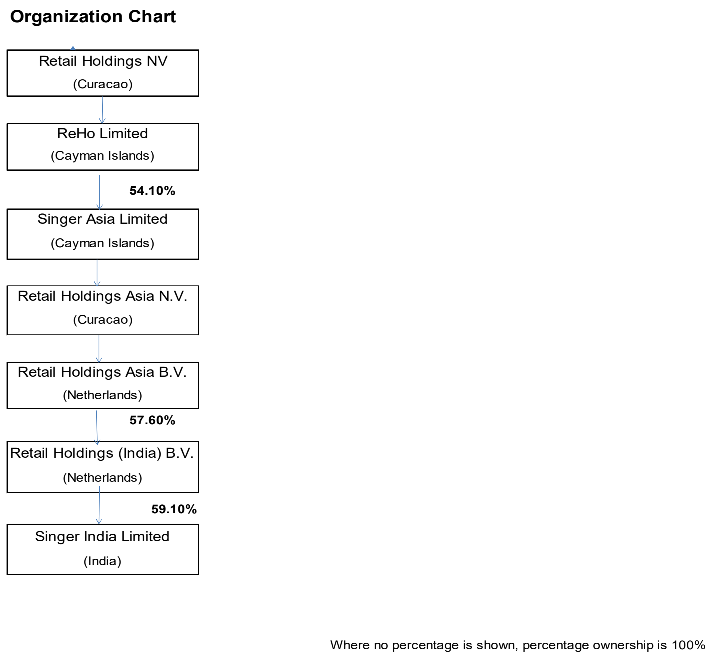
Distributions

The Company made a distribution effective April 13, 2020 of $0.50 per Share. This distribution was classified as a return of capital for U.S. Federal income tax purposes. On February 10, 2021, the Company made a distribution of $1.05 per Share to shareholders of record on that date. The tax characterization of that distribution will only be determined with certainty following the year-end 2021 closing.

A total of $38.30 per Share has been paid to shareholders since inception of the dividend/distribution program in 2007, including the $1.05 distribution in February 2021. Management estimates of likely future distributions are included in the Company's distribution press release, dated January 19, 2021, available on the Corporate/ Investor section of the Company's website: www.retailholdings.com.

Additional Shareholder Information

The Company's legal organization is shown below:



ReHo is a corporation registered with the Curaçao Chamber of Commerce Commercial Register in Willemstad, Curaçao, under the registration number 83676.

The rights of holders of the ReHo Shares are laid down and described in the ReHo Articles of Association (the "Articles"). The Company has posted the text of the Articles on the Corporate/Investor section of the Company's website: www.retailholdings.com. There are no restrictions in the Articles that might have the effect of delaying, deferring or preventing a change in control of the Company other than the requirement that any resolution presented at a shareholders meeting that has not been included in the notice of that meeting may only be approved if all of the Company's shareholders are present at the meeting.

The Articles require that all shareholder meetings be held in Curaçao. An AGM must be held to adopt the Financial Statements of the Company within nine months after the end of the preceding fiscal year. Such Financial Statements and the annual financial report must be prepared and made available to shareholders within six months after the close of the preceding fiscal year. The Financial Statements and the annual financial report must be presented at the AGM. The next AGM is planned for September 2021.

Enforceability of Foreign Judgments

The Company has been advised by Curacao counsel that, given the absence of an applicable treaty between the United States and Curacao, a judgment rendered by a court in the United States will not be enforceable in Curacao. In order to obtain a judgment that is enforceable in Curacao the claim must be re-litigated before a competent Curacao court. A judgment rendered by a court in the United States will be recognized by a Curacao court if: (i) the competency of the court in the United States is based on internationally accepted standards; (ii) the judgment results from proceedings compatible with Curacao concepts of due process; (iii) the judgment does not contravene public order of Curacao; and (iv) the judgment is not incompatible with a court ruling between the same parties rendered by a Curacao court, or with a previous court ruling by a foreign court, rendered in proceedings between the same parties and in relation to the same circumstances, where such previous foreign court ruling is also susceptible to recognition in Curacao. If a judgment is recognized by a Curacao court, it will generally grant the same award without review of the merits of the case.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2020
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2020

Independent Auditors' Report

To the Board of Directors of Retail Holdings N.V.

Opinion

We have audited the consolidated financial statements of Retail Holdings N.V. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Sri Lanka and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for loss of control of Singer India Group

Refer Note 6 to the consolidated financial statements for the disclosure pertaining to accounting for loss of control of Singer India Group

Risk Description	**Our response**
During the year, the Group has disposed 42.4% of equity stake in Retail Holding India B.V which is the holding company of Singer India Limited for a consideration of USD 3,475 thousands. The transaction resulted in the Group de-recognising the net assets amounting to USD 9,223 thousands relating to Singer India Group. Accordingly, the disposal loss of USD 766 thousands recognised in these financial statements. We focused on this area due to the significance of the net assets de-recognized from the financial statements and significant management's judgments involved.	Our audit procedures included the following; • Reading the share purchase agreement and shareholder agreement to obtain an understanding of the transaction and the key agreed terms. • Evaluating the appropriateness of the significant management's judgments involved in reassessing the control over investees. • Re-computing the disposal loss and verified the consideration received with the correspondence documents.

	• Tracing the information relating to disposed assets and liabilities to audited financial statements of investees. • Assessing the adequacy of the related financial statement disclosures in the financial statements.

Other Information

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated 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.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 ISAs 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 consolidated financial statements.

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditors' report is B.K.D.T.N Rodrigo (FCA).

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
31 March 2021

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of U.S. Dollars	*Note*	31 December 2020	31 December 2019
ASSETS			
Property, plant and equipment	*18*	-	2,533
Intangible assets and goodwill	*19*	-	3,221
Deferred tax assets	*13*	-	117
Other non-current assets		-	323
Total non-current assets		-	**6,194**
Inventories	*14*	-	10,535
Trade and other receivables	*15*	821	11,099
Current tax receivable		-	172
Other current assets		70	853
Cash and cash equivalents	*16*	11,536	12,974
Assets held for sale	*17*	4,610	-
Total current assets		**17,037**	**35,633**
Total assets		**17,037**	**41,827**
EQUITY			
Share capital	*20*	53	53
Treasury shares		(7)	(7)
Reserves		(1,667)	(4,103)
Retained earnings		10,999	16,515
Equity attributable to owners of the Company		**9,378**	**12,458**
Non-controlling interests	*29*	**7,181**	**13,522**
Total equity		**16,559**	**25,980**
LIABILITIES			
Loans and borrowings	*22*	-	377
Employee benefits	*11*	-	50
Total non-current liabilities		**-**	**427**
Bank overdrafts	*16*	-	944
Current tax liabilities		46	47
Loans and borrowings	*22*	-	1,055
Trade and other payables	*23*	432	12,383
Deferred income	*24*	-	370
Warranty provision	*25*	-	621
Total current liabilities		**478**	**15,420**
Total liabilities		**478**	**15,847**
Total equity and liabilities		**17,037**	**41,827**

The notes on pages 29 to 79 are an integral part of these consolidated financial statements.

Figures in brackets indicate deductions.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER
In thousands of U.S. Dollars

	Note	2020	2019 Restated*
Continuing operations			
Revenue	*7*	327	456
Cost of sales		-	-
Gross profit		**327**	**456**
Other income	*8(a)*	13	175
Selling and administrative expenses	*8(b)*	(1,665)	(2,871)
Other expenses	*8(c)*	(2)	(67)
Results from operating activities		**(1,327)**	**(2,307)**
Finance income		50	305
Finance costs		(20)	(18)
Net finance income	*9*	**30**	**287**
Loss before taxation		**(1,297)**	**(2,020)**
Income tax expense	*13*	(9)	(24)
Loss from continuing operations		**(1,306)**	**(2,044)**
Discontinued operations			
Profit from discontinued operations, net of tax	*6*	24	50,331
Profit / (Loss) for the year		**(1,282)**	**48,287**
Profit / (Loss) attributable to:			
Owners of the Company		(1,632)	24,129
Non-controlling interests		350	24,158
		(1,282)	**48,287**
Earnings / (Loss) per share (U.S. Dollar)	*10*	(0.35)	5.19
Loss per share – Continuing operations (U.S. Dollar)	*10*	(0.24)	(0.29)

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER
In thousands of U.S. Dollars

	Note	2020	2019
Profit / (Loss) for the year		**(1,282)**	**48,287**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit asset / (liability)	*11*	14	14
Related tax	*13*	(5)	(5)
		9	**9**
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences	*20*	(179)	(494)
Other comprehensive loss, net of tax		**(170)**	**(485)**
Total comprehensive income		**(1,452)**	**47,802**
Total comprehensive income attributable to:			
Owners of the Company		(1,686)	23,980
Non-controlling interests		234	23,822
		(1,452)	**47,802**

The notes on pages 29 to 79 are an integral part of these consolidated financial statements.

Figures in brackets indicate deductions.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2020

		Attributable to owners of the Group							
In thousands of U.S. Dollars	***Note***	**Share capital**	**Treasury Shares**	**Translation reserve**	**Revaluation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2020		53	(7)	(4,458)	355	16,515	12,458	13,522	25,980
Total comprehensive income									
Profit for the year		-	-	-	-	(1,632)	(1,632)	350	(1,282)
Other comprehensive income	*20*	-	-	(57)	-	3	(54)	(116)	(170)
Total comprehensive income		-	-	(57)		(1,629)	(1,686)	234	(1,452)
Transactions with owners of the Company									
Contributions and distributions									
Distribution to equity holders	*20*	-	-	-	-	(2,325)	(2,325)	-	(2,325)
Distribution to non-controlling interest		-	-	-	-	-	-	(2,470)	(2,470)
Revert back of unclaimed dividends	*23*	-	-	-	-	588	588	-	588
Total distributions		-	-	-	-	(1,737)	(1,737)	(2,470)	(4,207)
Changes in ownership interests									
Changes in ownership of subsidiaries		-	-	2,848	(355)	(2,150)	343	(4,105)	(3,762)
Total transactions with owners of the Company		-	-	2,848	(355)	(3,887)	(1,394)	(6,575)	(7,969)
Balance at 31 December 2020		53	(7)	(1,667)	-	10,999	9,378	7,181	16,559

RETAIL HOLDINGS N.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

		Attributable to owners of the Group							
In thousands of U.S. Dollars	***Note***	**Share capital**	**Treasury Shares**	**Translation reserve**	**Revaluation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2019		53	(7)	(6,989)	2,634	33,525	29,216	36,239	65,455
Total comprehensive income									
Profit for the year		-	-	-	-	24,129	24,129	24,158	48,287
Other comprehensive income	*20*			(152)	-	3	(149)	(336)	(485)
Total comprehensive income		-	-	(152)	-	24,132	23,980	23,822	47,802
Transactions with owners of the Company									
Contributions and distributions									
Distribution to equity holders		-	-	-	-	(37,202)	(37,202)	-	(37,202)
Distribution to Non-controlling interest		-	-	-	-	-	-	(30,082)	(30,082)
Total distributions		-	-	-	-	(37,202)	(37,202)	(30,082)	(67,284)
Changes in ownership interests									
Changes in ownership of subsidiaries		-	-	2,683	(2,279)	(3,940)	(3,536)	(16,457)	(19,993)
Total transactions with owners of the Company		-	-	2,683	(2,279)	(41,142)	(40,738)	(46,539)	(87,277)
Balance at 31 December 2019		53	(7)	(4,458)	355	16,515	12,458	13,522	25,980

The notes on pages 29 to 79 are an integral part of these consolidated financial statements.

Figures in brackets indicate deductions.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER
In thousands of U.S. Dollars

	Note	2020	2019
Cash flows from operating activities			
Profit / (Loss) for the year		(1,282)	48,287
Adjustments for:			
Amortization of intangible assets and goodwill	*19*	-	20
Impairment on intangible assets	*19*	-	1,726
Depreciation	*18*	396	873
Impairment loss of property, plant and equipment	*18*	23	29
(Gain) / loss on sale of property, plant and equipment		(5)	1
Exchange (gain) / loss		-	(7)
(Gain)/ loss on sale of discontinued operations, net of tax	*6*	766	(49,003)
Impairment loss on accounts receivables		423	190
Net finance costs	*9*	(30)	3
Income tax expense	*13*	9	780
		300	**2,899**
Changes in:			
- Inventories		2,262	(7,603)
- trade and other receivables		3,945	(4,379)
- other current and non-current assets		506	2,795
- trade and other payables		(585)	(5,299)
- provision and employee benefits		2	(9)
- other non-current liabilities		-	327
- warranty Provision		(150)	(104)
- deferred income		370	(16)
- impact on cash and cash equivalent due to disposal		(4,331)	44,465
Cash from operating activities		**2,319**	**33,076**
Interest paid		(20)	(338)
Income tax paid		(433)	(1,300)
Net cash from operating activities		**1,866**	**31,438**
Cash flows from investing activities			
Acquisition of property, plant and equipment	*18*	(215)	(1,139)
Acquisition of intangible assets	*19*	-	(4)
Finance Income received		50	341
Proceeds from sale of property, plant and equipment		388	65
Proceeds from sale of investment		-	-
Proceeds from disposal of interests in subsidiary, net of cash disposed of		3,475	75,000
Net cash from investing activities		**3,698**	**74,263**
Cash flows from financing activities			
Distribution to non-controlling interests		(2,470)	(30,082)
Distribution to owners		(2,325)	(37,202)
Acquisition of non-controlling interest		-	(3,991)
Proceeds from borrowings		-	2,088
Repayments of borrowings		(837)	(6,733)
Net cash used in financing activities		**(5,632)**	**(75,920)**
Net increase / (decrease) in cash and cash equivalents		**(68)**	**29,781**
Cash and cash equivalents at 1 January		12,030	(16,314)
Effect of exchange rate fluctuations on cash held		(426)	(1,437)
Cash and cash equivalents at 31 December	*16*	**11,536**	**12,030**

The notes on pages 29 to 79 are an integral part of these consolidated financial statements.

RETAIL HOLDINGS N.V. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting entity

Retail Holdings N.V. (the "Company") is a Company domiciled in Curaçao (formerly part of the Netherlands Antilles). The address of the Company is at Kaya W.F.G. (Jombi) Mensing 36, Willemstad, Curaçao. These consolidated financial statements comprise the ultimate Curaçao holding company (hereinafter referred to as "ReHo") and its subsidiaries (collectively the "Group" and individually "Group entities"). The Group was engaged principally in the distribution of sewing machines and household appliances in India.

2. Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). They were authorised for issue by the Group's Board of Directors on 31 March 2021. Details of the Group's accounting policies are included in Note 35.

3. Functional and presentation currency

These consolidated financial statements are presented in U.S. Dollars which is the Group's functional currency. All financial information presented in U.S. Dollars has been rounded to the nearest thousands, unless otherwise indicated.

4. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's 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 estimates are recognised prospectively.

(a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 7: revenue recognition: whether revenue from consumer retailing operations are recognised over time or at a point in time;

- Note 22: lease term: whether the Group is reasonably certain to exercise extension options; and

- Note 27: List of group entities: whether the Group has de facto control over an investee.

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2019 and 2020 is included in the following notes:

- Note 7 – revenue recognition: estimate of expected returns.
- Note 11(d)(i) and 35(e)(iv) – measurement of defined benefit obligations: key actuarial assumptions.
- Note 13 – recognition of deferred tax assets: availability of future taxable profit against which Deductible temporary differences and tax losses carried forward can be utilised.
- Note 18(ii) and 35(i)(i) – determining the fair value of land & buildings on the basis of significant measurable inputs.
- Note 14 and 35(h) – assessing net realizable value: slow moving and obsolete inventory.
- Note 19 and 35(j) – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts.
- Note 25, 32 and 35(o) – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 15 and 35(m)(i) – assessing impairment of trade receivables.

4. Use of judgements and estimates (continued)

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. The finance and accounting department in each subsidiary has responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Finance Director and the Audit Committee of each subsidiary.

The finance and accounting department 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 finance and accounting department assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Finance Director and Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable 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 liability might be categorised in 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.

The Group recognises transfers between levels of the fair value hierarchy at 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 following notes:

- Note 18 – property, plant and equipment
- Note 26 (a) – financial instruments: measurement of fair values

5. Changes in significant accounting policies

A number of new standards are effective from 1 January 2020 but they do not have a material effect on the Group's financial statements.

6. Discontinued operations

See accounting policies in Note 35(c).

In December 2020, Retail Holdings Asia B.V (a subsidiary company of Retail Holdings N.V) disposed its 42.4% equity stake of Retail Holdings (India) B.V. (immediate holding company of Singer India Limited) to Crustmind Trading Limited. The actual disposal occurred on 14 December 2020 however, the management have decided to consider 31 December 2020 as the disposal date for consolidation purpose as no significant transactions were occurred during that period.

Based on the shareholders' agreement, the parties had agreed that the purchaser shall have the right, but not the obligation to call and purchase the entire, but not part of the remaining shares held by Seller subject to specified conditions in the said agreement. Retail Holdings (India) B.V. and Singer India Limited ("India") have been classified as discontinued operations, considering the management's decision to dispose the balance holding in both entities and results up to the date of disposal and the related disposal gain is presented under "discontinued operations" in the consolidated statement of income. During the year there were no other circumstances had occurred for reclassification of discontinued operations.

(a) Results of discontinued operations

In thousands of U.S. Dollars	*Note*	**2020** **India**	**Bangladesh***	**2019** **India**	**Sewko**	**Total**
Revenue	*7*	52,288	33,021	68,358	-	101,379
Expenses		(51,498)	(31,393)	(67,030)	(727)	(99,150)
Results from operating activities, net of tax		790	1,628	1,328	(727)	2,229
Gain/(loss) on disposal on sale of discontinued operation		(766)	48,102	-	-	48,102
Profit / (loss) from discontinued operations, net of tax		24	49,730	1,328	(727)	50,331
Basic earnings / (loss) per share (U.S. Dollars)		(0.11)	5.46	0.17	(0.09)	5.54
Diluted earnings / (loss) per share (U.S. Dollars)		(0.11)	5.46	0.17	(0.09)	5.54

*Included January to March 2019 only.

6. Discontinued operations (continued)

(b) Cash flows from / (used in) discontinued operations

In thousands of U.S.	2020	2019	
	India	**India**	**Bangladesh**
Net cash from / (used in) operating activities	5,982	974	(9,324)
Net cash from / (used in) investing activities	219	(207)	(4,130)
Net cash used in financing activities	(1,414)	(286)	(678)
Net cash flows for the year	4,787	481	(14,132)

(c) Effect of disposal on the financial position of the Group

In thousands of U.S. Dollars

	2020	2019
	India	**Bangladesh**
Property, plant and equipment	(1,727)	(16,477)
Inventories	(8,338)	(53,801)
Trade and other receivables	(5,970)	(29,268)
Cash and cash equivalents including bank overdrafts	(4,331)	44,465
Loans and borrowings	217	441
Trade and other payables	12,010	18,185
Other assets and liabilities	(1,084)	(6,512)
Net assets and liabilities	(9,223)	(42,967)
Consideration received	3,475	75,000

7. Revenue

See accounting policies in Note 35(d), the Group generated revenue primarily from the sale of sewing machines and small appliances to its customers. Other sources of revenue include royalty income for the use of brand name.

In thousands of U.S. Dollars	**Continuing operations**		**Discontinued operations**		**Total**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Finance charges	-	-	-	309	-	309
Rendering of services	-	-	-	314	-	314
Sale of goods	-		52,288	100,684	52,288	100,684
Royalty income	327	456	-	73	327	529
	327	456	52,288	101,380	52,615	101,836

8. Income and expenses

(a) Other income

In thousands of U.S. Dollars	**2020**	**2019**
Tax rebates	12	26
Others	1	149
	13	175

(b) Selling and administrative expenses

In thousands of U.S. Dollars	**2020**	**2019**
Employee benefits expenses	838	1,606
Legal and professional expenses	449	311
Rental and occupancy	54	22
Royalty taxes	73	121
Insurance	45	30
Others	206	781
Total selling and administrative expenses	1,665	2,871

(c) Other expense

In thousands of U.S. Dollars	**2020**	**2019**
Royalty expense	2	67
	2	67

Royalty is for the use of the SINGER trademark by Singer Asia Limited.

9. Net finance costs

See accounting policies in Notes 35(f) and (l)

In thousands of U.S. Dollars	**2020**	**2019**
Interest income on bank deposits	50	305
Finance income	50	305
Net foreign exchange loss	(20)	(18)
Finance costs	(20)	(18)
Net finance income recognised in profit or loss	30	287

10. Earnings per share

The calculation of earnings per share has been based on the following profits attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

In thousands of U.S. Dollars

	2020			**2019**		
	Continuing operation	Discontinued operations	Total	Continuing operation	Discontinued operations	Total
Profit / loss attributable to the owners of the company	(1,122)	(510)	(1,632)	(2,265)	26,394	24,129
Weighted average number of shares	4,650	4,650	4,650	4,650	4,650	4,650
Basic EPS	(0.24)	(0.11)	(0.35)	(0.29)	5.48	5.19
Diluted EPS	(0.24)	(0.11)	(0.35)	(0.29)	5.48	5.19

11. Employee benefits

See accounting policies in Notes 35(e)

In thousands of U.S. Dollars	**2020**	**2019**
Net defined benefit liability	-	50
Total employee benefit liability	-	50

The Group made contributions to non-contributory defined benefit plans that provide benefits for employees upon retirement. The defined benefit plan entitles a retired employee to receive a lump sum payment based on the domestic laws applicable to India.

(a) Funding

The plan is fully funded. The funding requirements for the fully funded plans are based on the pension funds' actuarial measurement framework set out in the funding policies of the plan.

11. Employee benefits (continued)

(b) Movement in net defined benefit (asset) / liability

In thousands of U.S. Dollars	**Defined benefit obligations**		**Fair value of plan assets**		**Net defined benefit liability**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Balance at 1 January	**414**	**403**	**(364)**	**(315)**	**50**	**88**
Disposal of Singer Bangladesh	-	(29)	-	-	-	(29)
Included in profit or loss						
Current service cost	45	49	-	-	45	49
Interest cost	27	27	-	-	27	27
	72	76	-	-	72	76
Included in OCI						
Re-measurement loss / (gain)						
- Actuarial loss / (gain) arising from:	6	14	(4)	(3)	2	11
- Return on plan assets excluding interest income	-	-	(16)	(25)	(16)	(25)
Effect of movement in exchange rates	(9)	(2)	9	2	-	-
	(3)	12	(11)	(26)	(14)	(14)
Other						
Contribution paid by the employer	-	-	(38)	(64)	(38)	(64)
Benefits paid	(48)	(48)	54	41	6	(7)
	(48)	(48)	16	(23)	(32)	(71)
Disposal of Singer India	(435)	-	359	-	(76)	-
Balance at 31 December	**-**	**414**	**-**	**(364)**	**-**	**50**
Represented by:						
Net defined benefit liability					-	50

(c) Plan assets

Plan assets comprise:

In thousands of U.S. Dollars	**2020**	**2019**
Investment in Insurance Fund	-	364
	-	364

11. Employee benefits (continued)

(d) Defined benefit obligation

(i) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

	2020	**2019**
Discount rate	N/A	7.2%
Future salary growth	N/A	8%

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2020		**2019**	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	-	-	(17)	19
Future salary growth (1% movement)	-	-	18	(18)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it provides an approximation of the sensitivity of the assumptions shown.

12. Employee benefit expenses

See accounting policy in Note 35(e).

In thousands of U.S. Dollars	**Note**	**2020**	**2019**
Wages and salaries		599	1,308
Others		239	298
		838	1,606

13. Income taxes

See accounting policy in Note 35(g).

(a) Amounts recognised in profit or loss

In thousands of U.S. Dollars	**2020**	**2019**
Current tax expense		
Current period	9	24
	9	24

13. Income taxes (continued)

(b) Amounts Recognised in Other Comprehensive Income

In thousands of U.S. Dollars	**2020** Before tax	**2020** Tax (expenses) / benefit	**2020** Net of tax	**2019** Before tax	**2019** Tax (expenses) / benefit	**2019** Net of tax
Foreign operations – foreign currency translation differences	(179)	-	(179)	(494)	-	(494)
Re-measurement of defined benefit liability / (asset)	14	(5)	9	14	(5)	9
	(165)	(5)	(170)	(480)	(5)	(485)

13. Income taxes (continued)

The weighted average tax rate for the Group is dependent on the prevailing income tax rates in the countries in which the Group operates and the proportion of each of these countries' profit in relation to the Group's total profit.

(c) Movement in deferred tax balances

2020

In thousands of U.S. Dollars	**Net balance at 1 January**	**Recognised in profit or loss**	**Recognised in OCI**	**Singer India Disposal**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**
Employee benefit plans	17	-	(5)	(12)	-	-	-
Finance charges on instalment sales	-	-	-	-	-	-	-
Inventories	9	-	-	(9)	-	-	-
Property, plant and equipment	(202)	-	-	202	-	-	-
Provision	84	-	-	(84)	-	-	-
Receivables	140	-	-	(140)	-	-	-
Tax loss carried forward	69	-	-	(69)	-	-	-
Tax assets / (liabilities) before set-off	117	-	(5)	(112)	-	-	-
Set off of tax						-	-
Net tax assets / (liabilities)						-	-

13. Income taxes (continued)

(c) Movement in deferred tax balances (continued)

2019

In thousands of U.S. Dollars	**Net balance at 1 January**	**Recognised in profit or loss**	**Recognised in OCI**	**Singer Bangladesh Disposal**	**Effects from movements in exchange rate**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**
Employee benefit plans	21	1	(5)	-	-	17	17	-
Finance charges on instalment sales	81	-	-	(81)	-	-	-	-
Inventories	315	9	-	(315)	-	9	9	-
Property, plant and equipment	(967)	9	-	752	4	(202)	-	(202)
Provision	550	47	-	(508)	(5)	84	84	
Receivables	335	2	-	(194)	(3)	140	140	-
Tax loss carried forward	141	-	-	(71)	(1)	69	69	-
Tax assets / (liabilities) before set-off	476	68	(5)	(417)	(5)	117	319	(202)
Set off of tax							(202)	202
Net tax assets / (liabilities)							117	-

14. Inventories
See accounting policy in Note 35(h)

In thousands of U.S. Dollars	**2020**	**2019**
Raw materials and consumables	-	184
Work in progress	-	13
Finished goods	-	10,338
	-	10,535

Impairment losses, their reversals and other write-offs are included in cost of sales. The Group had recognised a total impairment provision of USD 27 thousand in 2019 relating to inventories.

At 31 December 2019, inventories with a carrying amount of USD 10,535 thousand were collateralized to secure bank loans (see Note 22).

15. Trade and other receivables
See accounting policy in Notes 35(l)

In thousands of U.S. Dollars	**2020**	**2019**
Current		
Trade receivables	-	8,043
Other receivables	821	3,056
	821	11,099

Gross trade receivables	-	8,043
	-	8,043
Other receivables	821	3,056
	821	11,099

At 31 December 2019, trade receivables with a carrying amount of USD 8,043 thousand were collateralized to secure bank loans (see Note 22).

The Group had recognised an impairment provision of USD 65 thousand in 2019 relating to trade receivables.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in Note 26.

16. Cash and cash equivalents
See accounting policy in Note 35(l)

In thousands of U.S. Dollars	**2020**	**2019**
Bank balances	10,625	12,812
Call deposits	911	162
Cash and cash equivalents	11,536	12,974
Bank overdrafts	-	(944)
Cash and cash equivalents in the statement of cash flows	11,536	12,030

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 26.

17. Assets held for sale

See accounting policy in Note 35(k)

As of 14 December 2020, Retail Holdings Asia B.V (a subsidiary company of Retail Holdings N.V) disposed 42.4% of equity stake in Retail Holdings (India) B.V which is the immediate holding company of Singer India Limited owning 59.0%. As a result of partial disposal of Retail Holdings (India) B.V. the Group lost the controlling stake in Singer India Limited and subsequently both companies were treated as Investments in Associates classified as Assets Held for Sale in these Consolidated Financial Statements. The remaining effective ownership interest of both companies are reflected as follows;

Name of investee	*Principal activities*	*Relationship Status*	*Proportion of effective ownership interest %*
Singer India Limited	Distribution of home appliances	Associate	18.4%
Retail Holdings (India) B.V.	Holding company	Associate	31.2%

Based on the shareholders' agreement, the parties had agreed that the purchaser shall have the right, but not the obligation to call and purchase the entire, but not part of the remaining shares held by Seller subject to specified conditions in the said agreement. Resulting from the disposal, the remaining stake of these companies (classified as asset held for sale) are valued at the fair value. Pursuant to the shareholders' agreement, the transaction price for the entire holding of Singer India Group is USD 8,000 thousand. 42.4% stake in India Group (Retail Holdings (India) B.V / Singer India Limited) has been sold for a consideration of USD 3,475 thousand on 14th December 2020. Accordingly, it is assumed that the fair value of the remaining 57.6% is USD 4,610 thousand.

(b) Share of net results of equity accounted investee

	2020	**2019**
Non - Current assets	2,184	-
Current assets	19,614	-
Total assets	21,798	-
Non - Current Liabilities	154	-
Current liabilities	12,421	-
Total liabilities	12,575	-
Shareholders' equity (100%)	9,223	-
Group's holding of 57.6%	5,312	-
Fair value loss at the initial recognition	(702)	-
Fair value of investment in associate	4,610	-

18. Property, plant and equipment

See accounting policy in Notes 35(i) and (m).

In thousands of U.S. Dollars	Land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Total
Cost and revalued amounts					
Balance at 1 January 2019	11,660	6,360	10,600	1,895	30,515
Additions	1,111	69	354	49	1,583
Disposals	(52)	(15)	(75)	(9)	(151)
Singer Bangladesh disposal	(9,517)	(6,384)	(8,454)	(1,720)	(26,075)
Effect of movements in exchange rates	(65)	(1)	(53)	(5)	(124)
Balance at 31 December 2019	3,137	29	2,372	210	5,748
Balance at 1 January 2020	3,137	29	2,372	210	5,748
Additions	76	-	71	68	215
Disposals	(655)	(8)	(222)	(47)	(932)
Other adjustments	(340)	-	-	-	(340)
Singer India disposal	(2,218)	(21)	(2,221)	(231)	(4,691)
Balance at 31 December 2020	-	-	-	-	-
Depreciation and impairment losses					
Balance at 1 January 2019	1,497	4,123	5,263	1,162	12,045
Depreciation charge for the year	435	88	339	31	893
Disposals	(25)	(14)	(38)	(8)	(85)
Impairment loss	29	-	-	-	29
Singer Bangladesh disposal	(936)	(4,169)	(3,447)	(1,046)	(9,598)
Effect of movements in exchange rates	(18)	(1)	(47)	(3)	(69)
Balance at 31 December 2019	982	27	2,070	136	3,215

18. Property, plant and equipment (continued)

In thousands of U.S. Dollars	Land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Total
Depreciation and impairment losses					
Balance at 1 January 2020	982	27	2,070	136	3,215
Depreciation charge for the year	227	1	50	118	396
Disposals	(280)	(8)	(215)	(46)	(549)
Impairment loss	23	-	-	-	23
Other adjustments	(121)	-	-	-	(121)
Singer India disposal	(831)	(20)	(1,905)	(208)	(2,964)
Balance at 31 December 2020	-	-	-	-	-
Carrying amounts					
At 1 January 2019	10,163	2,237	5,338	732	18,470
At 31 December 2019	2,155	2	302	74	2,533
At 31 December 2020	-	-	-	-	-

18. Property, plant and equipment (continued)
Measurement of fair values

Property, plant and equipment were revalued in 2016. Group reviewed its property, plant and equipment once in every three years. In 2019, management assessed that the carrying amounts of the assets did not differ materially from its fair values. Hence the revaluation of assets was not carried out for the year 2019.

(i) Fair value hierarchy
The fair value of property was determined by external independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of properties has been categorized as Level 3 fair value based on the inputs to the valuation technique used.

(ii) Valuation Technique and Significant Unobservable Inputs
The following table shows the valuation technique used in measuring the fair value of property, as well as the significant unobservable inputs used.

Valuation Technique	Significant Unobservable Inputs	Inter-relationship between key unobservable inputs and fair value measurements
Contractors Method: The contractor's method works on the basis that a property's value can be equated to its cost. Valuer assesses the cost of the building if it would have constructed in current year, and deduct margin for usage of the property based on their year of construction. Land value is based on the market prices of each land respectively. Value of property is considered as summation of land & building value.	• Market value of land: valuer has used a range of prices for respective lands based on their recently transacted cost • Construction cost per square feet of a building • Depreciation rate for the usage of assets	The estimated fair value would increase / (decrease) if: • Market Value was higher / (lower) • Cost per square feet was higher / (lower) • Depreciation rate for usage lower / (higher)

Security
As at 31 December 2019, properties with a carrying amount of USD 398 thousand were collateralized to secure bank loans (see Note 22).

19. Intangible assets and goodwill

See accounting policy Notes 35(j)

In thousands of U.S. Dollars	Goodwill	Software License	Total
Cost			
Balance at 1 January 2019	18,252	890	19,142
Acquisitions	-	4	4
Singer Bangladesh disposal	(15,031)	(894)	(15,925)
Balance at 31 December 2019	3,221	-	3,221
Balance at 1 January 2020	3,221	-	3,221
Acquisitions	-	-	-
Singer India disposal	(3,221)	-	(3,221)
Balance at 31 December 2020	-	-	-
Impairment losses			
Balance at 1 January, 2019	13,305	-	13,305
Impairment for the period	1,726	-	1,726
Singer Bangladesh disposal	(15,031)	-	(15,031)
Balance at 31 December 2019	-	-	-
Amortization			
Balance at 1 January 2019	-	320	320
Amortization for the year	-	20	20
Singer Bangladesh disposal	-	(340)	(340)
Balance at 31 December 2019	-	-	-
Carrying amounts			
At 1 January 2019	4,947	570	5,517
At 31 December 2019	3,221	-	3,221
At 31 December 2020	-	-	-

20. Capital and reserves

See accounting policies in Note 35(n).

(a) Ordinary shares

In thousands of shares	**Ordinary shares**	
	2020	**2019**
On issue at 1 January	4,650	4,650
Purchased / forfeited	-	-
On issue at 31 December	4,650	4,650

As at 31 December 2020, the authorized capital of the Company comprised USD 210 thousand (2019: USD 210 thousand) divided into (a) 20,000,000 ordinary shares with a par value of USD 0.01 per share (the "Shares") and (b) 1,000,000 preferred shares with a par value of USD 0.01 per share.

Preferred shares can be issued in series. To date, the Company has issued Series A Convertible Preferred Stock, consisting of 40 preferred shares. The Company repurchased the outstanding preferred shares in 2003 and cancelled them in 2006.

To date, the Company has issued 8,985,105 Shares, and has acquired 4,334,861 Shares through purchase, forfeiture and pursuant to the terms of the original share distribution plan.

All Shares have equal voting rights.

(b) Nature and purpose of reserves

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Revaluation reserve

The revaluation reserve relates to the increase in the carrying amount of land and buildings.

(c) Distributions

The following returns of capital were made to owners.

In thousands of U.S. Dollars	**2020**	**2019**
USD 0.50 per ordinary share (2019: USD 8.00)	2,325	37,202
	2,325	37,202

20. Capital and reserves (continued)
(d) OCI accumulated in reserves, net of tax

In thousands of U.S. Dollars	Attributable to owners of the Group						
	Translation reserve	**Revaluation reserve**	**Legal reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total OCI**
2020							
Re-measurement of defined benefit liability	-	-	-	3	3	6	9
Foreign operations – foreign currency translation differences	(57)	-	-	-	(57)	(122)	(179)
Total	(57)	-	-	3	(54)	(116)	(170)
2019							
Re-measurement of defined benefit liability	-	-	-	3	3	6	9
Foreign operations – foreign currency translation differences	(152)	-	-	-	(152)	(342)	(494)
Total	(152)	-	-	3	(149)	(336)	(485)

21. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as the profit for the reporting period divided by the total equity at the reporting date, as well as the level of dividends to ordinary shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's return on capital in 2020 was nil (2019: 106.37%). The weighted-average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) in 2020 was nil (2019: 6.81%).

The Group monitors capital using a ratio of adjusted net debt to total equity. For this purpose, adjusted net debt is defined as total interest-bearing loans and borrowings, and obligations under finance leases, excluding bank overdrafts, less cash and cash equivalents.

In thousands of U.S. Dollars	**2020**	**2019**
Total loans and borrowings, and obligations under finance leases, excluding bank overdrafts	-	1,432
Less: cash and cash equivalents	(11,536)	(12,030)
Net debt	(11,536)	(10,598)
Total equity	16,559	25,980
Net debt to total equity ratio	**-**	**-**

22. Loans and borrowings

See accounting policies in Notes 35(l)(i) and (p)

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortized cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see Note 26.

In thousands of U.S. Dollars	**2020**	**2019**
Non-current liabilities		
Secured bank loans	-	17
Lease liabilities	-	360
	-	377
Current liabilities		
Current portion of secured bank loans	-	709
Current portion of lease liabilities	-	346
	-	1,055

22. Loans and borrowings (continued)

(a) Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

In thousands of U.S. Dollars		Nominal	Year	31 December 2020		31 December 2019	
	Currency	**Interest rate (%)**	**of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Secured bank loans	INR	7.99-10.75	2019-2022	-	-	726	726
Lease liabilities	INR	11.7	2019-2025	-	-	706	706
Total interest-bearing liabilities				-	-	1,432	1,432

Security

Certain bank loans are secured by plant and equipment, inventories and receivables with the following carrying amounts:

In thousands of U.S. Dollars	**2020**	**2019**
Property, plant and equipment	-	398
Inventories	-	10,535
Receivables	-	8,043
	-	18,976

23. Trade and other payables

See accounting policies in Note 35(l)

In thousands of U.S. Dollars	**2020**	**2019**
Trade payables	-	7,475
Non-trade payables and accrued expenses	432	4,908
	432	12,383

As at 31 December 2019, non-trade payables and accrued expenses included unclaimed dividends payable amounting to USD 588 thousand owed to certain foreign shareholders for dividends declared by the Company in the 2015-2016 periods. During the year, the Company elected to no longer treat unclaimed dividends with respect to these shares as a dividend payable liability on the balance sheet, but to consider them as a contingent liability, leaving these amounts in Retained earnings. Accordingly, unclaimed dividends payable amount as at 1 January 2020 have been reverted back to the Company's retained earnings (see note 32 for more details)

The Group's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 26.

24. Deferred income

Deferred income relates mainly to the extended warranty that the Group entities sell to their customers. The income is deferred and recognised as income over the additional warranty period on a straight-line basis.

The computation to recognise upfront revenue and deferred revenue is based on product categorizations. These categories are based on the past warranty claim patterns and assigns the rates to determine the amount of upfront revenue to be recognised. The remaining balance will be deferred over the warranty period.

25. Warranty provision

See accounting policies in Note 35(o).

In thousands of U.S. Dollars	**2020**	**2019**
Balance at 1 January	621	1,822
Provisions made during the year	253	1,000
Provisions used during the year	(402)	(896)
Disposal of India / Bangladesh	(472)	(1,305)
Balance at 31 December	-	621

The provision for warranty relates mainly to products sold under warranty. The provision has been estimated based on historical warranty data associated with similar products.

26. Financial instruments – Fair values and risk management

(a) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. 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. Assets classified as held for sale are not included in the below table.

31 December 2020

	Carrying amount				Fair value	
	Financial Assets at FVTPL	Amortized Cost	Other Financial Liabilities	Total	Level 3	Total
Financial assets not measured at fair value						
Trade and other receivables	-	821	-	821	-	-
Cash at bank	-	11,536	-	11,536	-	-
	-	12,357	-	12,357	-	-
Financial liabilities not measured at fair value						
Trade and other payables *	-	-	102	102	-	-
	-	-	102	102	-	-

* Accrued expenses that are not financial liabilities (USD 330 thousand) are not included.

26. Financial instruments – Fair values and risk management (continued)
(a) Accounting classifications and fair values (continued)

31 December 2019

	Carrying amount				Fair value	
	Financial Assets at FVTPL	Amortized Cost	Other Financial Liabilities	Total	Level 3	Total
Financial assets not measured at fair value						
Trade and other receivables	-	11,099	-	11,099	-	-
Cash at bank	-	12,974	-	12,974	-	-
	-	24,073	-	24,073	-	-
Financial liabilities not measured at fair value						
Bank overdrafts	-	-	944	944	-	-
Secured bank loans	-	-	726	726	-	-
Lease Liabilities	-	-	706	706	-	-
Trade and other payables *	-	-	9,441	9,441	-	-
	-	-	11,817	11,817	-	-

* Accrued expenses that are not financial liabilities (USD 2,942 thousand) are not included.

26. Financial instruments – Fair values and risk management (continued)

(b) Financial risk management
The Group has exposure to the following risks arising from financial instruments:

- credit risk (see (c) (ii))
- liquidity risk (see (c) (iii))
- market risk (see (c) (iv))

(c) Financial risk management
(i) Risk management framework
The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(ii) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables. The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables
The Group's exposure to credit risk relates principally to royalty receivables in Asia.

At 31 December 2020, the maximum exposure to credit risk for receivables by type of counterparty was as follows:

	Carrying amount	
In thousands of U.S. Dollars	**2020**	**2019**
Wholesale customers	-	8,049
Others	821	3,050
Total	821	11,099

Impairment
At 31 December 2020, the aging of receivables that were not impaired was as follows:

In thousands of U.S. Dollars	**2020**	**2019**
Neither past due nor impaired	821	10,940
Past due 0-30 days	-	67
Past due 31-90 days	-	92
	821	11,099

Based on historic default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due; the balances relate to customers that have a good track record with the Group.

26. Financial instruments – Fair values and risk management (continued)
(c) Financial risk management (continued)
(ii) Credit risk (continued)
Impairment (continued)

An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is as follows:

In thousands of U.S. Dollars	**2020**	**2019**
Retail and direct sale customers, and others	821	3,076
Wholesale customers with four or more years of trading history with the Group	-	1,178
Wholesale customers with less than four years of trading history with the Group	-	6,245
	-	11,099

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

In thousands of U.S. Dollars	**Individual impairments**	**Collective impairments**
Balance at 1 January 2019	400	660
Impairment loss recognised	56	-
Amounts written off	(69)	-
Disposal of Singer Bangladesh	-	(660)
Balance at 31 December 2019	387	-
Impairment loss recognised	423	-
Amounts written off	(31)	-
Disposal of Singer India	(779)	-
Balance at 31 December 2020	-	-

The Group believes that the unimpaired amounts that are past due are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Cash and cash equivalents
The Group held cash and cash equivalents, net of bank overdrafts, of USD 11,536 thousand at 31 December 2020 (2019: USD 12,030 thousand).

Guarantees
The Group does not provide financial guarantees to subsidiaries.

(iii) 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 approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk
The following are the contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreement.

26. Financial instruments – Fair values and risk management (continued)
(c) Financial risk management (continued)
(iii) Liquidity risk (continued)
Exposure to liquidity risk (continued)

31 December 2020

In thousands of U.S. Dollars	**Carrying amount**	**Total**	**Contractual cash flow**				
			2 months or less	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Trade and other payables	102	102	102	-	-	-	-
	102	102	102	-	-	-	-

31 December 2019

In thousands of U.S. Dollars	**Carrying amount**	**Total**	**Contractual cash flow**				
			2 months or less	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Bank overdrafts	944	944	944	-	-	-	-
Secured bank loans	726	726	-	709	9	8	-
Lease liabilities	706	706	-	346	137	223	
Trade and other payables	9,441	9,441	9,271	167	3	-	-
	11,817	11,817	10,215	1,222	149	231	-

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

26. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(iv) Market risk (continued)

Currency risk

The Group is exposed to currency risk on purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currency in which these transactions primarily are denominated is in U.S. Dollars. The currency risk is limited by the short-term nature of the period between the dates of the purchase and the settlements of the related liability.

Exposure to currency risk

The significant foreign currency during the previous year for the Group was the U.S. Dollar held at India where the functional currencies of the Group entities is Indian Rupee (INR). The Group's exposure to foreign currency risk in terms of notional amounts was as follows:

Net exposure consists of:

In thousands of U.S. Dollars	**2020** U.S. Dollar held at	**2019** U.S. Dollar held at **India**
Trade receivables	-	94
Trade payables	-	(991)
Net statement of financial position exposure	**-**	**(897)**
Estimated forecast sales	-	526
Next six months forecast purchases	-	(4,701)
Net forecast transaction exposure	**-**	**(4,175)**
Forward exchange contracts	**-**	**-**
Net exposure	**-**	**(5,072)**

The following significant exchange rates applied during the year.

	Average rate		**Reporting date Spot rate**	
U.S. Dollar	**2020**	**2019**	**2020**	**2019**
INR 1	70.30	70.35	72.18	71.36

26. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(iv) Market risk (continued)

Sensitivity analysis

A 10 percent strengthening of the U.S. Dollar against the following currencies at 31 December would have increased / (decreased) equity and profit by the amounts shown below. This analysis assumes that other variables, in particular interest rates and purchases of inventory denominated in US Dollars, remain constant.

	2020		**2019**	
In thousands of U.S. Dollars	**Equity**	**Profit**	**Equity**	**Profit**
31 December				
INR	-	-	(819)	(121)

A 10 percent weakening of the U.S. Dollars against the above currencies at 31 December 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.

Interest rate risk

The Group manages interest rate risk on borrowings by using a combination of fixed and floating interest rates.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to management of the Group is as follows.

In thousands of U.S. Dollars	**2020**	**2019**
Fixed rate instruments		
Financial assets	-	162
Financial liabilities	-	(25)
	-	137
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	(944)
	-	(944)

Fair value flow sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rate at the reporting date would not affect the consolidated statement of income.

26. Financial instruments – Fair values and risk management (continued)

(c) Financial risk management (continued)

(iv) Market risk (continued)

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 by the amounts shown below. This analysis assumes that other variables, in particular foreign currency rates, remain constant.

	Profit		Equity, net of tax	
In thousands of U.S. Dollars	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 December 2020				
Variable rate instruments				
Cash flow sensitivity	-	-	-	-
31 December 2019				
Variable rate instruments				
Cash flow sensitivity	(9)	9	(3)	3

27. List of group entities

See accounting policy in Note 35(a).

Significant Group entities	**Country of incorporation**	**The Group's Ownership Interest (Effective Holding)**
Reho Limited	Cayman Islands	100.00%
Singer Asia Limited	Cayman Islands	54.10%
Retail Holdings Asia N.V.	Curacao	54.10%
Retail Holdings Asia B.V.	Netherlands	54.10%
Retail Holdings (India) B.V.	Netherlands	31.17%
Singer India Limited	India	18.39%

28. Acquisition and disposal of interests in group entities

See accounting policy in Note 35(a).

In December 2020, the Group disposed its 42.4% equity stake of Retail Holdings (India) B.V. to Crustmind Trading Limited.

Accordingly, Retail Holdings (India) B.V and Singer India Limited ("India Group") have been classified as discontinued operations and results up to the date of disposal and the related disposal gain is presented under "discontinued operations" in the consolidated statement of income. During the year there were no other circumstances had occurred for reclassification of discontinued operations.

29. Non-controlling interests (NCI)

See accounting policies 35(a)(ii)

The following table summarises the information relating to each of the Group's subsidiaries that has material Non-controlling interests, before any intra-group eliminations.

31 December 2020

In thousands of U.S. Dollars	NCI pertaining to Singer Asia Limited	Intra-group adjustments	Total
NCI percentage	**45.9%**		
Non-current assets	-		
Current assets	15,916		
Non-current liabilities	-		
Current liabilities	(229)		
Net assets	15,687		
Net assets attributable to NCI	**7,200**	**(19)**	**7,181**
Revenue	327		
Loss for the year	(5,221)		
OCI	(170)		
Total comprehensive loss	(5,391)		
Profit allocated to NCI	**(2,474)**	**2824**	**350**
OCI allocated to NCI	**(78)**	**(38)**	**(116)**
Total Comprehensive Income to NCI	**(2,552)**	**2,786**	**234**

29. Non-controlling interests (NCI) (continued)

31 December 2019

In thousands of U.S. Dollars	Singer India Limited	NCI pertaining to all other subsidiaries	Intra-group adjustments	Total
NCI percentage	**68.0%**	**45.9%**		
Non-current assets	2,925	4,991		
Current assets	20,061	13,243		
Non-current liabilities	(406)	-		
Current liabilities	(13,566)	(385)		
Net assets	9,014	17,849		
Net assets attributable to NCI	**6,130**	**8,193**	**(801)**	**13,522**
Revenue	68,358	456		
Profit for the year	1,328	41,478		
OCI	(175)	-		
Total comprehensive income	1,143	41,478		
Profit allocated to NCI	**903**	**19,038**	**4,217**	**24,158**
OCI allocated to NCI	**(119)**	**-**	**(217)**	**(336)**
Total Comprehensive Income to NCI	**784**	**19,038**	**(4,000)**	**23,822**

29. Non-controlling interests (NCI) (continued)

In December 2020, the Group disposed its 42.4% equity stake of Retail Holdings (India) B.V. to Crustmind Trading Limited which held 59.0% equity interest in Singer India Limited.

As a result of the disposal of Retail Holdings (India) B.V / Singer India Limited, the Group de-recognized a Non-Controlling Interest of USD 6,395 thousands. Further Non-controlling Interest is increased amounting to of USD 2,290 thousand as a result of recognition of investment in associate. Accordingly, net impact to Non-controlling interest is USD 4,105 thousands.

30. Operating leases

See accounting policy in Note 35(p).

Leases as lessee

The Group leases a number of shops, warehouses and factory facilities under operating leases. The lease periods vary and may contain an option to renew after the end of the lease term. Some lease payments increase at regular intervals to reflect market rentals.

During the year ended 31 December 2020, USD nil was recognised as an expense in the income statement in respect of operating leases (2019: USD 417 thousand).

Amounts recognised in profit or loss

In thousands of U.S. Dollars	**2020**	**2019**
Lease expense	-	417

31. Capital commitments

As at 31 December 2020, the Group has USD nil capital commitment to acquire plant, equipment and software acquisition (2019: USD 24).

32. Contingencies

See accounting policy in Note 35(o).

The Group is subject to a number of environmental and pollution control laws and regulations in some jurisdictions in which it operates and has operated and may face exposure from actual or potential claims involving such matters. The Group believes that any costs resulting from environmental matters known to it will not have a material adverse impact on the Group financial position, results of operations, or liquidity.

The Group has a contingent liability of USD 2,845 thousand representing declared but unclaimed dividends owed to certain foreign shareholders for dividends declared by the Company in the 2016-2020 period. Pursuant to Curacao regulation and the Company's Articles of Association, dividends not claimed by any shareholder revert back to Retained earnings after five years. This does not apply, however, to US shareholders, pursuant to laws and regulations in the various states in the United States. Unclaimed dividends of US shareholders (and related shares) are escheated to the state of residence of the shareholder based on their last known address, with no compensation to the Company.

In 2015, for 8,939 shares attributed to certain foreign individual shareholders, and in 2017, for an additional 98,417 shares attributed primarily to certain foreign banks, after numerous unsuccessful efforts to contact these shareholders of record (by registered and regular mail letter to their last known address, by newspaper notice, by telephone, where a telephone number could be found, etc.), the Company elected to no longer treat unclaimed dividends with respect to these shares as a dividend payable liability on the balance sheet, but rather to consider the amounts due as a contingent liability that would crystallize if, and only if, a shareholder in the five year period after declaration of the dividend, reappeared to claim the dividend.

32. Contingencies (continued)

The Group does not include the amount of these unclaimed dividends in the dividends payable account, but considers them as a contingent liability, leaving these amounts in Retained earnings. Each year, the Group reduces the contingent liability for foreign unpaid dividend amounts declared five years prior and increases the contingent liability by the amount of any dividends declared on the shares of these foreign shareholders during that year.

As at 31 December 2020 the contingent liability relating to declared but unclaimed dividends owed to these foreign shareholders was USD 2,845 thousand.

33. Related parties

Transactions with key management personnel

(i) Key management personnel compensation

In addition to their salaries, the Group also provides other benefits to directors and executive officers. Key management compensation comprised:

In thousands of U.S. Dollars	**2020**	**2019**
Short-term employee salaries and benefits	838	1,750
Other long-term benefits	-	8
	838	1,758

(ii) Key management personnel ownership

Stephen H. Goodman, who, together with his spouse, beneficially own 1,067,158 Shares, representing approximately 22.9% of the Company's total Shares. Three trusts for which Mr. Goodman's spouse is the trustee own an additional 174,600 Shares, representing an additional approximately 3.8% of the Company's total Shares outstanding.

34. Subsequent events

There were no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements except below.

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. The extent of these impacts on the Group are unclear, although they will likely adversely affect its results of operations and financial condition.

The Management will continue to monitor new developments and events in the present market dynamics and take appropriate and timely actions as and when required.

35. Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise (also see Note 5).

Certain comparative amounts in the statement of profit or loss and OCI have been restated, reclassified or re-presented, as a result of an operation discontinued during the current year (see Note 7).

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see (a)(iii)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred.

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 is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date.

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

35. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) 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 on which control commences until the date on which control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

(vi) Equity accounted investees (Associates)

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies. The Group accounts for its investment in associate using the equity method from the date on which it becomes an associate.

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

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

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

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

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

35. Significant accounting policies (continued)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to U.S. Dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated to U.S. Dollars at the average monthly exchange rate in the month of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control 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. If the Group disposes of part of its interest in a subsidiary, but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographic area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

(d) Revenue from contracts with customers

(i) Sale of goods

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. Determining the timing of the transfer of control at a point in time or over time require judgement. Revenue is recognized when the goods are delivered to its customers as the performance obligations will be satisfied on delivery.

(ii) Finance charges

Finance charges on instalment sales are recognised using the effective interest method.

35. Significant accounting policies (continued)
(d) Revenue from contracts with customers (continued)

(iii) Services

Revenue from rendering of services is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed with reference to surveys of work performed.

(iv) Royalty and license income

Royalty and license fees paid by third parties and affiliates for the right to use the SINGER name for certain products, services and locations in selected markets are included in revenue.

(v) Commissions

If the Group acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of commission made by the Group.

(e) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

(ii) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

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 the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. 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 then-net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

35. Significant accounting policies (continued)
(e) Employee benefits (continued)

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is 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. Re-measurements are recognised in profit or loss in the period in which they arise.

(v) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be wholly settled within 12 months of the end of the reporting period, then they are discounted.

(f) Expenditure recognition

(i) Operating expense

All expenses incurred in day-to-day operations of the business has been charged to revenue in arriving at the profit or loss for the year. Provision is made all known liabilities.

(ii) Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- dividend income; and
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit and loss on the date on which the Group's right to receive payment is established.

(g) Income tax

Income tax expense comprises current and deferred tax. It is 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.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable 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. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

(ii) Deferred tax

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 to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

35. Significant accounting policies (continued)

(g) Income tax (continued)

***(ii) Deferred tax* (continued)**

Deferred tax assets are recognised for unused tax losses, unused tax credit 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 are insufficient to recognize deferred tax asset in full, future taxable profits adjusted for reversal 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 realized. Such reductions are reversed when the profitability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventory is based on the weighted average principle. Cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses except for land and buildings which are measured at fair value. Revaluations are made with sufficient regularity to ensure that their carrying amounts do not differ materially from their fair values at the reporting date.

When an asset is revalued, any increase in the carrying amount is credited directly to a revaluation reserve within equity unless it reverses a previous impairment relating to the same asset, which was recognised as an expense at the time. In these circumstances, the increase is recognised as income to the extent of the previous write down. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised as an expense unless it reverses a previous surplus relating to that asset, in which case it is charged against any related revaluation reserve, to the extent that the decrease does not exceed the amount held in the revaluation reserve in respect of that same asset. Any balance remaining in the revaluation reserve in respect of an asset, is transferred directly to retained earnings on retirement or disposal of the asset.

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

- 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 assets 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
- Capitalized borrowing costs.

35. Significant accounting policies (continued)
(i) Property, plant and equipment (continued)

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. If significant 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.

Any gains and losses 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. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent expenditure
Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation
Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Buildings and leasehold improvements	10 - 50 years
Plant and equipment	2 - 20 years
Fixtures and fittings	2 - 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Intangible assets
(i) Goodwill
Goodwill that arises upon the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see Note 35 (a)(i).

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, 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) Trademarks and trading license
The useful lives of the trademarks and trading license are determined after considering the specific facts and circumstances related to each trademark and license. Factors that are taken into account when determining useful lives include the contractual term of any agreement related to the trademark and the license, its historical level of acceptance and performance, the Group's long-term strategy for using the trademark and the license, any laws or other local regulations which could impact its useful life, and other economic factors, including competition and specific market conditions.

Trademarks and trading license which have indefinite useful lives are measured at cost less accumulated impairment losses.

35. Significant accounting policies (continued)
(j) Intangible assets (continued)

(iii) Other intangible assets
Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(iv) Subsequent expenditure
Subsequent expenditure is capitalized 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.

(v) Amortization
Except for goodwill and trademark, intangible assets are amortized on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

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

- Software 10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Assets held for sale
Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying value and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(l) Financial instruments
(i) Recognition and initial measurement
Trade receivables and debt securities 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, for an item not at fair value through profit or loss (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.

Financial Assets

Classification and subsequent measurement of financial assets
On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) - debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

35. Significant accounting policies (continued)
(l) Financial instruments (continued)
(i) Recognition and initial measurement **(continued)**

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.

A financial asset is measured at amortized 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.

Group's consolidated financial assets classified and measured at amortized cost are limited to its trade debtors, related party receivables, short term investments and cash & cash equivalents.

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.

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 OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Group's investment in equity investments is classified as Fair Value through OCI.

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 realizing 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

35. Significant accounting policies (continued)
(l) Financial instruments (continued)
***(i) Recognition and initial measurement* (continued)**

- 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 de-recognition 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.

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).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized 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 de-recognition is recognised in 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 OCI and are never reclassified to profit or loss.

35. Significant accounting policies (continued)
(l) Financial instruments (continued)
***(i) Recognition and initial measurement* (continued)**

Financial Liabilities
Classification, subsequent measurement and gain and losses
Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

Derecognition of financial instruments
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 substantially all of the risks and rewards of ownership of the financial asset are transferred or in which 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.

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. In these cases, the transferred assets are not derecognised.

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 de-recognition 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.

(ii) 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 realize the asset and settle the liability simultaneously.

(iii) Impairment
Financial instruments and contract assets
The Group recognises loss allowances for Expected Credit Losses (ECLs) on:
- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables is always 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.

35. Significant accounting policies (continued)
(l) Financial instruments (continued)
(iii) Impairment (continued)

This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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 realizing security (if any is held); or

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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 a probability-weighted estimate of credit losses. Credit losses are measured as 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 amortized cost and debt securities 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 180 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 re-organisation;
- the disappearance of an active market or a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

- ***Write-off***

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

35. Significant accounting policies (continued)

(m) Impairment

(i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise or indications that a debtor or issuer will enter bankruptcy.

(ii) Financial assets measured at amortized cost

The Group considers evidence of impairment of receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Group uses Expected Credit Loss (ECL) method.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(iii) Non-financial assets

At each reporting date, the Group reviews carrying amounts of its non-financial assets, other than inventories and deferred tax assets, 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.

For impairment testing, assets 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 groups of assets (the "cash-generating unit", or "CGU"). Goodwill arising from a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

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

An impairment loss in respect of goodwill is not reversed. For other assets, 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 amortization, if no impairment loss had been recognised.

(n) Share capital

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

35. Significant accounting policies (continued)

(o) Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

(p) 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

(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 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 its 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;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

35. Significant accounting policies (continued)

(p) Leases *(continued)??*

(i) As a lessee(continued)

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 'loans and borrowings' 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 IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception 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 their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (see Note 45(R)(i)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

36. New Accounting Standards issued but not effective as at the Reporting date.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements,

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Definition of a Business (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- Definition of Material (Amendments to IAS 1 and IAS 8)