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TUAN SING HOLDINGS LIMITED
(Incorporated in Singapore)
(Registration No. 196900130M)
AND ITS SUBSIDIARIES

Directors' Statement and Financial Statements

For The Financial Year Ended 31 December 2018

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

Directors' Statement and Financial Statements

C o n t e n t s

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT
For the financial year ended 31 December 2018

The Directors of the Company present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2018.

In the opinion of the Directors:

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 12 to 154 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2018, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

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

1 Directors

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

Mr Ong Beng Kheong
Mr William Nursalim alias William Liem
Mr Cheng Hong Kok
Mr Choo Teow Huat Albert
Mr David Lee Kay Tuan
Ms Michelle Liem Mei Fung
Mr Neo Ban Chuan

2 Arrangements to enable Directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3 Directors' interests in shares and debentures

The Directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company or of related corporations as recorded in the Register of Directors' Shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act (the "Act") except as follows:

Names of Directors and companies in which interests are held	Holdings registered in name of Director		Holdings in which Director is deemed to have an interest	
	As at 31 December 2018	As at 1 January 2018	As at 31 December 2018	As at 1 January 2018
The Company (Ordinary Shares)				
Mr Ong Beng Kheong	2,200	2,200	-	-
Mr David Lee Kay Tuan	250,000	250,000	-	-
Ms Michelle Liem Mei Fung	-	-	628,814,529 [1]	546,383,829 [1]
Mr William Nursalim alias William Liem	-	-	628,814,529 [1]	546,383,829 [1]
The Company				
S$80 million 5-year 4.50% per annum Notes due 2019 pursuant to the S$900,000,000 Multicurrency Medium Term Note Programme ("MTN Programme")				
Mr William Nursalim alias William Liem	$500,000	$500,000	-	-
S$150 million 3-year 6% per annum Notes due 2020 pursuant to the MTN Programme				
Mr Ong Beng Kheong	-	-	$500,000	$500,000
Mr William Nursalim alias William Liem	$500,000	$500,000	-	-
Mr Choo Teow Huat Albert	-	-	$250,000	$250,000
Mr David Lee Kay Tuan	$500,000	$500,000	-	-
Subsidiary				
SP Corporation Limited (Ordinary Shares)				
Ms Michelle Liem Mei Fung	-	-	28,146,319 [1]	28,146,319 [1]

Note

[1] By virtue of interest in Nuri Holdings (S) Pte Ltd.

By virtue of Section 7 of the Act, Ms Michelle Liem Mei Fung and Mr William Nursalim alias William Liem are deemed to have an interest in the Company and in all the related corporations of the Company.

There was no change in any of the above-mentioned Directors' interests between the end of the financial year and 21 January 2019.

4 Share options

During the financial year, there were no options granted to take up unissued shares of the Company or any corporation in the Group.

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5 Audit and Risk Committee

The Audit and Risk Committee performed functions specified in Section 201B (5) of the Act, the SGX-ST Listing Manual and the Singapore Code of Corporate Governance.

The Audit and Risk Committee of the Company is chaired by Mr Choo Teow Huat Albert and includes Messrs David Lee Kay Tuan and Neo Ban Chuan, all of whom are non-executive Directors and the majority including the Chairman, are independent. The Audit and Risk Committee met eight times during the financial year ended 31 December 2018 and had reviewed, *inter alia*, the following with the executive Director, external and internal auditors of the Company where relevant:

(a) the external and internal audit plans; the scope of the internal audit procedures and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) the Group's financial and operating results and accounting policies;

(c) the consolidated financial statements of the Group and the financial statements of the Company before their submission to the Directors of the Company and the external auditors' report on those financial statements;

(d) the quarterly, half-yearly and annual announcements on the results and financial positions of the Company and the Group;

(e) the interested person transactions as specified under Chapter 9 of the SGX-ST Listing Manual Rules;

(f) the co-operation and assistance given by the management to the Group's external and internal auditors; and

(g) the re-appointment of the external and internal auditors of the Group.

The Audit and Risk Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee has recommended to the Directors the nomination of Deloitte & Touche LLP for re-appointment as the external auditors of the Group at the forthcoming Annual General Meeting of the Company.

6 External auditors

Deloitte & Touche LLP have expressed their willingness to accept re-appointment.

On Behalf of the Directors

Mr Ong Beng Kheong
Chairman

Mr William Nursalim alias William Liem
Chief Executive Officer

30 January 2019

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TUAN SING HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tuan Sing Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 154.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TUAN SING HOLDINGS LIMITED

Key Audit Matters

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

Revenue recognition of development properties

The Group enters into contracts with customers to sell specified residential units which are under development based on the terms and specifications as set out in the contracts. The analysis of whether the contracts comprises one or more performance obligations, determination of whether the performance obligations are satisfied over time and the method used to measure progress for revenue recognition for these development properties requires estimate by management.

The stage of completion is measured by reference to certifications of the value of work performed to date by third party quantity surveyors as compared to the estimated total construction costs of the development project as approved by management. Significant judgements are required to determine the total construction costs which include estimation for variation works and any other claims from contractors. Any changes to the estimated total construction costs will impact the percentage of completion ("POC"), and consequentially the revenue recognised.

Our audit performed and responses thereon

We read the sales and purchase agreements of development properties and discussed with management to understand the relevant terms of the agreements and the basis of management's identification of performance obligations to determine whether the criteria for recognising revenue over time were met. We performed procedures to evaluate the design and implementation of the relevant controls put in place by the Group in respect of revenue recognition from the development properties.

We also reviewed management's estimated total construction cost for each of the development projects, and assessed the reasonableness of the assumptions and estimates applied by management which included key elements such as construction costs and variation works, taking also into consideration the need by management to account for any effects of significant or unusual events that occurred during the year which may impact the estimated total construction cost. In addition, we also used the value of the work performed to date as provided by third party quantity surveyors, compared to the estimated total construction cost and performed arithmetic computations of the POC and revenue to be recognised for the year.

We found management's basis of identifying performance obligations and the basis of revenue recognition for these development properties to be appropriate. We also found management to have the relevant controls in place and that the key assumptions applied by management for estimated total construction costs to be reasonable based on supportable information available.

Further disclosures are made in Note 26 to the financial statements.

Valuation of development properties

The Group has residential properties under development and held for sale which are mainly located in Singapore. These development properties are stated at the lower of cost and net realisable values. The determination of the estimated net realisable value of these development properties is dependent upon the Group's expectations of future selling prices. There is a risk that the estimates of net realisable values may exceed future selling prices, resulting in losses when properties are sold.

Our audit performed and responses thereon

We discussed with and evaluated management's basis used in their assessment in determining whether the Group's properties under development and completed residential properties held for sale are impaired and the amount of impairment to be recorded if any, based on the Group's estimated selling prices of these properties, by comparing where available, to recently transacted prices and prices of past sales of comparable properties in surrounding locations. We also performed sensitivity analysis on the estimated selling prices used by management in their assessment and considered the adequacy of the disclosures in respect of the impairment losses presented in the financial statements for these properties.

We found management's estimates to be reasonable based on supportable information available, and that management had applied their knowledge of the business in determining the estimated selling prices of the respective properties, by taking into consideration the selling prices of recent sales of the respective properties and that of comparable properties, and expectations of the property market conditions. We found that the Group had appropriately recorded the impairment loss in profit or loss and the related disclosures to be appropriate.

Further disclosures are made in Note 10 to the financial statements.

Valuation of investment properties and hotel properties

The Group has investment and hotel properties stated at fair value, determined based on professional external valuers engaged by the Group.

The valuation process involves significant judgement and estimation. The valuations are dependent on the valuation methodology applied and these are underpinned by a number of assumptions which included price per square metre of market comparables used; capitalisation rates; price per square metre of gross / net lettable area and value per room for hotel properties. A change in the key assumptions applied may have a significant impact to the valuation.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TUAN SING HOLDINGS LIMITED

<u>Our audit performed and responses thereon</u>

We read the terms of engagement of the external valuers engaged and also considered the objectivity and independence of the external valuers including their qualifications and competency.

We considered the appropriateness of the valuation techniques used by the external valuers for the respective investment and hotel properties, taking into account the profile and type of these properties. We discussed with the external valuers on the results of their work, and compared the key assumptions used in their valuations by reference to externally published benchmarks where available and considered whether these assumptions are consistent with the current market environment.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates.

We found that the external valuers were recognised professionals with the appropriate level of qualifications and experience. The valuation methodologies adopted were in line with generally accepted market practices for similar properties. The key assumptions used were within reasonable range, taking into account historical rates and available industry data for comparable markets and properties. We also found that the related disclosures in the financial statements to be adequate.

Further disclosures on the investment properties and hotel properties are found in Notes 13 and 12 to the financial statements respectively.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Company and Strategy, Highlights of the Year, Corporate Stewardship, Management Discussion and Analysis, Corporate Governance Report, Sustainability Report and Shareholding Statistics reports, which are expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information which are expected to be made available to us after the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TUAN SING HOLDINGS LIMITED

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TUAN SING HOLDINGS LIMITED

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Loi Chee Keong.

Deloitte, Touche LLP

Public Accountants and
Chartered Accountants
Singapore

30 January 2019

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2018

	Note	Group			Company		
		31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)	**31 December 2018 $'000**	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
ASSETS							
Current assets							
Cash and bank balances	5	**133,007**	216,843	163,688	**25,165**	88,737	301
Trade and other receivables	6	**76,142**	89,148	94,244	**347**	12,162	7,994
Contract assets	7	**13,517**	4,480	64,549	**-**	-	-
Contract costs	8	**757**	485	337	**-**	-	-
Amounts due from subsidiaries	18	**-**	-	-	**400,312**	354,851	255,467
Inventories	9	**2,792**	2,906	3,564	-	-	-
Development properties	10	**358,530**	188,680	183,232	-	-	-
Asset classified held for sale	11	**42,040**	-	-	**-**	-	-
Total current assets		**626,785**	502,542	509,614	**425,824**	455,750	263,762
Non-current assets							
Property, plant and equipment	12	**425,944**	446,749	422,921	**67**	-	-
Investment properties	13	**1,742,662**	1,592,687	1,108,652	**498**	498	498
Investments in subsidiaries	14	**-**	-	-	**733,800**	695,647	684,755
Investments in equity accounted investees	15	**117,914**	93,185	83,579	**-**	-	-
Deferred tax assets	21	**2,135**	2,253	2,286	**-**	-	-
Contract assets	7	**1,934**	5,057	-	**-**	-	-
Other non-current assets		**12**	12	11	**-**	-	-
Total non-current assets		**2,290,601**	2,139,943	1,617,449	**734,365**	696,145	685,253
Total assets		**2,917,386**	2,642,485	2,127,063	**1,160,189**	1,151,895	949,015
LIABILITIES AND EQUITY							
Current liabilities							
Loans and borrowings	16	**884,170**	278,943	3,406	**79,877**	-	-
Trade and other payables	17	**125,125**	121,917	112,333	**24,573**	20,153	20,096
Amounts due to subsidiaries	18	**-**	-	-	**308,288**	309,729	265,956
Contract liabilities	20	**593**	372	-	**-**	-	-
Derivative financial instruments	33	**-**	87	-	**-**	-	-
Income tax payable		**5,317**	13,523	22,290	**14**	84	52
Total current liabilities		**1,015,205**	414,842	138,029	**412,752**	329,966	286,104
Non-current liabilities							
Loans and borrowings	16	**746,271**	1,179,177	1,017,387	**149,203**	228,364	79,562
Derivative financial instruments	33	**-**	-	1,019	**-**	-	-
Deferred tax liabilities	21	**47,073**	47,784	35,730	**-**	-	-
Other non-current liabilities	17	**373**	463	462	**-**	-	-
Total non-current liabilities		**793,717**	1,227,424	1,054,598	**149,203**	228,364	79,562

STATEMENTS OF FINANCIAL POSITION (CONT'D)
As at 31 December 2018

		Group			Company		
	Note	**31 December 2018 $'000**	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)	**31 December 2018 $'000**	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Capital, reserves and non-controlling interests							
Share capital	22	**173,945**	172,514	171,306	**173,945**	172,514	171,306
Treasury shares	23	**(1,523)**	-	-	**(1,523)**	-	-
Reserves	24	**921,030**	817,077	752,096	**425,812**	421,051	412,043
Equity attributable to owners of the company		**1,093,452**	989,591	923,402	**598,234**	593,565	583,349
Non-controlling interests		**15,012**	10,628	11,034	**-**	-	-
Total equity		**1,108,464**	1,000,219	934,436	**598,234**	593,565	583,349
Total liabilities and equity		**2, 917,386**	2,642,485	2,127,063	**1,160,189**	1,151,895	949,015

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

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 December 2018

	Note	Group 31 December 2018 $'000	Group 31 December 2017 $'000 (Restated)
Revenue	26	**336,108**	355,964
Cost of sales		**(267,390)**	(291,179)
Gross profit		**68,718**	64,785
Other operating income		**10,632**	7,346
Distribution costs		**(5,143)**	(5,885)
Administrative expenses		**(25,494)**	(26,319)
Other operating expenses		**(5,577)**	(3,390)
Share of results of an equity accounted investee	15	**19,214**	15,677
Interest income	27	**5,226**	4,150
Finance costs	28	**(41,861)**	(33,173)
Profit before tax and fair value adjustments		**25,715**	23,191
Fair value adjustments	29	**113,084**	44,814
Profit before tax	30	**138,799**	68,005
Income tax expenses	31	**(4,190)**	(5,261)
Profit for the year		**134,609**	62,744
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties	33	**7,754**	33,846
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	33	**(2,358)**	(10,154)
		5,396	23,692
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	33	**(19,278)**	(9,045)
Share of other comprehensive income of an equity accounted investee	33	**1,866**	(6,360)
Cash flow hedges	33	**82**	916
Income tax relating to components of other comprehensive income that may be reclassified subsequently	33	**(25)**	(275)
		(17,355)	(14,764)
Other comprehensive (loss) income for the year, net of tax	33	**(11,959)**	8,928
Total comprehensive income for the year		**122,650**	71,672

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)
For the financial year ended 31 December 2018

	Note	Group 31 December 2018 $'000	Group 31 December 2017 $'000 (Restated)
Owners of the Company		**134,376**	62,632
Non-controlling interests		**233**	112
		134,609	62,744
Total comprehensive income attributable to:			
Owners of the Company		**122,271**	72,078
Non-controlling interests		**379**	(406)
		122,650	71,672
Basic and diluted earnings per share (in cents)			
Including fair value adjustments	32	**11.3**	5.3
Excluding fair value adjustments	32	**1.9**	1.8

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

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2018

	Note	Group 31 December 2018 $'000	Group 31 December 2017 $'000 (Restated)
Operating activities			
Profit before tax		138,799	68,005
Adjustments for:			
Fair value gain	29	(113,084)	(44,814)
Share of results of an equity accounted investee	15	(19,214)	(15,677)
Write-back of allowance for diminution in value for development properties, net	10	(1,576)	(1,783)
Depreciation of property, plant and equipment	12	7,916	7,776
Amortisation of contract costs	8	725	321
Allowance for inventory obsolescence, net	9	-	17
Allowance for doubtful trade and other receivables, net	6	525	425
Net gain on disposal of a subsidiary	30	(3,893)	-
Net loss on disposal of property, plant and equipment	30	36	6
Interest income	27	(5,226)	(4,150)
Finance costs	28	41,861	33,173
Operating cash flows before movements in working capital		46,869	43,299
Development properties		(162,227)	(2,867)
Inventories		65	672
Trade and other receivables		31,222	69,794
Contract costs		(1,282)	(148)
Contract assets		(5,916)	(7,238)
Contract liabilities		221	-
Trade and other payables		3,298	8,350
Cash (used in) / generated from operations		(87,750)	111,862
Interest received		6,114	2,059
Income tax paid		(12,268)	(12,406)
Net cash (used in) / from operating activities		(93,904)	101,515
Investing activities			
Purchase of property, plant and equipment	12	(3,433)	(4,263)
Proceeds on disposal of property, plant and equipment		18	171
Additions to investment properties		(85,949)	(439,095)
Deposit paid for acquisition of land in Batam		-	(3,915)
Deposit collected from disposal of a subsidiary	35	-	4,294
Loan to a related party		(20,000)	-
Acquisition of investment in an associate		(14,888)	-
Acquisition of subsidiaries	35	(11,310)	-
Proceeds from disposal of a subsidiary	35	16,547	-
Net cash used in investing activities		(119,015)	(442,808)
Financing activities			
Proceeds from loans and borrowings		230,008	510,894
Repayment of loans and borrowings		(38,349)	(67,015)
Interest paid		(50,054)	(39,094)
Bank deposits (pledged) / released as securities for bank facilities		(2,543)	656
Dividend paid to shareholders		(5,431)	(5,866)
Purchase of treasury shares	23	(1,523)	-
Shares bought back and cancelled	22	(258)	(23)
Net cash from financing activities		131,850	399,552

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)
For the financial year ended 31 December 2018

	Note	Group 31 December 2018 $'000	31 December 2017 $'000 (Restated)
Net (decrease) / increase in cash and cash equivalents		(81,069)	58,259
Cash and cash equivalents at the beginning of the year	5	151,145	95,896
Foreign currency translation adjustments		(3,509)	(3,010)
Cash and cash equivalents at the end of the year	5	66,567	151,145

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

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2018

	Note	Share capital	Treasury Shares	Foreign currency translation account	Asset revaluation reserve	Other capital reserves #	Revenue reserve	Attributable to owners of the Company	Non-controlling interests	Total Equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
At 1 January 2018 (Previously reported)		172,514	-	(31,102)	130,112	150,662	563,463	985,649	10,628	996,277
Effects of adopting SFRS(I) 1 and SFRS(I) 15		-	-	64	3,643	-	235	3,942	-	3,942
At 1 January 2018 (Restated)		172,514	-	(31,038)	133,755	150,662	563,698	989,591	10,628	1,000,219
Total comprehensive income for the year										
Profit for the year		-	-	-	-	-	134,376	134,376	233	134,609
Exchange differences on translation of foreign operations	33	-	-	(17,558)	-	-	-	(17,558)	146	(17,412)
Revaluation of properties	33	-	-	-	7,754		-	7,754	-	7,754
Cash flow hedges	33	-	-	-	-	82	-	82	-	82
Income tax adjustments relating to other comprehensive income	33	-	-	-	(2,358)	(25)	-	(2,383)	-	(2,383)
Other comprehensive (loss)/income for the year, net of tax		-	-	(17,558)	5,396	57	-	(12,105)	146	(11,959)
Total		-	-	(17,558)	5,396	57	134,376	122,271	379	122,650
Transactions with owners, recognised directly in equity										
Transfer from revenue reserve to other capital reserves		-	-	-	-	17,388	(17,388)	-	-	-
Non-controlling interest arising from acquisition of a subsidiary		-	-	-	-	-	-	-	3,405	3,405
Non-controlling interest arising from incorporation of a subsidiary		-	-	-	- -	-	-	-	600	600
Issue of shares under the Scrip Dividend Scheme	22	1,689	-	-	-	-	-	1,689	-	1,689
Shares bought back and cancelled	22	(258)	-	-	-	-	-	(258)	-	(258)
Repurchase of shares	23	-	(1,523)	-	-	-	-	(1,523)	-	(1,523)
Dividend paid to shareholders										
- Cash	25	-	-	-	-	-	(5,431)	(5,431)	-	(5,431)
- Share	25	-	-	-	-	-	(1,689)	(1,689)	-	(1,689)
Goodwill paid over acquiring additional shares in a member of associate		-	-	-	-	(11,198)	-	(11,198)	-	(11,198)
Total		1,431	(1,523)	-	-	6,190	(24,508)	(18,410)	4,005	(14,405)
At 31 December 2018		173,945	(1,523)	(48,596)	139,151	156,909	673,566	1,093,452	15,012	1,108,464

Details of "Other capital reserves" are disclosed in Note 24.

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2018

	Note	Share capital	Foreign currency translation account	Asset revaluation reserve	Other capital reserves #	Revenue reserve	Attributable to owners of the Company	Non-controlling interests	Total Equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group (cont'd)									
At 1 January 2017 (Previously reported)		171,306	(16,151)	106,420	126,787	531,060	919,422	11,034	930,456
Effects of adopting SFRS(I) 1 and SFRS(I) 15		-	-	3,643	-	337	3,980	-	3,980
At 1 January 2017 (Restated)		171,306	(16,151)	110,063	126,787	531,397	923,402	11,034	934,436
Total comprehensive income for the year									
Profit for the year		-	-	-	-	62,632	62,632	112	62,744
Exchange differences on translation of foreign operations	33	-	(14,887)	-	-	-	(14,887)	(518)	(15,405)
Revaluation of properties	33	-	-	33,846	-	-	33,846	-	33,846
Cash flow hedges	33	-	-	-	916	-	916	-	916
Income tax adjustments relating to other comprehensive income	33	-	-	(10,154)	(275)	-	(10,429)	-	(10,429)
Other comprehensive (loss)/income for the year, net of tax		-	(14,887)	23,692	641	-	9,446	(518)	8,928
Total		-	(14,887)	23,692	641	62,632	72,078	(406)	71,672
Transactions with owners, recognised directly in equity									
Transfer from revenue reserve to other capital reserves		-	-	-	23,234	(23,234)	-	-	-
Issue of shares under the Scrip Dividend Scheme	22	1,231	-	-	-	-	1,231	-	1,231
Shares bought back and cancelled	22	(23)	-	-	-	-	(23)	-	(23)
Dividend paid to shareholders									
- Cash	25	-	-	-	-	(5,866)	(5,866)	-	(5,866)
- Share	25	-	-	-	-	(1,231)	(1,231)	-	(1,231)
Total		1,208	-	-	23,234	(30,331)	(5,889)	-	(5,889)
At 31 December 2017 (Restated)		172,514	(31,038)	133,755	150,662	563,698	989,591	10,628	1,000,219

\# *Details of "Other capital reserves" are disclosed in Note 24*

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2018

Company	Note	Share capital	Treasury Shares	Other capital reserve#	Revenue reserve	Total equity
		$'000	$'000	$'000	$'000	$'000
At 1 January 2018		**172,514**	**-**	**101,264**	**319,787**	**593,565**
Profit for the year, representing total comprehensive income for the year		**-**	**-**	**-**	**11,881**	**11,881**
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	22	**1,689**	**-**	**-**	**-**	**1,689**
Dividend paid to shareholders						
- Cash	25	**-**	**-**	**-**	**(5,431)**	**(5,431)**
- Share	25	**-**	**-**	**-**	**(1,689)**	**(1,689)**
Shares bought back and cancelled	22	**(258)**	**-**	**-**	**-**	**(258)**
Repurchase of shares	23	**-**	**(1,523)**	**-**	**-**	**(1,523)**
Total		**1,431**	**(1,523)**	**-**	**(7,120)**	**(7,212)**
At 31 December 2018		**173,945**	**(1,523)**	**101,264**	**324,548**	**598,234**

\# *Details of "Other capital reserves" are disclosed in Note 24.*

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2018

Company (cont'd)	Note	Share capital $'000	Other capital reserve# $'000	Revenue reserve $'000	Total equity $'000
At 1 January 2017		**171,306**	**101,264**	**310,779**	**583,349**
Profit for the year, representing total comprehensive income for the year		**-**	**-**	**16,105**	**16,105**
Transactions with owners, recognised directly in equity					
Issue of shares under the Scrip Dividend Scheme	22	**1,231**	**-**	**-**	**1,231**
Dividend paid to shareholders					
- Cash	25	**-**	**-**	**(5,866)**	**(5,866)**
- Share	25	**-**	**-**	**(1,231)**	**(1,231)**
Shares bought back and cancelled	22	**(23)**	**-**	**-**	**(23)**
Repurchase of shares	23				
Total		**1,208**	**-**	**(7,097)**	**(5,889)**
At 31 December 2017		**172,514**	**101,264**	**319,787**	**593,565**

\# *Details of "Other capital reserves" are disclosed in Note 24.*

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

1 General

Tuan Sing Holdings Limited (Registration number: 196900130M) is incorporated in the Republic of Singapore with its principal place of business and registered office at 9 Oxley Rise, #03-02 The Oxley, Singapore 238697. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding. The principal activities of its significant subsidiaries and associates are disclosed in Notes 39 and 40 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2018 were authorised for issue by the Board of Directors on 30 January 2019.

For all periods up to and including the year ended 31 December 2017, the financial statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRSs"). These financial statements for the year ended 31 December 2018 are the first set that the Group and the Company have prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). Details of first-time adoption of SFRS(I) are included in Note 41.

2 Summary of significant accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 1-17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

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

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

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

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

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

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

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are cldassified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year from acquisition date.

Associates (equity accounted investees)

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

The results of and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, investment in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of the associate exceed the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired [Note 2(f)].

The requirements of SFRS(I) 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associates. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associates. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

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

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

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

(c) Foreign currency transactions and translation

Functional and presentation currency

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (i.e. its functional currency).

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ("SGD") which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated to the functional currency at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Exchange differences on transactions entered into in order to hedge certain foreign currency risks are described in the hedge accounting policies below Note 2(d).

Foreign currency translation

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation account.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Net investment in foreign operations

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation account.

(d) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

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

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

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

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

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

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss under “interest income” line item.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other operating income” or “other operating expenses” line item. Fair value is determined in the manner described in Note 38(e).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically, for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating income" or "other operating expenses" line items.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

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

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

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely the residential properties development, investment properties, hotel operations and industrial services business.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; thinness of counterparties;

- An actual or expected significant deterioration in the operating results of the debtor;

- Significant increases in credit risk on other financial instruments of the same debtor; and

- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or

- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;

- a breach of contract, such as a default or past due event;

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the expected credit loss is the present value of the difference between the contractual cash flows that are due to the group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are Grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals for finance lease receivables; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Financial liabilities

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is i) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, ii) held for trading, or iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the group is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities and is included in the "other operating income" or "other operating expenses" line item.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in Note 38(e).

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other operating income" or "other operating expense" line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

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

Derivative financial instruments

The Group enters into foreign exchange forward contract to manage its exposure to foreign exchange rate risks. Further details of derivative financial instruments are disclosed in Note 33.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;

- the effect of credit risk does not dominate the value changes that result from that economic relationship; and

- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the ‘other gains and losses’ line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available as of the date of the reporting rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

(e) Property, plant and equipment

Measurement

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less any subsequent accumulated depreciation and accumulated impairment losses.

Cost includes professional fees and for qualifying assets, borrowing cost, capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

Revaluation

Certain land and buildings held for use in the production or supply of goods or services, or for administrative purpose, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising from the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising from the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than properties under construction and freehold land, over their estimated useful lives, using the straight-line method, on the following bases:

	Useful lives
Building on freehold land	50 years
Leasehold land, buildings and improvements	Over the remaining lease periods ranging 3 to 99 years
Plant and equipment	1 to 15 years
Motor vehicles	5 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate being accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

(f) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

(g) Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and non-tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units (CGU), or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

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

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

(h) Investment properties

Investment properties comprise completed properties and properties under construction or redevelopment held to earn rental and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Transfers are made to or from investment properties when and only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed costs of property for subsequent accounting is its fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment Note 2(e) up to the date of change in use.

(i) Development properties

Development properties comprise properties in the course of development and completed properties held for sale in the ordinary course of business.

Completed properties held for sale are stated at the lower of cost and estimated net realisable value. Cost is determined by apportionment of the total land cost and development costs capitalised attributable to properties. Net realisable value takes into account the estimated selling price, less cost to be incurred in marketing and selling, and the expected costs to completion, where appropriate.

Cost of development properties comprises costs that relate directly to the development, such as cost of land and construction and related costs that are attributable to development activities and can be allocated to the development project.

When losses are expected, full allowance are recognised as expenses immediately based on best estimates of net realisable value and estimated costs to completion.

Lands held for development and costs attributable to the development activities which are held for future development where no significant development has been undertaken is stated at cost less impairment loss (if any).

The Group's policy for revenue recognition in relation to development properties is described under "Revenue recognition" Note 2(n).

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and direct labour costs where applicable and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Allowance is made where necessary for obsolete, slow-moving and defective inventories.

(k) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and demand deposits, bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents in the consolidated statement of cash flows exclude encumbered fixed deposits.

(l) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

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

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which the benefit attributable to the leased asset is diminished. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs Note 2(o). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as expenses in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

(n) Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of goods
- Sale of development properties
- Revenue from hotel operations
- Revenue from services rendered
- Rental income
- Interest income
- Dividend income

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

Sale of goods

The Group sells commodity trading products and polypropylene and polyethylene woven bags. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Under the Group's standard contract terms, customers do not have a right of return.

Sale of residential properties

The Group constructs and sells residential properties under long-term contracts with customers.

Under the terms of the contracts for sale of residential properties in Singapore, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue is recognised based on the percentage of completion of construction. The percentage of completion is measured by reference to certifications of the value of work performed to date as compared to the estimated total construction costs of the development projects as approved by management. Management considers that this method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

For development properties whereby the Group has no enforceable right to payment until legal title has passed to the customer, revenue is recognised when the legal title has been transferred to the customer. The revenue is measured at the transaction price agreed under the contract.

For development properties under construction, the Group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work signed by a third party surveyor and an invoice for the related milestone payment. For completed development properties, the Group is entitled to invoice customers in accordance with the payment schedule in the sales contract.

The Group will previously have recognised a contract asset for any work performed (for development properties under construction) or for any revenue recognised (for completed development properties). Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date, the Group recognises a contract liability for the difference. When the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money.

Revenue from hotel operations

Revenue from operations of a hotel is recognised from the following major sources: hotel stays, valet parking services and sales of food and beverages.

Provision of hotel stays and valet parking services are recognised as performance obligations satisfied over time. Progress towards complete satisfaction of these performance obligations is measured based on the proportion of the total duration of stay that has elapsed at the end of the reporting period. Payment for hotel stays and valet parking services sold to corporates are due from the customer at the end of the duration of stay. Payment for such services sold to individual customers are due from the customer prior to the stay. A contract asset is recognised for time which has elapsed representing the Group's right to consideration for the services performed to date, except for short durations of service where the effect would be immaterial.

Revenue from sales of food and beverages are recognised when control of the goods has transferred, being at the point in time when the food and beverages are consumed. This is also the point where the Group is entitled to payment.

The Group sells hotel packages to customers. The hotel packages offer combined goods and services. These goods and services are considered distinct as they are regularly supplied by the Group to customers on a stand-alone basis. These are therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on their stand-alone selling prices. Payment of the transaction price is due immediately when the customer purchases the hotel package.

Revenue from services rendered

The Group provides services to lessees of its investment properties and property management services. Such services are recognised as a performance obligation satisfied over time. Revenue of recognised for these services based on the stage of completion of the contract. Management has assessed that the stage of completion is determined as the proportion of the total service period that has elapsed as at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15. Payment for these services are due in accordance with payment schedules in the customer contract, on straight-line basis over the term of the contract.

Rental income

The Group's policy for recognition of revenue from operating leases is described above in Note 2(l).

<u>*Interest income*</u>

The Group's policy for recognition of revenue from operating leases is described above in Note 2(d).

<u>*Dividend income*</u>

Dividends on investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(o) Borrowing costs

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

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

(p) 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. Dividends are deducted from shareholders' equity and recorded as a liability when declared payable. Proposed dividends which are subject to shareholders' approval are not deducted from equity and are not recorded as liabilities.

(q) Employee benefits

<u>*Retirement benefit obligations*</u>

Payments to defined contribution retirement benefit plans are recognised as expenses when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognised any related restructuring costs.

Employees' leave entitlement

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

(r) Income tax

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

Current tax

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

Deferred tax

Deferred tax is recognised on the difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

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

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

(s) Non-current asset held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

- A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:
- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

(t) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

The Group determines and presents operating segments based on information that is provided internally to the Chief Executive Officer ("CEO"), who is the Group's chief operating decision maker. All operating segments' operating results are reviewed regularly by the Group's CEO to make decision about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

3 Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Termination of main contractor

In 2014, the Group terminated the services of the previous main contractor for Seletar Park Residence on grounds of unsatisfactory performance. The Group received a partial award from the arbitration tribunal. The tribunal ruled inter alia that the Group was entitled to terminate the previous main contractor's employment under the contract based on termination certificates issued by the project architect for their failure to comply with a number of architect's directions and failure to proceed with diligence and due expedition within the relevant prescribed periods pursuant to the conditions of contract between the two parties. The last phase of arbitration was held in 2018 to deal with the quantum and costs claimed by both parties.

As at 31 December 2018, the ensuing legal and arbitration proceedings were still on-going and the tribunal has yet to render his award on quantum and costs. Legal and professional expenses of $723,000 (2017 : $315,000) have been recorded in the profit or loss for the year ended 31 December 2018.

Significant influence over Sanya Summer Real Estate Co. Ltd

Note 15 describes that Sanya Summer Real Estate Co. Ltd is an associate of the Group although the Group only owns a 7.8% ownership interest in Sanya Summer Real Estate Co. Ltd. The Group has significant influence over Sanya Summer Real Estate Co. Ltd by virtue of its contractual right to appoint one out of six directors to the board of directors of that entity.

Key sources of estimation uncertainty

Key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Percentage of completion for revenue recognition

The Group recognises contract revenue in Note 26 based on the stage of completion for the sale of development properties in Singapore where the Group has enforceable rights to payment for performance completed to date. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the estimated total construction costs of the development projects as approved by management.

Significant judgements are required to estimate the total construction costs which include estimation for variation works and any other claims from contractors. In making the judgements, the Group relies on past experience and the work of specialists. The valuation of development properties and provisions for foreseeable losses, if any, are therefore subject to uncertainty in respect of variation works and estimation of future costs. The Group adopts a prudent approach in evaluating these uncertainties.

The carrying amount of the Group's revenue recognised based on the percentage of completion are disclosed in Note 26 to the financial statements.

Allowance for diminution in value for development properties

Development properties in the course of development and completed properties are stated at lower of cost and estimated net realisable value, assessed on an individual property basis. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value of each property is subject to management judgement and the effect of assumptions in respect of development plans, timing of sale and the prevailing market conditions. Management performs cost studies for each property, taking into account the costs incurred to date, the development status and costs to complete each development property. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

During the year, a net write-back of allowance for diminution in value of $1,576,000 (2017 : write-back of allowance for diminution in value of $1,783,000) was made on Singapore development properties, taking into account with reference to past sales of the respective properties and that of comparable properties, location and market conditions.

The carrying amounts of development properties and allowance for diminution in value are disclosed in Note 10.

Fair value measurement and valuation processes

The Group carries its hotel properties and investment properties at fair value based on independent professional valuations or internal valuations.

In determining fair values, the valuers have used valuation techniques (including direct comparison method, income method, capitalisation method and discounted cash flow method) which involve certain estimates and significant unobservable inputs which are disclosed in Notes 12 and 13. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties. The investment method capitalises an income stream into a present value using single-year capitalisation rates. Capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. Discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows. In relying on valuation reports, the management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Information relating to the valuation techniques and inputs used in determining the fair value of hotel properties and investment properties are disclosed in Notes 12 and 13 respectively to the financial statements.

Deferred tax liabilities arising from increase in the carrying amount of investment in Grand Hotel Group

The Group's interest in Grand Hotel Group ("GHG") is held by TSH Australia Holdings Pte Ltd ("TAHAUD"), a wholly-owned subsidiary of the Company, through Tuan Sing (Australia) Trust ("TSAT") and Tuan Sing Real Estate Trust ("TSRET"). GHG comprises of the Grand Hotel Trust ("GHT") and its controlled entities and Grand Hotel Company Pty Ltd ("GHC") and its controlled entities. The units in GHT are 'stapled' to the shares of GHC. GHT is not liable for tax under the Australian tax legislation provided the taxable income (including any assessable component of capital gains from sale of investment assets) is fully distributed to unit holders in each year.

TAHAUD is subject to income taxes in the Australian jurisdiction. The Group has estimated deferred tax liability arising from an increase in the carrying amount of its investments in GHG amounting to A$45,049,000 (2017 : A$44,006,000) or equivalent to $43,860,000 (2017 : $45,339,000) Note 21. In estimating this amount, the Group considers the taxable gains to be the excess of Group's share of the fair value of net assets of GHG over the tax cost base of the securities in GHG held by the Group.

Future actual tax liability when incurred and payable will differ from this estimate to the extent that the future realisation of values from the investment in GHG differs from the amount of fair value of the assets currently estimated. It would similarly be affected by any change in tax losses and tax base which have yet to be agreed with the Australian tax authorities.

Allowance for doubtful receivables and refundable trade deposit

Allowance for aged trade receivables and refundable trade deposit are based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including current creditworthiness, past collection history of each customer, ongoing dealings with them and forward-looking macro-economic information. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

The carrying amount of trade and other receivables are disclosed in Note 6 to the financial statements.

4 Segment information

Products and services from which reportable segments derive their revenue

For management purpose, the Group is organised into strategic business units based on their products and services. The Group's principal business operating units, during and at the end of the reporting period, are Property, Hotels Investment, Industrial Services and Other Investments. Accordingly, the Group's reportable operating segments under SFRS(I) 8 are as follows:

Segment	**Principal activities**
Property	Development of properties for sale, property investment and provision of property management services in Singapore, Australia and China.
Hotels Investment	Investment in hotels in Melbourne and Perth, Australia, managed by hotel operators.
Industrial Services	Trading and marketing of industrial commodities, distribution of tyres and re-treading of tyres (ceased since December 2017), as well as manufacturing of polypropylene woven bags in Malaysia.
Other Investments	Investment in GulTech, a printed circuit boards manufacturer with plants in China.

Segment revenue represents revenue generated from external and internal customers. Segment profit represents the profit earned by each segment after allocation of central administrative costs and finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Management monitors the operating results of each of its business unit for the purpose of making decisions on resource allocation and performance assessment. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

Information regarding each of the Group's reportable segments is presented below.

Segment revenues and results

	Property	Hotels Investment[3]	Industrial Services[4]	Other Investment[1]	Corporate and Others[2]	Inter-Segment Eliminations	Consolidated
	\$'000	**\$'000**	**\$'000**	**\$'000**	**\$'000**	**\$'000**	**\$'000**
2018							
Revenue							
External revenue	**81,874**	**109,227**	**144,828**	**-**	**179**	**-**	**336,108**
Inter-segment revenue	**1,145**	**487**	**-**	**-**	**26,042**	**(27,674)**	**-**
	83,019	**109,714**	**144,828**	**-**	**26,221**	**(27,674)**	**336,108**
Results							
Profit before tax and fair value adjustments	**17,165**	**5,953**	**1,423**	**19,337**	**7,128**	**(25,291)**	**25,715**
Fair value adjustments	**113,120**	**-**	**-**	**(36)**	**-**	**-**	**113,084**
Profit before tax	**130,285**	**5,953**	**1,423**	**19,301**	**7,128**	**(25,291)**	**138,799**
Income tax expenses	**(2,852)**	**(999)**	**(266)**	**-**	**(73)**	**-**	**(4,190)**
Profit for the year	**127,433**	**4,954**	**1,157**	**19,301**	**7,055**	**(25,291)**	**134,609**
Profit attributable to							
Owners of the Company	**127,504**	**4,954**	**853**	**19,301**	**7,055**	**(25,291)**	**134,376**
Non-controlling interests	**(71)**	**-**	**304**	**- -**	**-**	**-**	**233**
Profit for the year	**127,433**	**4,954**	**1,157**	**19,301**	**7,055**	**25,291**	**134,609**

Segment revenues and results (cont'd)

	Property	Hotels Investment[3]	Industrial Services[4]	Other Investment[1]	Corporate and Others[2]	Inter-Segment Eliminations	Consolidated
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
2017							
Revenue							
External revenue	100,346	119,319	136,119	-	180	-	355,964
Inter-segment revenue	999	431	-	-	25,967	(27,397)	-
	101,345	119,750	136,119	-	26,147	(27,397)	355,964
Results							
Profit before tax and fair value adjustments	12,009	5,869	397	15,677	11,211	(21,972)	23,191
Fair value adjustments	44,525	-	-	289	-	-	44,814
Profit before tax	56,534	5,869	397	15,966	11,211	(21,972)	68,005
Income tax expenses	(1,195)	(1,139)	23	-	(2,950)	-	(5,261)
Profit for the year	55,339	4,730	420	15,966	8,261	(21,972)	62,744
Profit attributable to							
Owners of the Company	55,340	4,730	307	15,966	8,261	(21,972)	62,632
Non-controlling interests	(1)	-	113	-	-	-	112
Profit for the year	55,339	4,730	420	15,966	8,261	(21,972)	62,744

Notes:

1. *No revenue is reported under "Other Investment" as the Group's investment in GulTech is equity accounted for.*

2. *"Corporate and Others" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at Group-level upon consolidation.*

3. *Results of GHG's commercial, retail and car park components, which are currently leased out to various tenants, are included in the Property Segment.*

4. *The Tyre Distribution Unit included in Industrial Services Segment had been disposed of as at 31 December 2017. The discontinued operation contributed revenue of $6.7 million, gross profit of $1.0 million, loss before tax of $1.5 million and loss after tax of $1.2 million for the year ended 31 December 2017.*

Segment assets, liabilities and other segment information

	Property	Hotels Investment	Industrial Services	Other Investment[1]	Corporate and Others	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000
31 December 2018						
Assets						
Segment assets	**2,281,951**	**435,242**	**55,939**	**-**	**26,340**	**2,799,472**
Investments in an equity accounted investee	**14,828**	**-**	**-**	**103,086**	**-**	**117,914**
Total assets	**2,296,779**	**435,242**	**55,939**	**103,086**	**26,340**	**2,917,386**
Liabilities						
Segment liabilities	**(76,103)**	**(15,973)**	**(14,736)**	**(5,368)**	**(13,911)**	**(126,091)**
Loans and borrowings	**(1,195,203)**	**(206,158)**	**-**	**-**	**(229,080)**	**(1,630,441)**
Income tax payable and deferred tax liabilities	**(6,193)**	**(268)**	**(425)**	**-**	**(45,504)**	**(52,390)**
Total liabilities	**(1,277,499)**	**(222,399)**	**(15,161)**	**(5,368)**	**(288,495)**	**(1,808,922)**
Net assets/ (liabilities)	**1,019,280**	**212,843**	**40,778**	**97,718**	**(262,155)**	**1,108,464**
Other information						
Capital expenditure	**3,130**	**11**	**175**	**-**	**117**	**3,433**
Depreciation of property, plant and equipment	**7,578**	**13**	**275**	**-**	**50**	**7,916**
Write back of allowance for diminution in value for development properties	**1,576**	**-**	**-**	**-**	**-**	**1,576**
Revaluation gain of properties	**-**	**7,754**	**-**	**-**	**-**	**7,754**
Fair value gain on investment properties	**113,120**	**-**	**-**	**-**	**-**	**113,120**
Fair value loss on financial	**-**	**-**	**-**	**(36)**	**-**	**(36)**
31 December 2017 (Restated)						
Assets						
Segment assets	1,907,648	455,994	76,918	-	108,740	2,549,300
Investments in an equity accounted investee	-	-	-	93,185	-	93,185
Total assets	1,907,648	455,994	76,918	93,185	108,740	2,642,485
Liabilities						
Segment liabilities	(75,912)	(19,435)	(16,665)	(5,432)	(5,395)	(122,839)
Loans and borrowings	(1,011,132)	(218,624)	-	-	(228,364)	(1,458,120)
Income tax payable and deferred tax liabilities	(14,535)	(275)	(292)	-	(46,205)	(61,307)
Total liabilities	(1,101,579)	(238,334)	(16,957)	(5,432)	(279,964)	(1,642,266)
Net assets/ (liabilities)	806,069	217,660	59,961	87,753	(171,224)	1,000,219
Other information						
Capital expenditure	4,159	11	93	-	-	4,263
Depreciation of property, plant and equipment	7,383	14	379	-	-	7,776
Write back of allowance for diminution in value for development properties	1,783	-	-	-	-	1,783
Revaluation gain of properties	-	33,846	-	-	-	33,846
Fair value gain on investment properties	44,525	-	-	-	-	44,525
Fair value gain on financial instruments	-	-	-	289	-	289

	Property	Hotels Investment	Industrial Services	Other Investment[1]	Corporate and Others	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000
1 January 2017 (Restated)						
Assets						
Segment assets	1,281,585	665,025	87,847	-	9,027	2,043,484
Investments in an equity accounted investee	-	-	-	83,579	-	83,579
Total assets	1,281,585	665,025	87,847	83,579	9,027	2,127,063
Liabilities						
Segment liabilities	(56,713)	(22,649)	(25,247)	(5,432)	(3,773)	(113,814)
Loans and borrowings	(570,896)	(370,335)	-	-	(79,562)	(1,020,793)
Income tax payable and deferred tax liabilities	(21,925)	(35,337)	(619)	-	(139)	(58,020)
Total liabilities	(649,534)	(428,321)	(25,866)	(5,432)	(83,474)	(1,192,627)
Net assets/ (liabilities)	632,051	236,704	61,981	78,147	(74,447)	934,436
Other information						
Capital expenditure	58	4,012	27	-	-	4,097
Depreciation of property, plant and equipment	203	7,155	414	-	-	7,772
Allowance for diminution in value for development properties	3,649	-	-	-	-	3,649
Write-back of recognised corporate guarantee no longer required	-	-	-	445	-	445
Revaluation gain of properties	-	16,980	-	-	-	16,980
Fair value gain on investment properties	2,198	-	-	-	-	2,198
Fair value gain on financial instruments	-	-	-	138	-	138

Note:

1. *No capital expenditure and depreciation are reported under "Other Investment" as the Group's investment in GulTech is equity accounted for.*

Geographical information

Geographically, management reviews the performance of the businesses in Singapore, Australia, China, Malaysia, Indonesia, Europe and other ASEAN countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers. Non-current assets other than the investment in associates and deferred tax assets are based on the geographical location of the assets.

	Revenue from external customers		Non-current assets		
	2018 $'000	2017 $'000 (Restated)	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Singapore	179,849	175,753	1,513,022	1,357,155	876,251
Australia	127,035	138,273	646,660	676,296	644,015
China	14,467	13,757	6,306	6,407	6,447
Malaysia	8,449	9,904	4,485	4,647	4,871
Indonesia	6,297	12,677	20	-	-
Other ASEAN countries [(1)]	-	5,351	-	-	-
Others	11	249	59	-	-
	336,108	355,964	2,170,552	2,044,505	1,531,584

Note:

1. *Other ASEAN countries comprise Vietnam, Cambodia, Brunei and Laos with revenue in each country constituting not more than 1% of total Group revenue.*

Other segment information

Included in the Group revenue of $336.1 million (2017 : $356.0 million) were sales of approximately $52.8 million (2017 : $38.1 million) to a customer that contributed 10% or more to the Group's revenue for both years in the Industrial Services segment.

5 Cash and bank balances

	Group			Company		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Cash at banks and on hand	50,769	62,381	39,271	12,553	13,787	301
Fixed deposits	80,813	151,673	117,323	12,612	74,950	-
Amounts held under the Housing Developers (Project Account) Rules	1,425	2,789	7,094	-	-	-
	133,007	216,843	163,688	25,165	88,737	301

Cash and bank balances comprise cash and fixed deposits held by the Group which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Deposits earned interest ranging from 0.6% to 3.4% per annum (2017 : 0.1% to 4.2% per annum) and for tenures ranging from 7 days to 3 years (31 December 2017 : 7 days to 3 years, 1 January 2017 : 7 days to 3 years).

Withdrawals of amounts held under the project accounts are restricted to payments for expenditure incurred on development properties and are subject to the provisions in the Housing Developers (Project Account) Rules in Singapore.

The carrying amounts of the cash and bank balances approximate their fair values at the end of the reporting period. Further details regarding the exposure to interest rate risk, contractual and effective interest rates and foreign currency denomination of the cash and bank balances are disclosed under Note 38 to the financial statements.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Cash and cash equivalents per consolidated statement of cash flows			
Cash and bank balances (as per statements of financial position)	133,007	216,843	163,688
Encumbered fixed deposits and bank balances	(66,440)	(65,698)	(67,792)
	66,567	151,145	95,896

As at 31 December 2018, the Group had cash and cash equivalents placed with banks in China amounting to $79,062,000 (31 December 2017 : $81,668,000, 1 January 2017 : $80,344,000), the repatriation of which into Singapore is subject to the Foreign Exchange Control Regulations in China. Of this amount, $63,097,000 (31 December 2017 : $63,851,000, 1 January 2017 : $65,052,000) were fixed deposits for 1 year (31 December 2017 : 1 to 3 years, 1 January 2017 : 1 to 3 years) but were classified as current on the basis that these deposits are used to secure a facility in Singapore which could be cancelled at short notice by the borrower and the sum of these deposits can be released without significant penalty and changes in value.

As at 31 December 2018, cash and bank balances amounting to $77,279,000 (31 December 2017 : $77,300,000, 1 January 2017 : $78,503,000) was pledged to banks to secure credit facilities.

6 Trade and other receivables

		Group			Company		
	Note	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Trade							
Trade debtors		**16,243**	17,884	20,683	-	-	-
Less: Allowance for doubtful		**(1,021)**	(536)	(179)	-	-	-
		15,222	17,348	20,504	-	-	-
Amounts due from related parties (a)	19	**21,699**	31,040	35,193	-	-	-
		36,921	48,388	55,697	-	-	-
Non-trade							
Deposits (b)		**468**	17,086	13,219	**73**	11,820	7,903
Prepayments		**4,039**	3,480	3,567	**323**	161	131
Interest receivables		**3,103**	4,434	2,338	**23**	60	-
Sundry debtors		**2,373**	5,567	6,922	**-**	180	32
Advances to suppliers		**-**	521	103	**-**	-	-
Tax recoverable		**186**	477	110	**-**	-	-
		10,169	31,565	26,259	**419**	12,221	8,066
Less: Allowance for doubtful receivables		**(127)**	(129)	(124)	**(72)**	(72)	(72)
		10,042	31,436	26,135	**347**	12,149	7,994
Amount due from related parties	19	**29,179**	9,324	12,412	**-**	13	-
		39,221	40,760	38,547	**347**	12,162	7,994
Total trade and other receivables		**76,142**	89,148	94,244	**347**	12,162	7,994

(a) Included in the carrying amount of amounts due from related parties - trade as at 31 December 2018 were unbilled revenue of $Nil (31 December 2017 : $212,000, 1 January 2017 : $221,000) relating to rent-free period given to related party lessees [Note 19].

(b) Included in the carrying amount of the deposits as at 31 December 2017 relates to the following deposits in respect of acquisition of lands:

- $11,745,000 (1 January 2017 : $7,830,000) paid to a related party for the purchase of shares in two Singapore-incorporated companies whose subsidiary was the beneficial owner of four plots of land in Batam, Indonesia. The acquisition had been completed during the year ended 31 December 2018; and

- $4,887,000 (1 January 2017 : $4,983,000) relating to a plot of land of approximately 60,200 square metres in Jiaozhou, China which was pending for the issuance of the land title deed. The land title deed has since been obtained and the subsidiary which owned the land was divested during the year ended 31 December 2018.

The deposits had been assessed to be placed with counterparties that were creditworthy and accordingly, no allowance for potential non-recovery of the deposit was required.

Analysis of trade receivables

Trade receivables are non-interest bearing and are generally on 7 to 120 days (31 December 2017 : 7 to 120 days, 1 January 2017 : 7 to 120 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group assesses the potential customer's credit quality and determines credit limits to be allowed before accepting any new customer. Credit limits granted to customers are reviewed regularly.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

Analysis of amounts due from related parties

Certain past due trade amounts due from related parties bear interest rates ranging from 8% to 12% (2017 : 8% to 12%) per annum in accordance with the billing terms and the remaining are non-interest bearing. The trade amounts due from related parties are generally on 90 to 120 days (2017 : 90 to 120 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

For purpose of impairment assessment, the amounts due from related parties is considered to have low credit risk as the timing of payment is controlled by the ultimate holding company taking into account cash flow management within the ultimate holding company's group of companies and there has been no significant increase in the risk of default on the amounts due from related parties since initial recognition. Accordingly, for the purpose of impairment assessment for this loan, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the financial position of the related parties, adjusted for factors that are specific to the related parties and general economic conditions of the industry in which the related parties operate, in estimating the probability of default of the trade amounts due from related parties as well as the loss upon default. Management determines the trade amounts due from related parties are subject to immaterial credit loss.

The table below shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL - credit-impaired
Group	$'000
Balance as at 1 January 2017	303
Amounts written off	(53)
Change in loss allowance due to new trade and other receivables originated	425
Foreign exchange gains or losses	(10)
Balance as at 31 December 2017	665
Amounts recovered	(82)
Change in loss allowance due to new trade and other receivables originated	525
Foreign exchange gains or losses	40
Balance as at 31 December 2018	1,148
Company	
Balance as at 1 January 2017, 31 December 2017 and 31 December 2018	72

The following tables explain how significant changes in the gross carrying amount of the trade and other receivables contributed to changes in the loss allowance:

	Group 31 December 2018 Increase / (Decrease) in lifetime ECL Credit-impaired
	$'000
Amounts recovered	(82)
Origination of new trade receivables net of those settled, as well as increase in days past due	525

	Group 31 December 2017 Increase / (Decrease) in lifetime ECL Credit-impaired
	$'000
Amounts written off	(53)
Origination of new trade receivables net of those settled, as well as increase in days past due	425

There was no significant changes in the gross carrying amount of the trade and other receivables that had contributed to changes in the loss allowance for the Group during 31 December 2018 and 31 December 2017.

The following is an aging analysis of trade receivables:

	Group		
	31 December 2018	31 December 2017	1 January 2017
	$'000	$'000	$'000
		(Restated)	(Restated)
Not past due	**25,135**	32,102	38,412
< 3 months	**5,064**	7,923	11,108
3 months to 6 months	**1,717**	4,108	2,533
6 months to 12 months	**3,771**	4,241	3,442
> 12 months	**1,234**	14	202
	36,921	48,388	55,697

Details of collateral

As at 31 December 2018, trade and other receivables amounting to $10,724,000 (31 December 2017 : $11,741,000, 1 January 2017 : $12,741,000) included in the above balances were mortgaged to banks to secure certain credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 16 to the financial statements.

7 Contract Assets

	Group		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Sales contracts	15,451	9,537	64,549
Analysed as:			
Current	13,517	4,480	64,549
Non-current	1,934	5,057	-
	15,451	9,537	64,549

The Group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work signed by a third party surveyor and an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

There were no significant changes in the contract asset balances during the reporting period.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry. None of the amounts due from customers at the end of the reporting period is past due.

As there was no historical credit loss experience by the Group, no provision for loss allowance has been made.

8 Contract Costs

	Group		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Costs to obtain contracts	**757**	**485**	**337**

Costs to obtain contracts relate to commission paid to intermediaries as a result of obtaining residential property sales contracts.

These costs are amortised over the period of construction. In 2018, amortisation amounting to $725,000 (2017 : $321,000) was recognised as part of the cost of sales recognised in profit or loss. There was no impairment loss in relation to the costs capitalised.

9 Inventories

	Group		
	At cost	At net realisable value	Total
	$'000	$'000	$'000
31 December 2018			
Raw materials	769	-	769
Work-in-progress	1,262	-	1,262
Finished goods	761	-	761
	2,792	-	2,792
31 December 2017 (Restated)			
Raw materials	909	-	909
Work-in-progress	1,184	-	1,184
Finished goods	813	-	813
	2,906	-	2,906
1 January 2017 (Restated)	988	-	988
Raw materials	977	-	977
Work-in-progress	1,557	42	1,599
Finished goods	3,522	42	3,564

During the year, there were $nil allowance (2017 : $17,000) for inventory obsolescence recognised in profit or loss.

Details of collateral

As at 31 December 2018, inventories amounting to $2,792,000 (31 December 2017 : $2,906,000, 1 January 2017 : $2,805,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 16 to the financial statements.

10 Development properties

	Group		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Properties in the course of development	**313,004**	113,751	56,166
Land held for future development	**7,024**	7,236	18,647
Land held for sale	**-**	11,856	-
	320,028	132,843	74,813
Completed properties held for sale	**38,502**	55,837	108,419
	358,530	188,680	183,232

Represented by:			
Properties in the course of development in Singapore	**269,708**	113,751	56,166
Properties in the course of development in Indonesia	**43,296**	-	-
Land held for future development in China	**7,024**	7,236	18,647
Land held for sale in China	**-**	11,856	-
Completed properties held for sale in Singapore	**33,805**	51,792	104,310
Completed properties held for sale in China	**4,697**	4,045	4,109
	358,530	188,680	183,232

Development properties comprise properties in the course of development; land held for future development or held for sale and completed properties held for sale. These properties have operating cycles longer than one year. Development properties are classified as current assets as they are intended for sale in the Group's normal operating cycle.

For the land that was held for sale in China, the Group has entered into a sale and purchase agreement in 2017 to dispose its interests in a wholly-owned subsidiary which owned the land in Jiaozhou, China. The transaction has been completed during the year ended 31 December 2018.

Included in the completed properties held for sale in Singapore relates to two residential units held on behalf of a related party (Party B) as the balance consideration of the acquisition of land in Batam. Such balance consideration is to be settled in cash and is payable upon the sale and transfer of the titles and ownerships of the units or 19 July 2019, whichever is earlier. Under the terms and conditions of the agreements, Party B is (a) entitled to request the Group to transfer ownership of the units to itself or a nominee in satisfaction of the relevant cash payment obligation; and (b) will not hold the Group liable for any loss suffered should the Group fail to achieve the selling price stipulated in the agreement, provided that Party B has agreed to the relevant sale.

Properties in the course of development and land held for future development or sale

	Group		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Land cost	**299,342**	127,591	79,728
Development cost incurred to-date	**18,922**	8,323	979
Interest and others	**7,651**	4,030	1,484
	325,915	139,944	82,191
Add: Attributable profit	**1,137**	135	-
Less: Allowance for diminution in value	**(7,024)**	(7,236)	(7,378)
	320,028	132,843	74,813

Completed properties held for sale

	Group		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Completed properties, at cost	39,829	58,739	113,105
Less: Allowance for diminution in value	(1,327)	(2,902)	(4,686)
	38,502	55,837	108,419

Interest costs capitalised during the year was $3,597,000 (31 December 2017 : $1,333,000, 1 January 2017 : $1,641,000) at effective interest rates ranging from 2.4% to 3.0% per annum (31 December 2017 : 1.9% to 2.1% per annum, 1 January 2017 : 1.9% to 2.0% per annum) [Note 28].

Allowance for diminution in value

The allowance for diminution in value for development properties held for sale was estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on expected selling prices for the development project after taking into consideration of prevailing market conditions. The estimated total construction costs include contracted amounts plus estimated costs to complete the development project. The allowance will be progressively reversed for those residential units sold above their carrying amounts.

During the year, a net write-back in allowance for diminution in value for development properties of $1,576,000 (31 December 2017 : $1,783,000, 1 January 2017 : $3,649,000) is included in “other operating expenses / cost of sales” in profit or loss [Note 30].

	Note	Group 2018 $'000 (Restated)	Group 2017 $'000 (Restated)
Movements in allowance for diminution in value			
At 1 January		(10,138)	(12,064)
Exchange difference on consolidation		211	143
Allowance made during the year	30	(142)	(1,611)
Write-back during the year	30	1,718	3,394
At 31 December		(8,351)	(10,138)

Land in Fuzhou Jin'an District, Fuzhou, Fujian Province, China

Included in the development properties is a carrying amount of $7,024,000 (31 December 2017 : $7,236,000, 1 January 2017 : $7,378,000) relating to a land parcel acquired in 2009 in Fuzhou, China with an expired certificate for the construction site planning. The Group has applied to the relevant authorities for its renewal since 2013. An allowance of $7,024,000 (31 December 2017 : $7,236,000, 1 January 2017 : $7,378,000) was made based on management's best estimate on net realisable value of the development site.

Details of collateral

As at 31 December 2018, development properties amounting to $275,637,000 (31 December 2017 : $113,379,000, 1 January 2017 : $126,615,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 16 to the financial statements.

List of development properties

As at 31 December 2018, the development properties held by the Group are as follows:

Name of property/ location	Description/ planned use	Held by	Tenure	Land area (sq. m)	Estimated gross floor area (sq m)	Year completed/ estimated completion	Group's effective equity interest
Properties in the course of development							
Kandis Residence, Jalan Kandis, Singapore	Condominium of 130 units (45 units booked/sold)	Dillenia Land Pte Ltd	99 years from 2016	7,046	10,850	2019	100%
Mont Botanik Residence, Jalan Remaja Singapore	Condominium of 108 units (7 units booked/sold)	Episcia Land Pte Ltd	Freehold	4,047	8,546	2020	100%
Site at 333 Thomson Road, Peak Court Singapore	Proposed Condominium of 90 units	TSRC Novena Pte Ltd	Freehold	5,331	8,209	2022	70%
Land held for future development							
Land in Jin-an District, Fuzhou Fujian Province, China	Residential	Fujian Ji'Xing Real Estate Development Co., Ltd	70 years from 1994	163,740	*	*	100%

Name of property/ location	Description/ planned use	Held by	Tenure	Land area (sq. m)	Estimated gross floor area (sq m)	Year completed/ estimated completion	Group's effective equity interest
Site at Batam Marina City Indonesia	Proposed township development	PT Goodworth Investments	30 years from 2004	849,748	**	**	90%

* *Pending renewal of expired certificate for construction site planning.*

** *Subject to relevant authorities' approval, the Group plans to launch the initial phase of the integrated township development in 2019.*

Name of property/ location	Description/ planned use	Held by	Tenure	Land area (sq. m)	Estimated gross floor area (sq m)	Year completed/ estimated completion	Group's effective equity interest
Completed properties held for sale							
Lakeside Ville Phase III, Qingpu district Shanghai China	172 units of apartments, townhouses, and 8 units of commercial units (168 units sold)	Habitat Properties (Shanghai) Ltd	70 years From 1997	35,643	41,584	2010	100%
Sennett Residence, Pheng Geck Avenue Singapore	Condominium townhouses of 332 units and three shop units (325 units booked/sold)	Clerodendrum Land Pte Ltd	99 years from 2011	8,664	33,328	2016	100%
Cluny Park Residence, Cluny Park Road Singapore	Condominium of 52 units (51 units booked/sold)	Shelford Properties Pte Ltd	Freehold	4,544	6,997	2016	100%

11 Asset classified as held for sale

On 27 December 2018, the Group, together with the other subsidiary proprietors of all other strata units in Century Warehouse, accepted a tender bid by a private investment company for the collective sale of all the strata units and the common property of Century Warehouse at the consideration of S$48,500,000 based on a 100 per cent owners' consensus basis.

The Group owns close to 90 per cent of the strata area and the share of the consideration is S$42,040,000. Subsequent to the year end, receipt for the first 10% consideration less tender fee was received on 11 January 2019. The sale is expected to complete within the next twelve months.

The property, which was previously recognised as an investment property, has been classified as an asset held for sale and is presented separately in the statement of financial position. The operations are included in the Group's property segment for segment reporting purposes.

12 Property, plant and equipment

	Note	Building and freehold land	Leasehold land, buildings and improvements	Plant and equipment	Motor vehicles	Total
Group		**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Cost or valuation:						
At 1 January 2018 (Restated)		**417,386**	**7,472**	**34,418**	**764**	**460,040**
Exchange differences on consolidation		**(22,925)**	**(124)**	**(2,883)**	**(3)**	**(25,935)**
Additions		**41**	**72**	**3,320**	**-**	**3,433**
Disposals		**-**	**-**	**(111)**	**(235)**	**(346)**
Write-offs		**-**	**-**	**(1,912)**	**-**	**(1,912)**
Revaluation		**4,736**	**-**	**-**	**-**	**4,736**
Reclassification		**3,450**	**-**	**(3,450)**	**-**	**-**
At 31 December 2018		**402,688**	**7,420**	**29,382**	**526**	**440,016**
At 1 January 2017 (Restated)		392,301	7,609	33,760	1,371	435,041
Exchange differences on consolidation		(6,208)	15	(710)	-	(6,903)
Additions		105	5	4,087	66	4,263
Disposal of a subsidiary		-	-	(364)	(435)	(799)
Disposals		-	-	(159)	(236)	(395)
Write-offs		-	(157)	(2,196)	(2)	(2,355)
Revaluation		31,188	-	-	-	31,188
At 31 December 2017 (Restated)		417,386	7,472	34,418	764	460,040
Comprising						
At 31 December 2018:						
At cost		**498**	**4,465**	**29,382**	**526**	**34,871**
At valuation		**402,190**	**2,955**	**-**	**-**	**405,145**
		402,688	**7,420**	**29,382**	**526**	**440,016**
At 31 December 2017 (restated):						
At cost		498	4,498	34,418	764	40,178
At valuation		416,888	2,974	-	-	419,862
		417,386	7,472	34,418	764	460,040

Group (cont'd)	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Accumulated depreciation:						
At 1 January 2018 (Restated)		**-**	**461**	**9,358**	**487**	**10,306**
Exchange differences on consolidation		**(112)**	**(16)**	**(1,698)**	**(3)**	**(1,829)**
Depreciation	30	**3,130**	**88**	**4,624**	**74**	**7,916**
Disposals		**-**	**-**	**(91)**	**(202)**	**(293)**
Write-offs		**-**	**-**	**(1,912)**	**-**	**(1,912)**
Revaluation		**(3,018)**	**-**	**-**	**-**	**3,018**
At 31 December 2018		**-**	**533**	**10,281**	**356**	**11,170)**
At 1 January 2017 (Restated)		-	546	7,563	970	9,079
Exchange differences on consolidation		(73)	(6)	(441)	-	(520)
Depreciation	30	2,731	78	4,856	111	7,776
Disposal of a subsidiary		-	-	(286)	(346)	(632)
Disposals		-	-	(138)	(246)	(384)
Write-offs		-	(157)	(2,196)	(2)	(2,355)
Revaluation		(2,658)	-	-	-	(2,658)
At 31 December 2017 (Restated)		-	461	9,358	487	10,306
Accumulated impairment:						
At 1 January 2018		**-**	**2,985**	-	**-**	**2,985**
Exchange differences on consolidation		**-**	**(83)**	-	**-**	**(83)**
At 31 December 2018		**-**	**2,902**	-	**-**	**2,902**
At 1 January 2017 (Restated)		-	3,040	-	-	3,040
Exchange differences on consolidation		-	(55)	-	-	(55)
At 31 December 2017 (Restated)		-	2,985	-	-	2,985
Carrying amount:						
At 31 December 2018		**402,688**	**3,985**	**19,101**	**170**	**425,944**
At 31 December 2017 (Restated)		417,386	4,026	25,060	277	446,749
At 1 January 2017 (Restated)		392,301	4,022	26,197	401	422,921

Company	**Plant and equipment** **$'000**
Cost:	
At 1 January 2018 (Restated)	-
Additions	117
At 31 December 2018	117
At 1 January 2017 (Restated)	-
Additions	-
At 31 December 2017 (Restated)	-
Accumulated depreciation:	
At 1 January 2018 (Restated)	-
Depreciation	(50)
At 31 December 2018	(50)
At 1 January 2017 (Restated)	-
Depreciation	-
At 31 December 2017 (Restated)	-
Carrying amount:	
At 31 December 2018	67
At 31 December 2017 (Restated)	-
At 1 January 2017 (Restated)	-

Included in building and freehold land is freehold land with a carrying amount of $217,015,000 (31 December 2017 : $224,952,000, 1 January 2017 : $211,406,000) which is not subject to depreciation.

The Group reviews the carrying amounts of its property, plant and equipment at the end of each reporting year to determine whether there is any indication that those assets have suffered impairment loss.

No additional impairment loss was made in 2018 and 2017 as a result of such assessment.

Details of collateral

As at 31 December 2018, property, plant and equipment amounting to $424,750,000 (31 December 2017 : $445,559,000, 1 January 2017 : $416,706.000) included in the above balances were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 16 to the financial statements.

Fair value measurement of hotel properties

The Group's hotel properties (including freehold land and buildings) held under GHG are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulative depreciation and subsequent accumulative impairment loss. The fair value measurement is based on the valuation carried out by Jones Lang Advisory Services Pty Ltd, independent valuers, who have appropriate qualification and recent experience in the fair value measurement of the properties in the relevant locations.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2018, 31 December 2017 and 1 January 2017, the fair value measurement of the Group's hotel properties is classified within Level 3 of the fair value hierarchy. There is no change in the fair value hierarchy as compared to prior year.

Based on the valuation, revaluation gain amounting to $7,754,000 (31 December 2017 : $33,846,000, 1 January 2017 : $16,980,000) was recognised in other comprehensive income [Note 33].

As at 31 December 2018, had freehold land and building been carried at historical cost, their aggregate carrying amount would have been approximately $322,996,000 (31 December 2017 : $341,523,000, 1 January 2017 : $350,209,000) for the Group.

There were no transfers between different levels in during the year. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2018, 31 December 2017 and 1 January 2017 are as follows:

Name of property	**Valuation methodology**	**Significant unobservable inputs (Level 3)**	**Range**
31 December 2018			
Grand	Direct Comparison	Value per room	$632,800- $681,600
Hyatt Melbourne	Capitalisation Approach	Capitalisation rate [1]	5.25%
121-131 Collins Street			
Melbourne, Victoria [a]	Discounted Cash Flow	Discount rate[1]	7.25% - 8.25%
	Method	Terminal yield rate[1]	4.75% - 5.75%
Hyatt	Direct Comparison	Value per room	$116,800- $146,100
Regency Perth	Capitalisation Approach	Capitalisation rate [1]	5.00%
87-123 Adelaide Terrace			
East Perth	Discounted Cash Flow	Discount rate[1]	7.25% - 8.25%
Western Australia [a]	Method	Terminal yield rate[1]	4.75% - 5.75%

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
31 December 2017			
Grand	Direct Comparison	Value per room	\$643,900 - \$695,500
Hyatt Melbourne	Capitalisation Approach	Capitalisation rate [1]	5.25%
121-131 Collins Street			
Melbourne, Victoria [b]	Discounted Cash Flow	Discount rate[1]	7.50% - 8.50%
	Method	Terminal yield rate[1]	4.75% - 5.75%
Hyatt	Direct Comparison	Value per room	\$159,600 - \$180,300
Regency Perth	Capitalisation Approach	Capitalisation rate [1]	7.00%
87-123 Adelaide Terrace			
East Perth	Discounted Cash Flow	Discount rate[1]	7.50% - 8.50%
Western Australia [b]	Method	Terminal yield rate[1]	5.75% - 6.75%

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
1 January 2017			
Grand	Stabilised Earnings	Capitalisation rate [1]	6.25%
Hyatt Melbourne	Method		
121-131 Collins Street			
Melbourne, Victoria [c]	Discounted Cash Flow	Discount rate[1]	7.50% - 9.00%
	Method	Terminal yield rate[1]	6.00% - 6.50%
Hyatt	Capitalisation Approach	Capitalisation rate [1]	6.50%
Regency Perth			
87-123 Adelaide Terrace			
East Perth	Discounted Cash Flow	Discount rate[1]	7.75% - 9.25%
Western Australia [c]	Method	Terminal yield rate[1]	6.25% - 6.75%

(1) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.
(a) The property valuation was performed by Jones Lang LaSalle Advisory Services Pty Ltd on 31 December 2018, an independent valuer
(b) The property valuation was performed by Jones Lang Lasalle Advisory Services Pty Ltd on 30 September 2017, an independent valuer
(c) The property valuation was performed by Knight Frank Valuations on 30 November 2016, an independent valuer

List of hotel properties

The carrying amount of the Group's hotel properties as at 31 December 2018, 31 December 2017 and 1 January 2017 included in property, plant and equipment are set out below. The non-hotel properties within the complexes are accounted for under investment properties [Note 13].

Name of Property	Description	Tenure	Land area (sq. m)	Group's effective Equity Interest	31 December 2018 A$'000[1]	31 December 2017 A$'000[1]	1 January 2017 A$'000[1]	31 December 2018 S$'000	31 December 2017 S$'000	1 January 2017 S$'000[1]
Australia										
Grand Hyatt Melbourne Australia	Located at the "Paris end" of Collins Street and its intersection with Russell Street. The Property is of 34 levels featuring one of Melbourne's largest 5-star hotels, complete with retail/commercial space. The carrying value of the retail/commercial space has been disclosed as investment property [Note 13].	Freehold	5,776	100%	379,573	364,997	334,871	369,552	376,056	350,576
Hyatt Regency Perth Australia	By Swan River and within walking distance from the central business district. The Property is an integrated 5-star hotel, office, retail and parking complex. The hotel is built over 9 levels. The carrying value of the office, retail and parking complex has been disclosed as investment property [Note 13].	Freehold	25,826	100%	50,096	60,920	61,090	48,773	62,766	63,955
					429,669	425,917	395,961	418,325	438,822	414,531

[1] Figures in A$ are for information.

13 Investment properties

	Note	Completed investment properties	Investment properties under redevelopment	Total
		$'000	**$'000**	**$'000**
Group				
At 1 January 2018		**1,106,736**	**485,951**	**1,592,687**
Exchange differences on consolidation		**(13,286)**	**-**	**(13,286)**
Development costs		**338**	**91,843**	**92,181**
Net gain from fair value adjustments	29	**13,481**	**99,639**	**113,120**
Property reclassified as held for sale	11	**(42,040)**	**-**	**(42,040)**
Property reclassified as completed investment properties		**677,433**	**(677,433)**	**-**
At 31 December 2018		**1,742,662**	**-**	**1,742,662**
At 1 January 2017 (Restated)		711,698	396,954	1,108,652
Exchange differences on consolidation		(4,033)	-	(4,033)
Development costs		376,410	67,133	443,543
Net gain from fair value adjustments	29	22,661	21,864	44,525
At 31 December 2017 (Restated)		1,106,736	485,951	1,592,687
Company				
At 31 December 2018		498	-	498
At 31 December 2017 (Restated)		498	-	498
At 1 January 2017 (Restated)		498	-	498

	Group		
	31 December 2018	**31 December 2017**	**1 January 2017**
	$'000	**$'000**	**$'000**
		(Restated)	(Restated)
Represented by:			
Completed investment properties in Singapore	**1,510,023**	865,030	478,030
Completed investment properties in Australia	**226,382**	235,372	227,309
Completed investment properties in China	**6,257**	6,334	6,359
Investment property under development in Singapore	**-**	485,951	396,954
	1,742,662	1,592,687	1,108,652

Fair value adjustments

The Group's investment properties are stated at fair value as at 31 December 2018, 31 December 2017 and 1 January 2017 based on valuation carried out by independent professional valuers, who have the appropriate qualification and experience in the location and category of the properties being valued. Based on these valuations, a net fair value gain amounting to $113,120,000 (2017 : net fair value gain amounting to $44,525,000) was recognised in profit or loss [Note 29].

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2018, 31 December 2017 and 1 January 2017, the fair value measurement of the Group's investment properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels.

Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2018, 31 December 2017 and 1 January 2017 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
31 December 2018			
Singapore			
Robinson Point [(a)] 39 Robinson Road Singapore	Comparison Method	Price per square metre of lettable area[(1)]	$26,900 - $32,600
	Income Method	Net income margin*[(1)] Capitalisation rate[(2)]	75% - 85% 3.0% - 3.65%
The Oxley [(a)] 9 Oxley Rise #01-00, #02-00, #03-00	Comparison Method	Price per square metre of strata floor area[(1)]	$21,100 - $37,300
Singapore	Income Method	Net income margin*[(1)] Capitalisation rate[(2)]	75% - 85% 3.00% - 3.65%
L&Y Building [(b)] #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	$5,600 - $13,000 $7,500 $13,000 (ground floor)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Singapore (cont'd)			
Far East Finance Building [c] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	\$26,300 - \$37,200
896 Dunearn Road[d] 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	Retail : \$13,600 - \$47,100 Office : \$12,100 - \$20,400
18 Robinson [c]	Capitalisation Method	Capitalisation rate[2]	3.00%
	Discounted Cash Flow Method	Internal Rate of Return [2]	6.25% - 7.25%
	Direct Comparison Method	Price per square foot of net lettable area	\$3,544
Australia			
Fortescue Centre & Carpark (being part of the Hyatt Regency complex) [e]	Capitalisation Method	Capitalisation rate[2]	8.50%
	Discounted Cash Flow Method	Discount rate[2]	8.50% - 9.00%
		Terminal yield rate[2]	8.50% - 9.00%
	Direct Comparison	Land sale per square metre [1]	\$3,100 - \$8,300
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex [e]	Capitalisation Method	Capitalisation rate[2]	Retail:5.00% Carpark: 5.50%
	Discounted Cash Flow Method	Discount rate[2]	Retail: 6.75% - 7.25% Carpark: 7.00% - 7.50%
		Terminal yield rate[2]	Retail: 5.25%- 5.75% Carpark: 5.75% -6.25%
China			
No. 2950 ChunShen Road Shanghai, China [f]	Direct Comparison Method	Price per square metre of gross floor area[1]	\$5,100 - \$5,300
	Income Method	Capitalisation rate[2]	8.00%
		Net income margin*[1]	70% - 75%

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
31 December 2017			
Singapore			
Robinson Point [a] 39 Robinson Road Singapore	Comparison Method	Price per square metre of lettable area[1]	\$28,400 - \$31,300
	Income Method	Net income margin*[1] Capitalisation rate[2]	75% - 80% 3.0% - 3.65%
The Oxley [a] 9 Oxley Rise #01-00, #02-00, #03-00	Comparison Method	Price per square metre of strata floor area[1]	\$26,900 - \$35,700
Singapore	Income Method	Net income margin*[1] Capitalisation rate[2]	75% - 80% 3.0% - 3.65%
Century Warehouse [b] 31 strata units (out of a total of 35 units) of the building 100E Pasir Panjang Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	\$6,600 - \$13,400
L&Y Building [b] #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	\$5,500 - \$7,600 \$6,100 - \$12,100 (ground floor)
Far East Finance Building [c] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	\$23,700 - \$35,400
896 Dunearn Road [d] 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	Retail: \$18,900 - \$43,400 Office: \$13,500 - \$19,000

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
31 December 2017 (cont'd)			
Singapore (cont'd)			
18 Robinson [c]	Residual Land Value Method	Gross development value per square metre(1)	Office:$34,100 - $36,300 Retail: $64,200 - $77,200
		Developer's profit(2)	10%
	Direct Comparison Method	Land sale per square metre per plot ratio(1)	$9,700 - $18,400
		Construction cost per square metre of gross floor area(2)	$7,200
		Total development cost (exclude land cost) per square metre of gross floor area(2) #	$9,000
		Remaining construction period(2)	1 year
Australia			
Fortescue Centre & Carpark (being part of the Hyatt Regency complex) [e]	Capitalisation Method	Capitalisation rate(2)	8.50%
	Discounted Cash Flow Method	Discount rate(2)	8.50% - 9.00%
		Terminal yield rate(2)	8.50% - 9.00%
	Direct Comparison	Land sale per square metre (1)	$3,100 - $5,400
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex [e]	Capitalisation Method	Capitalisation rate(2)	Retail: 5.25% Carpark: 5.75%
	Discounted Cash Flow Method	Discount rate(2)	Retail: 6.75% - 7.25% Carpark: 7.00% - 7.50%
		Terminal yield rate(2)	Retail: 5.25% - 5.75% Carpark: 6.00% - 6.50%
China			
No. 2950 ChunShen Road Shanghai, China [f]	Direct Comparison Method	Price per square metre of gross floor area(1)	$4,000 - $5,600
	Income Method	Capitalisation rate(2)	8%
		Net income margin*(1)	70%

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
1 January 2017			
Singapore			
Robinson Point [(a)] 39 Robinson Road Singapore	Comparison Method	Price per square metre of lettable area[(1)]	\$19,400 - \$38,000
	Income Method	Net income margin*[(1)]	75% - 85%
		Capitalisation rate[(2)]	2.8% to 4.0%
The Oxley [(a)] 9 Oxley Rise #01-00, #02-00, #03-00	Comparison Method	Price per square metre of strata floor area[(1)]	\$18,300 - \$30,800
Singapore	Income Method	Net income margin*[(1)]	80% - 90%
		Capitalisation rate[(2)]	2.0 % to 3.75%
Century Warehouse [(b)] 31 strata units (out of a total of 35 units) of the building 100E Pasir Panjang Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	\$7,300 - \$12,800
L&Y Building [(b)] #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	\$5,900 - \$6,700 \$5,900 - \$8,300 (ground floor)
Far East Finance Building [(c)] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	\$23,400 - \$32,300
18 Robinson [(c)]	Residual Land Value Method	Gross development value per square metre[(1)]	Office: \$29,300 - \$38,000 Retail: \$51,700-\$52,800
		Developer's profit[(2)]	10%
	Direct Comparison Method	Land sale per square metre per plot ratio[(1)]	\$9,700 - \$12,000
		Construction cost per square metre of gross floor area[(2)]	\$7,200
		Total development cost (exclude land cost) per square metre of gross floor area[(2) #]	\$9,700
		Remaining construction period[(2)]	2 years

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Australia			
Fortescue Centre & Carpark (being part of the Hyatt Regency complex) [e]	Capitalisation Method	Capitalisation rate[2]	9.25% - 9.75%
	Discounted Cash Flow Method	Discount rate[2]	8.50% - 9.50%
		Terminal yield rate[2]	9.25% - 9.75%
	Direct Comparison	Land sale per square metre [1]	$2,500 - $4,200
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex [e]	Capitalisation Method	Capitalisation rate[2]	Retail: 5.80%
	Discounted Cash Flow Method	Discount rate[2]	7.25% - 7.75%
		Terminal yield rate[2]	6.00% - 6.50%
China			
No. 2950 ChunShen Road[f] Shanghai, China	Direct Comparison Method	Price per square metre of gross floor area[1]	$4,000 - $5,500

Notes:

* Net income margin - net property income/annual gross rental income.

\# Total development cost includes construction cost, professional fees, interest cost, land holding cost and other development related cost.

(1) Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.

(2) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.

(a) The property valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, an independent valuer, for three consecutive years.

(b) The property valuation was performed by Jones Lang LaSalle Property Consultants Pte Ltd, an independent valuer, for three consecutive years.

(c) The property valuation was performed by CBRE Pte. Ltd, an independent valuer, for three consecutive years.

(d) The property valuation was performed by Savills Valuation And Professional Services (S) Pte Ltd for both years. There was no comparative valuation for 2016 as the property was acquired on 16 June 2017.

(e) The valuation was performed by Jones Lang LaSalle Advisory Services Pty Ltd for both years. The 2016 valuation was performed by Knight Frank Valutions.

(f) The property valuation was performed by Shanghai Shenjia Real Estate Appraisal Co. Ltd for both years. The 2016 valuation was assessed by the directors.

Operating lease disclosure

During the year, rental income from the Group's investment properties which were all leased under operating leases amounted to $39,231,000 (31 December 2017 : $38,318,000) [Note 26]. Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $8,844,000 (31 December 2017 : $8,601,000). Information on operating lease commitments is disclosed in Note 36 to the financial statements.

Details of collateral

As at 31 December 2018, investment properties amounting to $1,778,445,000 (31 December 2017 : $1,586,353,000; 1 January 2017 : $1,102,293,000) included in the above balances were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 16 to the financial statements.

List of completed investment properties

The carrying amounts of completed investment properties held by the Group as at 31 December 2018, 31 December 2017 and 1 January 2017 are as follows:

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 $'000
Singapore							
Robinson Point 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	15,724	100%	368,000	362,000	352,000
The Oxley 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	3 floors of commercial space within a 10-storey building including residential units	Freehold	2,770	100%	64,000	64,000	63,300
Century Warehouse 100E Pasir Panjang Road Singapore	31 out of a total of 35 strata units of a 8-storey industrial building	Freehold	4,690	100%	-	40,400	40,400

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	31 December 2018 $'000	31 December 2017 $'000	1 January 2017 S$000
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	3 out of a total of 24 strata units of a 5-storey industrial building	999 years from 1885	2,285	100%	**14,090**	13,030	13,030
Far East Finance Building #11-01/02 14 Robinson Road Singapore	1 strata unit (floor) within a 13-storey commercial building and a basement	999 years from 1884	402	100%	**10,000**	9,600	9,300
896 Dunearn Road 896 Dunearn Road Singapore	A 5-storey commercial building with covered and surface carpark	999 years from 7 May 1879	23,500	100%	**376,500**	376,000	-
18 Robinson [1]	A 28-storey commercial building comprising office tower, retail podium, sky terrace and an underground mechanised carpark	999-years from 1884 & 1885 (Lots 167X, 616W, 691X, 99280A, 99287W and 99289P) 99-years from 2013 (Lots 485M, 488P)	24,086	100%	**677,433**	485,951	396,954
					1,510,023	1,350,981	874,984

[1] The building for18 Robinson is physically completed during the year ended 31 December 2018.

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	31 December 2018 A$'000[1]	31 December 2017 A$'000[1]	1 January 2017 A$'000[1]	31 December 2018 S$'000	31 December 2017 S$'000	1 January 2017 S$'000
Australia										
Commercial Centre& Carpark within the Melbourne Grand Hyatt complex	4 Collins St. retail shops consisting of 2 floors each, a bar & function room. A further 7 retail areas in and around Russell St. with 4-levels of basement car park	Freehold	3,024	100%	**147,400**	138,500	130,000	**143,509**	142,697	136,097
Fortescue Centre & Carpark (being part of the Perth Hyatt Regency complex)	A 3-level commercial building and plaza level shops and suites with 2-levels of basement car park	Freehold	23,415	100%	**85,120**	89,950	87,125	**82,873**	92,675	91,212
					232,520	228,450	217,125	**226,382**	235,372	227,309

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	31 December 2018 RMB'000[1]	31 December 2017 RMB'000[1]	1 January 2017 RMB'000[1]	31 December 2018 S$'000	31 December 2017 S$'000	1 January 2017 S$'000
China										
No. 2950 ChunShen Road Shanghai, China	A 3-storey commercial building	58 years from 2008	2,170	100%	**31,520**	30,974	30,500	**6,257**	6,334	6,359

[1] Figures in A$ and RMB are for information only.

Interest costs capitalised during the year was $6,232,000 (31 December 2017 : $4,448,000, 1 January 2017 : $4,229,000) at effective interest rate of 3.0% per annum (2017 : 2.5% per annum) [Note 28].

14 Investments in subsidiaries

	Company		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Quoted shares, at cost	**115,976**	115,976	115,976
Unquoted shares, at cost	**583,226**	553,419	548,418
Loan to a subsidiary	**79,877**	79,719	79,562
Deemed investment arising from financial guarantees	**74,005**	69,647	63,809
	853,084	818,761	807,765
Less: Allowance for impairment	**(119,284)**	(123,114)	(123,010)
	733,800	695,647	684,755
Fair value of investment in a subsidiary for which there are published price quotations	**12,666**	23,924	13,792

Details of the Company's significant subsidiaries are disclosed in Note 39 to the financial statements.

Financial guarantees

The Company provided guarantees to banks for credit facilities obtained by certain of its subsidiaries and recorded a deemed financial guarantee fee income in accordance with SFRS(I) 9 *Financial Instruments: Recognition and Measurement*. The deemed income is amortised over the period of the guarantees. The unamortised financial guarantee fee of $10,649,000 (31 December 2017 : $14,738,000, 1 January 2017 : $16,236,000) is disclosed under the Company's non-trade payables in [Note 17] to the financial statements. The guarantee fee was not charged by the Company to the subsidiaries. The full amount of the guarantee fee is deemed to be additional investment in subsidiaries.

Movements in allowance for impairment

	Company	
	2018 $'000	2017 $'000 (Restated)
Allowance for impairment		
At 1 January	(123,114)	(123,010)
Allowance for impairment	(3,301)	(111)
Reversal of impairment	1,000	7
Write-off of impairment	6,131	-
	3,830	(104)
Reversal upon liquidation of subsidiaries	-	-
At 31 December	(119,284)	(123,114)

During the year, impairment loss amounting to $3,301,000 (31 December 2017 : $111,000, 1 January 2017 : $6,404,000) was made in respect of the Company's investment in certain subsidiaries to reduce the carrying value of investment to the recoverable amounts after taking into account the current financial position of the subsidiaries. In addition, there was a reversal of impairment amounting to $1,000,000 (31 December 2017 : $7,000, 1 January 2017 : $7,609,000) in relation to certain subsidiaries due to increase in their recoverable amounts.

Loan to a subsidiary

Loan to a subsidiary refers to unsecured advances which have no fixed terms of repayment and are not expected to be repaid in the next 12 months. These advances bear interest rate at 6.5% per annum (31 December 2017 : 6.5% per annum, 1 January 2017 : 6.5% per annum).

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the Group as at 31 December 2018, 31 December 2017 and 1 January 2017 is as follows:

Principal activity	**Country of incorporation and operation**	**Number of wholly-owned Subsidiaries**		
		31 December 2018	**31 December 2017**	**1 January 2017**
Development of properties for sale, property investment and provision of property management services.	Singapore, China and Australia	29	31	27
Investment in hotels in Australia	Australia	4	4	4
Investment holding: owning investments in GulTech, a printed circuit boards manufacturer with operations in Singapore and China, and Pan-West, a Retailer of golf-related products.	Singapore, China and Malaysia	3	3	3
		36	38	34

Non-wholly owned subsidiaries

Information about the composition of non-wholly owned subsidiaries of the Group as at 31 December 2018, 31 December 2017, and 1 January 2017 is as follows:

Principal activity	Country of incorporation and operation	Number of non-wholly owned subsidiaries		
		31 December 2018	**31 December 2017**	**1 January 2017**
Trading and marketing of selected industrial commodities, distribution of tyres and re-treading of tyres	Singapore and Malaysia	**9**	9	9
Property development	Singapore, Hongkong, Indonesia	**6**	1	1
Manufacture and sale of polypropylene woven bags	Malaysia	**1**	1	1
		16	11	11

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group is disclosed below:

Name of subsidiary	Country of incorporation and principal place of business	Effective equity interest & voting power held by non-controlling interests			Net profit allocated to non-controlling interests			Accumulated non-controlling interests		
		31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
					$'000	$'000 (Restated)	$'000 (Restated)	$'000	$'000 (Restated)	$'000 (Restated)
SP Corporation Limited and its subsidiaries	Various	19.8%	19.8%	19.8%	376	115	337	10,587	10,090	10,476
Individually immaterial subsidiaries with non-controlling interests					(138)	(3)	(116)	4,425	538	558
					238	112	221	15,012	10,628	11,034

The summarised financial information of SP Corporation Limited and its subsidiaries on a 100% basis is set out below:

	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Current assets	**67,520**	66,841	77,596
Non-current assets	**208**	172	375
Current liabilities	**(14,236)**	(16,169)	(24,933)
Non-current liabilities	**(49)**	(38)	(54)
Equity attributable to owners	**53,443**	50,806	52,984
Revenue for the year	**136,379**	127,726	
Net profit for the year	**1,898**	447	

15 Investments in equity accounted investees

	Group		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Unquoted equity shares, at cost	87,127	72,240	72,240
Exchange differences on consolidation	3,546	1,680	8,040
Share of post-acquisition results and reserves, net of dividends and distributions received	27,241	19,265	3,299
	117,914	93,185	83,579

Equity accounted investees

The Group equity accounted for Gul Technologies Singapore Pte Ltd ("GulTech"), Pan-West (Private) Limited ("Pan-West") and Sanya Summer Real Estate Co. Ltd ("SSRE"). In September 2018, the Group acquired 7.8% equity stake in SSRE, a Hainan-based property development company, for RMB75 million ($14.8 million). The Group has significant influence over SSRE.

In June 2018, GulTech increased its equity stake in Gultech (Wuxi) Electronics Co., Ltd from 51.0% to 100%. Goodwill of $11,198,000 paid over acquiring additional shares was included in the share of post-acquisition results and reserves. Details of the Group's significant associates are disclosed in Note 40 to the financial statements. The Group has ceased recognising Pan-West's losses after the Group's share of Pan-West's accumulated losses exceeded the Group's cost of investment.

The Group's share of net assets and total comprehensive income of its associates is set out below:

	Note	Group 31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Share of net assets				
At 1 January		**93,185**	83,579	71,511
Exchange differences on consolidation		**(9,337)**	(6,360)	2,829
Acquisition of investment in an associate		**14,888**	-	(4,365)
Share of total comprehensive income (refer to below)		**19,178**	15,966	13,604
At 31 December		**117,914**	93,185	83,579
Share of total comprehensive income				
Share of results before fair value adjustments		**19,214**	15,677	
Share of fair value (loss)/gain on financial instruments	29	**(36)**	289	
Share of total comprehensive income for the year		**19,178**	15,966	

Details of asset revaluation reserve and cash flow hedging account are disclosed in Note 24 to the financial statements. Share of capital commitments of GulTech, an equity accounted investee is disclosed in Note 36 to the financial statements.

GulTech

The summarised financial information of GulTech on a 100% basis is set out below:

	31 December 2018 US$'000[1]	31 December 2017 US$'000[1] (Restated)	1 January 2017 US$'000[1] (Restated)	31 December 2018 S$'000	31 December 2017 S$'000 (Restated)	1 January 2017 S$'000 (Restated)
Current assets	**186,863**	181,798	154,955	**255,835**	244,609	224,405
Non-current assets	**149,857**	145,262	149,887	**205,169**	195,450	217,066
Current liabilities	**(166,361)**	(108,367)	(93,769)	**(227,765)**	(145,807)	(135,796)
Non-current liabilities	**(1,082)**	(19,745)	(37,421)	**(1,481)**	(26,567)	(54,194)
Non-controlling interests	**-**	(43,510)	(43,902)	**-**	(58,543)	(63,579)
Equity attributable to owners	**169,277**	155,438	129,750	**231,758**	209,142	187,902
Revenue for the year	**337,655**	293,757		**455,361**	406,266	
Net profit for the year	**32,339**	25,688		**43,612**	35,527	

[1] Figures in US$ are for information.

Sanya Summer Real Estate

The summarised financial information of Sanya Summer Real Estate on a 100% basis is set out below:

	31 December 2018 RMB'000[1]	31 December 2018 S$'000
Current assets	179,353	35,599
Non-current assets	477,282	94,734
Current liabilities	(424)	(84)
Non-current liabilities	(100,000)	(19,848)
Equity attributable to owners	556,211	110,401
Revenue for the year	-	-
Net loss for the year	(13,318)	(2,713)

[1] Figures in RMB are for information.

Pan-West

The Group had recognised its share of losses of $5,344,000 (31 December 2017 : $5,408,000, 1 January 2017 : $5,408,000) [Note 17] being the corporate guarantees given to certain banks in exchange for bank facilities granted to Pan-West and its subsidiary. Other than the afore-mentioned corporate guarantees, the Group had no other commitments in relation to Pan-West. The Group has ceased recognising Pan-West's losses after the Group's share of Pan-West's accumulated losses exceeded the Group's cost of investment.

Accordingly, the Group's nominal additional share of accumulated losses of Pan-West amounting to $7,312,000 (31 December 2017 : $6,550,000, 1 January 2017 : $5,939,000) as at the end of the year was not recognised.

16 Loans and borrowings

	Group			Company		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)	**31 December 2018 $'000**	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Short-term borrowings						
Bank loans	**804,293**	278,943	3,406	**-**	-	-
Notes issued under MTN Programme	**79,877**	-	-	**79,877**	-	-
	884,170	278,943	3,406	**79,877**	-	-
Long-term borrowings						
Bank loans	**597,068**	950,813	937,825	**-**	-	-
Notes issued under MTN Programme	**149,203**	228,364	79,562	**149,203**	228,364	79,562
	746,271	1,179,177	1,017,387	**149,203**	228,364	79,562
Total borrowings	**1,630,441**	1,458,120	1,020,793	**229,080**	228,364	79,562
Represented by:						
Interest-bearing liabilities	**1,633,675**	1,462,087	1,024,085	**229,877**	230,000	80,000
Capitalised interest costs	**(3,234)**	(3,967)	(3,292)	**(797)**	(1,636)	(438)
	1,630,441	1,458,120	1,020,793	**229,080**	228,364	79,562

Security profile

	Group			Company		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Secured borrowings						
Current	**804,293**	278,943	3,406	**-**	-	-
Non-current	**597,068**	950,813	937,825	**-**	-	-
	1,401,361	1,229,756	941,231	**-**	-	-
Unsecured borrowings						
Current	**79,877**	-	-	**79,877**	-	-
Non-current	**149,203**	228,364	79,562	**149,203**	228,364	79,562
	229,080	228,364	79,562	**229,080**	228,364	79,562
Total borrowings	**1,630,441**	1,458,120	1,020,793	**229,080**	228,364	79,562

Multicurrency Medium Term Note Programme

The Company has in place a S$900 million Multicurrency Medium Term Note Programme ("MTN Programme") under which it can issue notes in series or tranches and may be denominated in Singapore Dollars or other currency deemed appropriate at the time.

Series I of S$80 million were issued on 14 October 2014. They are of five years duration, unsecured, bear a fixed interest rate of 4.50% per annum payable semi-annually in arrear and will mature on 14 October 2019. Series II of S$150 million were issued on 5 June 2017. They are of three years duration, unsecured, bear a fixed interest rate of 6.00% per annum payable semi-annually in arrear and will mature on 5 June 2020. At the end of the reporting period, the fair value of the Notes approximate their respective carrying amounts.

Details of collateral

Loans and borrowings from banks were secured over the Group's cash and bank balances [Note 5], trade and other receivables [Note 6], inventories [Note 9], development properties [Note 10], property, plant and equipment [Note 12], investment properties [Note 13] and covered by corporate guarantees [Note 37].

Interest rate profile

	Group			Company		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Loans and borrowings						
Fixed rate	**229,080**	228,364	79,562	**229,080**	228,364	79,562
Variable rate	**1,401,361**	1,229,756	941,231	**-**	-	-
	1,630,441	1,458,120	1,020,793	**229,080**	228,364	79,562

The Group's exposure to fair value interest rate risk as at 31 December 2018 is disclosed in Note 38(b) to the financial statements.

Fair value

The fair value of the current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period because they are short term in nature. The fair value of the non-current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period as their interest rates approximate current market interest rates on or near the end of the reporting period. Further details regarding foreign currency denomination and maturity dates, contractual and effective interest rates are disclosed in Notes 38(a) and 38(d) respectively to the financial statements.

Loan maturity profile

The non-current borrowings are generally repayable from 31 May 2019 to 11 September 2026 (31 December 2017 : 30 November 2018 to 11 September 2026, 1 January 2017: 2 January 2018 to 11 September 2026). Information relating to the maturity profile of the Group's loans and borrowings is disclosed in Note 38(d) to the financial statements.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2018	Financing cash flow (i)	Foreign exchange movement	Other changes (ii)	31 December 2018
	$'000	$'000	$'000	$'000	$'000
	(Restated)				
Group					
Bank loans	1,458,120	191,659	(20,107)	769	1,630,441

	1 January 2017	Financing cash flow (i)	Foreign exchange movement	Other changes (ii)	31 December 2017
	$'000	$'000	$'000	$'000	$'000
	(Restated)				(Restated)
Group					
Bank loans	**1,020,793**	**443,879**	**(5,887)**	**(665)**	**1,458,120**

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.
(ii) Other changes include interest accruals and payments.

17 Trade and other payables

		Group			Company		
	Note	31 December 2018	31 December 2017	1 January 2017	31 December 2018	31 December 2017	1 January 2017
		$'000	$'000	$'000	$'000	$'000	$'000
			(Restated)	(Restated)		(Restated)	(Restated)
Trade							
Trade payables		**33,482**	56,618	46,846	**224**	279	95
Amounts due to related parties	19	**5,934**	3,089	4,143	**-**	-	-
		39,416	59,707	50,989	**224**	279	95
Non-trade							
Other creditors		**26,640**	23,336	19,315	**329**	378	212
Other provisions		**4,726**	5,659	5,653	**-**	-	-
Advanced billings		**7,168**	8,261	6,692	**-**	-	-
Accrued operating expenses		**34,997**	22,491	27,688	**3,576**	3,313	2,774
Accrued interest expenses		**2,801**	2,553	2,028	**1,445**	1,445	779
Financial guarantees to subsidiaries	14	**-**	-	-	**10,649**	14,738	16,236
Amounts due to related parties	19	**9,750**	373	430	**8,350**	-	-
		125,498	122,380	112,795	**24,573**	20,153	20,096
Less: Non-current portion		**(373)**	(463)	(462)	**-**	-	-
Current portion		**125,125**	121,917	112,333	**24,573**	20,153	20,096

The Group is granted various credit terms on its purchases from its large number of suppliers who are geographically dispersed. Trade payables are generally on 7 to 90 days (31 December 2017 : 7 to 90 days, 1 January 2017 : 7 to 120 days) credit term. The Group manages liquidity risk of trade payables primarily by maintaining sufficient cash and credit facilities [Note 38(d)].

Included in other creditors is a financial guarantee of $5,344,000 (31 December 2017 : $5,408,000, 1 January 2017 : $5,408,000) granted to its associate, Pan-West, equivalent to the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary.

The carrying amount of trade and other payables approximate their fair values at the end of the reporting periods. Further details regarding the contractual and effective interest rates, maturity dates and foreign currency denomination are disclosed in Note 32 to the financial statements.

18 Amounts due from/(to) subsidiaries

	Company		
	31 December 2018 \$'000	**31 December 2017 \$'000** (Restated)	**1 January 2017 \$'000** (Restated)
Amounts due from subsidiaries - non-trade	**424,576**	379,901	279,146
Less: Allowance for impairment	**(24,264)**	(25,050)	(23,679)
	400,312	354,851	255,467
Amounts due to subsidiaries - non-trade	**(308,288)**	(309,729)	(265,956)

Movements in allowance for impairment

	Company	
	31 December 2018 \$'000	**31 December 2017 \$'000** (Restated)
Movements in allowance for impairment		
At 1 January	(25,050)	(23,679)
Allowance made	(1,118)	(1,371)
Allowance written back	1,904	-
At 31 December	(24,264)	(25,050)

Amounts due from to subsidiaries are unsecured and are repayable on demand. Interest is charged at 3.0% (31 December 2017 : 2.5%) per annum on interest-bearing advances.

For purpose of impairment assessment, amounts due from subsidiaries are considered to have low credit risk as the timing of payment is controlled by the Company taking into account cash flow management within the Group and there has been no significant increase in the risk of default on the amounts due from subsidiaries since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for amounts due from subsidiaries. During the year, allowance for impairment of $1,118,000 (31 December 2017 : $1,371,000, 1 January 2017 : $1,509,000) was made for amounts due from a subsidiary. The above assessment is after taking into account the current financial position of the subsidiary, and the allowance was due to decrease in net asset value of the underlying interest as at the reporting date.

During the year, allowance written back of $1,904,000 (31 December 2017 : $Nil, 1 January 2017 : $Nil) was made for subsidiaries due to an increase in net asset value of the underlying interest as at the reporting date.

19 Amounts due from/(to) related parties

		Group			Company		
	Note	**31 December 2018 \$'000**	**31 December 2017 \$'000**	**1 January 2017 \$'000**	**31 December 2018 \$'000**	**31 December 2017 \$'000**	**1 January 2017 \$'000**
			(Restated)	(Restated)		(Restated)	(Restated)
Amounts due from:							
Other related parties							
Other related parties, trade		**21,699**	31,040	35,193	-	-	-
Other related parties, non-trade:							
- Advance for coal order trade placement			-	3,476	-	-	-
- Loan to a related party	(b)	**20,000**	-	-	-	-	-
Refundable trade deposit with other related parties	(a)	**8,215**	8,073	8,689	-	-	-
- Others	(c)	**964**	1,251	247	-	13	-
		50,878	40,364	47,605	-	13	-
Total		**50,878**	40,364	47,605	-	13	
Presented as:							
Amounts due from related parties, trade	6	**21,699**	31,040	35,193	-	-	-
Amounts due from related parties, non-trade	6	**29,179**	9,324	12,412	-	13	-
		50,878	40,364	47,605	-	13	-

	Note	Group 31 December 2018 $'000	Group 31 December 2017 $'000 (Restated)	Group 1 January 2017 $'000 (Restated)	Company 31 December 2018 $'000	Company 31 December 2017 $'000 (Restated)	Company 1 January 2017 $'000 (Restated)
Amounts due to:							
Other related parties							
Other related parties, trade		**(5,934)**	(3,089)	(4,143)	**-**	-	-
Other related parties, non-trade	(d)	**(9,750)**	(373)	(430)	**(8,350)**	-	-
		(15,684)	(3,462)	(4,573)	**(8,350)**	-	-
Total		**(15,684)**	(3,462)	(4,573)	**(8,350)**	-	-
Presented as:							
Amounts due to related parties, trade	17	**(5,934)**	(3,089)	(4,143)	**-**	-	-
Amounts due to related parties, non-trade	17	**(9,750)**	(373)	(430)	**(8,350)**	-	-
		(15,684)	(3,462)	(4,573)	**(8,350)**	-	-

The Company's major shareholder is Nuri Holdings (S) Pte Ltd ("Nuri"), incorporated in Singapore. Related parties are the companies in which the shareholders of Nuri and their family members have a controlling interest in, subsidiaries, associates, joint ventures, related companies, Nuri and Directors of the Company and their associates.

Included in amounts due to other related parties, trade and non-trade, are mainly balances with related companies. Further details regarding transactions with related parties are disclosed in Note 34 to the financial statements.

Amounts due from/(to) other related parties

a) Refundable trade deposit relates to a deposit of US$6,000,000 or equivalent to $8,215,000 (31 December 2017 : $8,073,000, 1 January 2017 : $8,689,000) placed by SP Corporation Limited ("SP Corp"), a listed subsidiary of the Group, with a related party which owns a coal mine (Party A) to secure coal allocations. The deposit is secured by a corporate guarantee issued by the immediate holding company of Party A which is also a related party and also owns a coal mine.

   The deposit is repayable within one year and subject to annual renewal by mutual agreement between the two parties. It bears an effective interest rate of 6.83% (2017 : 5.73%) per annum.

b) Loan to a related party is provided by SP Corp, is repayable within one year from the date of disbursement on 24 September 2018 and carries fixed rate of 7.5% per annum. The loan and accrued interest shall be repaid in full on the repayment date in cash, or in such other repayment method as otherwise agreed between the parties, in which case interest would not apply.

c) In 2017, included in non-trade amounts due from other related parties was an amount of $892,000 for the sale of the discontinued Tyre Distribution Unit, which had been recovered during the financial year ended 31 December 2018.

d) Included in the non-trade amounts due to related parties is an amount payable of $8,350,000 (31 December 2017 : $Nil, 1 January 2017 : $Nil) to a related party in respect of the acquisition of land in Batam by the Group and the Company (Note 10).

   The trade and non-trade amounts due from / (to) other related parties were unsecured, interest-free, and repayable on demand unless otherwise stated.

20 Contract liabilities

	Group		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Contract liabilities	593	372	-

Contract liability mainly represents amounts of consideration billed to purchasers of the Group's development properties in advance of the percentage of completion of construction.

21 Deferred tax assets and liabilities

Deferred tax at the end of the reporting period consists of the following:

	Group		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Deferred tax assets and liabilities arising from			
Accelerated tax depreciation compared to accounting depreciation	**106**	221	254
Deferred development costs	**283**	-	-
Revaluation of properties	**1,353**	1,366	1,393
Foreign income not remitted and which will be subject to tax if remitted in the future	**47,107**	47,099	33,475
Unutilised tax losses	**(3,297)**	(1,630)	-
Others	**(614)**	(1,525)	(1,678)
	44,938	45,531	33,444
Represented by:			
Deferred tax assets	**(2,135)**	(2,253)	(2,286)
Deferred tax liabilities	**47,073**	47,784	35,730
	44,938	45,531	33,444

Deferred tax assets and liabilities are netted off when there is a legally enforceable right to offset and when the deferred income taxes relate to the same tax authorities.

Deferred tax assets and liabilities recognised by the Group and the movements thereon during the current and prior reporting periods are as following:

	Note	Accelerated tax depreciation	Deferred development costs	Revaluation of properties	Foreign income not remitted	Unutilised tax losses	Others	Total
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group								
At 1 January 2018 (restated)		**221**	**-**	**1,366**	**47,099**	**(1,630)**	**(1,525)**	**45,531**
Exchange differences on consolidation		**2**	**-**	**(41)**	**(2,429)**	**(47)**	**83**	**(2,432)**
Transfer to income tax payable		**-**		**-**	**-**	**-**	**(164)**	**(164)**
(Credited) / Charged to profit or loss	31	**(117)**	**283**	**28**	**54**	**(1,620)**	**992**	**(380)**
Charged to other comprehensive income	33	**-**	**-**	**-**	**2,383**	**-**	**-**	**2,383**
At 31 December 2018		**106**	**283**	**1,353**	**47,107**	**(3,297)**	**(614)**	**44,938**
At 1 January 2017 (restated)		254	-	1,393	33,475	-	(1,678)	33,444
Exchange differences on consolidation		2	-	(27)	(587)	(13)	31	(594)
(Credited) / Charged to profit or loss	31	(35)	-	-	3,782	(1,617)	122	2,252
Charged to other comprehensive income	33	-	-	-	10,429	-	-	10,429
At 31 December 2017 (restated)		221	-	1,366	47,099	(1,630)	(1,525)	45,531

Deferred tax liabilities relating to equity interest in GHG

Deferred tax liabilities included an amount of $42,107,000 (31 December 2017 : $45,339,000, 1 January 2017 : $34,034,000) on account of a provision made by the Group to recognise the taxable gains on the excess of the fair value of net assets of GHG over the tax cost base of the securities in GHG.

Deferred tax liabilities not recognised

At the end of the reporting year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was $293,000 (31 December 2017 : $290,000, 1 Janaury 2017 : $263,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

Deferred tax benefits not recognised

At the end of the reporting year, the Group had, subject to the agreement by the tax authorities, unutilised tax losses of $32,873,000 (31 December 2017 : $32,575,000, 1 January 2017 : $29,692,000) and capital allowances of $3,572,000 (31 December 2017 : $3,540,000, 1 January 2017 : $2,263,000) which were available for carry forward and set-off against future taxable income. No deferred tax asset has been recognised to the unpredictability of the relevant future profit streams.

22 Share capital

	Group		Company	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Number of shares		$'000	$'000
Issued and paid up:				
At 1 January	1,186,993	1,182,842	172,514	171,306
Issued under Scrip Dividend Scheme	4,446	4,201	1,689	1,231
Shares bought back and cancelled	(650)	(50)	(258)	(23)
Shares bought back and held as treasury shares	(4,383)	-	-	
At 31 December	1,186,406	1,186,993	173,945	172,514

The Company has a single class of ordinary shares. All issued shares carry one vote per share and are entitled to receive dividend as and when declared by the Company. The ordinary shares are fully paid and have no par value.

Issue of shares

During the year, the Company allotted and issued 4,445,582 (31 December 2017 : 4,200,725) ordinary shares at an issue price of 38.0 cents (31 December 2017 : 29.3 cents) per share to eligible shareholders who have validly elected to participate in the Tuan Sing Scrip Dividend Scheme in respect of the first and final ordinary dividend of 0.6 cent per share for the financial year ended 31 December 2017.

Purchase and cancellation of shares

During the year, the Company acquired 650,000 (31 December 2017 : 50,000) of its ordinary shares through purchase on the Singapore Exchange under the Share Purchase Mandate approved by its shareholders. The shares were purchased were cancelled subsequently.

23 Treasury shares

	Group		Company	
	31 December 2018 $'000	31 December 2017 $'000	31 December 2018 $'000	31 December 2017 $'000
At the beginning of the year	-	-	-	-
Repurchased during the year	4,383,400	-	1,523	-
At the end of the year	4,383,400	-	1,523	-

The Company acquired 4,383,400 of its own shares through purchases on the Singapore Exchange during the year. The total amount paid to acquire the shares was $1,523,000 and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

24 Reserves

	Group			Company		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Asset revaluation reserve	**139,151**	133,755	110,063	-	-	-
Foreign currency translation account	**(48,596)**	(31,038)	(16,151)	-	-	-
Other capital reserves:						
- Non-distributable capital reserves	**157,623**	151,434	128,200	101,264	101,264	101,264
- Cash flow hedging account	**(714)**	(772)	(1,413)	-	-	-
	156,909	150,662	126,787	101,264	101,264	101,264
Revenue reserve	**673,566**	563,698	531,397	324,548	319,787	310,779
	921,030	817,077	752,096	425,812	421,051	412,043

Asset revaluation reserve

Asset revaluation reserve comprises net cumulative surpluses arising from the revaluation of property, plant and equipment which are held for the purpose of production or supply of goods and services.

Foreign currency translation account

Foreign currency translation account comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company, i.e. SGD; as well as from the translation of monetary items which form part of the Group's net investment in foreign operations at the end of the reporting period.

Other capital reserves

Non-distributable capital reserves comprise mainly capital reduction reserve of the Company, share of reserve of an associate, GulTech and distribution reserve of GHG which is used to record the balance of amounts available for distribution as defined by the Trust Deed.

Cash flow hedging account represents the cumulative net change in fair value of the effective portion of the cash flow hedges.

Revenue reserve

Revenue reserve is used to record the balance of amounts available for distributions as defined by regulatory requirements. This is distributable to shareholders as dividend.

25 Dividend

	Group and Company		
	31 December 2018 $'000	**31 December 2017 $'000**	**1 January 2017 $'000**
Tax-exempt one-tier first and final dividend paid in respect of the previous year			
Cash	5,431	5,866	5,877
Share	1,689	1,231	1,196
	7,120	7,097	7,073

The Directors proposed a tax exempt one-tier first and final dividend of 0.6 cent per share (2017 : 0.6 cent per share) and an additional special dividend of 0.3 cent per share (2017 : Nil), total amounting to $10,678,000 (2017 : $7,122,000), subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company, to be paid in respect of the financial year ended 31 December 2018.

26 Revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 4).

A disaggregation of the Group's revenue for the year, is as follows:

	Note	Group 31 December 2018 $'000	Group 31 December 2017 $'000 (Restated)
Segment Revenue			
Sale of products		**144,816**	134,680
Sale of development properties		**41,251**	58,576
Rental income of investment properties	13	**39,231**	38,318
Hotel operations and related income		**109,227**	119,320
Services rendered		**205**	4,005
Others		**1,378**	1,065
		336,108	355,964

	Note	Group 31 December 2018 $'000	Group 31 December 2017 $'000 (Restated)
Timing of revenue recognition			
At a point of time:			
Sale of products		**144,816**	134,680
Sale of completed development properties		**22,238**	56,157
Hotel operations – food and beverages		**33,750**	40,005
Over time:			
Sale of development properties under construction		**19,013**	2,419
Rental income of investment properties	13	**39,231**	38,318
Hotel operations – room sales and other income		**75,477**	79,315
Services rendered		**205**	4,005
Others		**1,378**	1,065
		336,108	355,964

Revenue represents the invoiced value of goods and services supplied. Included in the Group's revenue from sale of development properties is an amount of $19,013,000 (2017 : $2,419,000) whereby the revenue is recognised based on the percentage of completion method.

There are no performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

27 Interest income

	Group 31 December 2018 $'000	Group 31 December 2017 $'000 (Restated)
Interest income on bank deposits	3,313	2,957
Interest income from debtors	231	115
Interest income from related parties	1,682	1,078
	5,226	4,150

28 Finance costs

	Note	Group 31 December 2018 $'000	Group 31 December 2017 $'000 (Restated)
Interest expense on loans and borrowings		49,832	37,351
Amortisation of capitalised finance costs		1,858	1,603
		51,690	38,954
Less: Amounts capitalised			
- Development properties	10	(3,597)	(1,333)
- Investment properties	13	(6,232)	(4,448)
		(9,829)	(5,781)
		41,861	33,173

Borrowing costs capitalised as cost of properties under development relate to borrowings taken up to finance each project.

29 Fair value adjustments

	Note	Group 31 December 2018 $'000	Group 31 December 2017 $'000 (Restated)
Fair value gain from:			
Subsidiaries		113,120	44,525
Share of an equity accounted investee	15	(36)	289
		113,084	44,814
Represented by:			
Fair value gain in respect of:			
- investment properties		113,120	44,525
- financial instruments	15	(36)	289
		113,084	44,814

The fair value adjustment is analysed as follows:

	Note	Group Gross $'000	Group Deferred tax $'000	Group Net $'000
31 December 2018				
Fair value gain on investment properties				
Subsidiaries	13	113,120	(1,219)	111,901
Fair value gains on financial instruments				
Share of an equity accounted investee	15	(36)	-	(36)
		113,084	(1,219)	111,865
31 December 2017 (Restated)				
Fair value gain on investment properties				
Subsidiaries	13	44,525	(3,453)	41,072
Fair value gain on financial instruments				
Share of an equity accounted investee	15	289	-	289
		44,814	(3,453)	41,361

30 Profit before tax

Other than as disclosed elsewhere in these financial statements, profit before tax for the year has been arrived at after charging/(crediting) the following:

	Group	
	31 December 2018 $'000	**31 December 2017 $'000 (Restated)**
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]	7,916	7,776
Net loss on disposal of property, plant and equipment (Note 35) [included in other operating expenses]	36	6
Write-back of allowance for diminution in value for development properties, net [included in other operating (income) / expenses / cost of sales]	(1,576)	(1,783)
Allowance for doubtful trade and other receivables, net [included in other operating expenses]	525	425
Allowance for inventory obsolescence, net [included in other operating expenses]	-	17
Foreign exchange loss, net [included in other operating expenses]	92	188
Provision for restructuring costs [included in other operating expenses]	-	123

	Group	
	31 December 2018 $'000	31 December 2017 $'000 (Restated)
Cost of inventories recognised as an expense	141,288	132,293
Net gain on disposal of a subsidiary [included in other operating expenses / income]	(3,893)	-
Auditors' remuneration		
Audit fees		
- Auditors of the Company	328	331
- Other auditors	196	177
Non-audit fees		
- Auditors of the Company	105	198
- Other auditors	23	10
Directors' remuneration		
Of the Company		
- Salaries and wages	1,886	1,737
Of the subsidiaries		
- Salaries and wages	1,066	1,907
- Defined contribution plans	24	53
	2,976	3,697
Employees benefit expenses (excluding Directors' remuneration)		
- Salaries and wages	11,943	12,759
- Defined contribution plans	1,044	991
- Others	74	116
	13,061	13,866

The Audit and Risk Committee has reviewed the non-audit services provided by the auditors, Deloitte & Touche LLP, Singapore and the overseas practices of Deloitte Touche Tohmatsu Limited and was of the opinion that these services would not affect the independence of the auditors.

31 Income tax expenses

	Note	Group 31 December 2018 $'000	31 December 2017 $'000 (Restated)
Current income tax			
- Singapore		1,158	328
- Foreign		2,093	1,992
- Under provision in prior years		1,254	648
		4,505	2,968
Withholding tax expense		65	41
Deferred tax	21	(380)	2,252
		4,190	5,261

Singapore income tax is calculated at 17% (2017 : 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The reconciliation between the tax expense reported and the product of accounting profit multiplied by the applicable tax rate is as follows:

	Group 31 December 2018 $'000	31 December 2017 $'000 (Restated)
Profit before income tax	138,799	68,005
Income tax calculated at 17% (2017 : 17%)	23,596	11,561
Adjustments:		
Share of results of an equity-accounted investee	(3,266)	(2,714)
Expenses not deductible for tax purposes	2,872	5,072
Tax losses not recognised as deferred tax assets	670	335
Tax losses not available for set-off against future income	2,170	46
Different tax rates of subsidiaries operating in other jurisdictions	1,137	2,109
Income that is not subject to tax	(23,462)	(11,699)
Utilisation of tax losses and capital allowance previously not recognised	(588)	(58)
Under provision in prior years	1,254	648
Withholding tax expense	65	41
Others	(258)	(80)
	4,190	5,261

32 Earnings per share

Analysis of the Group's profit from operations and fair value adjustments are as follows:

		Group		
	Note	Before fair value adjustments	Fair value adjustments	After fair value adjustments
		$'000	$'000	$'000
<u>31 December 2018</u>				
Profit before tax		25,715	113,084	138,799
Income tax expenses	29, 31	(2,971)	(1,219)	(4,190)
Profit for the year		22,744	111,865	134,609
Less:				
Non-controlling interests		(233)	-	(233)
Profit attributable to owners of the Company		22,511	111,865	134,376
<u>31 December 2017 (Restated)</u>				
Profit before tax		23,191	44,814	68,005
Income tax expenses	29, 31	(1,808)	(3,453)	(5,261)
Profit for the year		21,383	41,361	62,744
Less:				
Non-controlling interests		(112)	-	(112)
Profit attributable to owners of the Company		21,271	41,361	62,632

The calculation of the basic and diluted earnings per share attributable to the ordinary owners of the Company is based on the following data:

	Group	
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)
Profit attributable to owners of the Company		
Before fair value adjustments	22,511	21,271
Fair value adjustments	111,865	41,361
After fair value adjustments	134,376	62,632
Basic and diluted earnings per share (cents)		
Including fair value adjustments	11.3	5.3
Excluding fair value adjustments	1.9	1.8
Weighted average number of ordinary shares (in '000 shares) for the purpose of computation of basic and diluted earnings per share	1,188,806	1,185,048

There is no dilutive ordinary share in 2018 and 2017.

33 Other comprehensive income

		Group		
	Note	Before tax	Deferred tax	After tax
2018		**$'000**	**$'000**	**$'000**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	7,754	(2,358)	5,396
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(19,278)	-	(19,278)
Share of other comprehensive income of an equity accounted investee		1,866	-	1,866
Cash flow hedges		82	(25)	57
		(9,576)	(2,383)	(11,959)
2017				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	33,846	(10,154)	23,692
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(9,045)	-	(9,045)
Share of other comprehensive income of an equity accounted investee		(6,360)	-	(6,360)
Cash flow hedges		916	(275)	641
		19,357	(10,429)	8,928

The Group entered into certain interest rate swap contracts to hedge its interest rate risk exposures. Derivatives that are designated and effective as hedging instruments are carried at fair value.

	Group		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Derivatives that are designated and effective as hedging instruments carried at fair value	-	87	1,019

The Group used interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. Contracts with nominal values of A$177 million have fixed interest payments at a fixed rate of 2.254% per annum for periods up until 2018 and have a floating interest rate of 1 month Bank Bill Swap Bid Rate. These interest rate swaps were not further extended when they matured in January 2018.

All of the Group's interest rate swaps are designated and effective as cash flow hedges and the fair value change of these interest rate swaps, amounting to $82,000 (2017 : $916,000) has been recognised in other comprehensive income during the year.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the end of the reporting year:

	Average contracted fixed interest rate			Notional principal amount			Fair value		
Group	**31 December 2018 per annum**	**31 December 2017 per annum**	**1 January 2016 per annum**	**31 December 2018 $'000**	**31 December 2017 $'000**	**1 January 2017 $'000**	**31 December 2018 $'000**	**31 December 2017 $'000**	**1 January 2017 $'000**
1 month	-	2.254%	2.254%	-	182,363	185,301	-	87	1,019

34 Significant related party transactions

In addition to the related party transactions disclosed elsewhere in the financial statements, the Group has the following significant related party transactions with the major shareholders, associates and the Directors of the Company and their associates:

	Group	
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)
Transactions with major shareholder		
Sale of products and services rendered	42,878	61,451
Sale of a completed development property	7,745	-
Rental income	1,525	2,160
Interest income	926	664
Consideration for disposal of assets of Tyre Distribution Unit	-	1,750
Purchase of products	(95,390)	(68,158)
Transactions with associates		
Management fee income	180	180
Interest income	756	414
Transactions with Directors of the Company and their associates		
Sale of completed development properties	-	2,270
MTN interest expense	(173)	(137)

The Company's major shareholder is Nuri Holdings (S) Pte Ltd ("Nuri"), incorporated in Singapore. Related party transactions with major shareholder refer to transactions with the companies in which the shareholders of Nuri and their family members have a controlling interest in. The related party transactions are entered into in the normal course of business based on terms agreed between the parties.

One of the Group's subsidiary, SP Resources International Pte Ltd, is reliant on two related parties for the supply of 100% (2017 : 100%) of its coal. The Group supplies 100% (2017 : 100%) of its rubber products to one customer (2017 : two customers) who is a related party. Sales to this related party for the financial year ended 31 December 2018 amounted to $31,346,000 (2017 : $43,853,000).

At the end of the reporting year, the Group had commitments to lease certain commercial properties to Nuri and associates of the Group. These non-cancellable operating leases had remaining lease terms of 2 months (2017 : 2 months). Future minimum lease receivables under these leases not recognised as receivables at the end of each reporting period were as follows:

Commitment with related parties

	Group	
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)
Commitment with major shareholder		
Operating leases		
- Within one year	648	860
- After one year but not more than five years	1,568	1,813
- After five years	1,405	1,695
	3,621	4,368

Remuneration of Directors and key management personnel

	Group	
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)
Short-term benefits and fees	2,997	3,644
Post-employment benefits (defined contribution plan)	30	53
	3,027	3,697

35 Disposal/Acquisition of a subsidiary

Disposal of a subsidiary

On 14 March 2018, the Group disposed its wholly-owned subsidiary, Qingdao Shenyang Property Co., Ltd ("Qingdao Shenyang"), China. Details of the disposal are as follows:-

Carrying amount of net assets over which control was lost:

	Group 31 December 2018 $'000
Current assets	
Development properties	12,121
Other receivables	4,962
Total current assets	17,085
Current liabilities	
Other payables	(12)
Total current liabilities	(12)
Net assets derecognised	17,071
Consideration	
Cash	16,547
Deposit received in prior year	4,294
Deferred consideration	496
Total consideration	21,337

	Group 31 December 2018 $'000
Gain on disposal	
Consideration received/ receivable	**21,337**
Transaction costs	**(1,193)**
Net assets derecognised	**(17,071)**
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of subsidiary	**820**
Gain on disposal (Note 30)	**3,893**

	Group	
	2018 $'000	2017 $'000
Net cash inflow arising on disposal		
Cash consideration received	**16,547**	**4,294**

Acquisition of subsidiaries

On 7 June 2018, the Group completed the acquisition of 90% of the total issued share capital of Goodworth Investments Pte Ltd ("GIPL") and Splendourland Pte Ltd ("SPL") for an aggregate consideration of S$39.15 million from Habitat Properties Pte Ltd. GIPL and SPL jointly hold the entire issued share capital of PT Goodworth Investments ("PTGI"), the legal and beneficial owner of the Batam land.

	Group 31 December 2018 $'000
Consideration transferred	
Deposits received in prior years	**11,745**
Cash received during the year	**11,310**
Development property transferred	**7,745**
Deferred consideration (Note 19)	**8,350**
Total	**39,150**

	Group 31 December 2018 $'000
Assets acquired and liabilities assumed	
Current assets	
Development properties	39,150
Other receivables	34
Current liabilities	
Trade and other payables	(34)
Net assets acquired and liabilities assumed	39,150

36 Commitments

Capital commitments

	Group		
	31 December 2018 $'000	31 December 2017 $'000 (Restated)	1 January 2017 $'000 (Restated)
Development and investment properties expenditure contracted for but provided in the financial statements	**30,509**	122,226	143,287
Capital expenditure approved by Directors but not contracted for in the financial statements	**4,203**	2,276	5,143
Share of commitments of equity-accounted investees - Capital expenditure contracted for but not provided in the financial statements	**69**	615	1,703

Operating lease commitments - where the Group is a lessor

The Group enters into commercial property leases on its investment property portfolio, consisting of commercial and industrial buildings under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. As at the end of the reporting period, these non-cancellable leases had remaining lease terms of between nine months and seven years (2017 : one and eleven years).

The future minimum lease receivables under non-cancellable operating leases contracted for at the end of each reporting period but not recognised as receivables were as follows:

	Group		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Within one year	31,667	31,839	29,649
After one year but not more than five years	38,902	42,552	42,007
After five years	1,917	4,235	2,561
	72,486	78,626	74,217

Operating lease commitments - where the Group is a lessee

The Group leases office premises, warehouse, and workshops under non-cancellable operating lease agreements. The leases have varying terms and renewal rights. They are generally negotiated for a term of 1 to 2 years and rentals are generally fixed for the same periods. Payment recognised as an expense during the year was $7,000 (2017 : $236,000).

The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities were as follows:

	Group		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Within one year	232	215	368
After one year but not more than five years	160	272	100
	392	487	468

Derivative financial instrument

SP Corp, a listed subsidiary of the Group, utilised currency derivatives to hedge significant future transactions and cash flows. At the end of the reporting year, the total notional amount of outstanding forward foreign exchange contracts to which the Group was committed were as follows:

	Group		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Foreign currency forward contracts	-	8,400	15,000

The change in the fair value of non-hedging currency derivative was insignificant and hence its amount was not charged to profit or loss.

37 Contingent liabilities

	Company		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Guarantees given to in respect of bank utilised by subsidiaries	970,489	807,361	513,482

In 2016, the Group recognised a financial guarantee of $5,344,000 (2017 : $5,408,000) granted to its associate, Pan-West, equivalent to the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary [Note 15].

38 Financial risk management

Financial risk management policies and objectives

The Group has documented financial risk management policies approved by the Board of Directors. The policies consist of guidelines and rules to identify and manage periodically significant risks that might affect the achievement of business objectives, outputs, projects or operating processes at the Group, subsidiary or business unit level. Guidelines and rules are reviewed annually by the Group to ensure that they remain relevant. The Group's overall risk management program seeks to minimise potentially adverse effects on financial performance of the Group.

The Group's risk management process is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile. The key risks relating to financial management include foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investing cash in excess of short-term operational requirement.

Factors behind financial risks

The Group's activities expose it to a variety of financial risks such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group seeks to minimise potentially adverse effects arising from the unpredictability of the financial markets on the Group's financial performance.

The Group's financial instruments comprise loans and borrowings, cash and liquid resources, trade and other receivables, trade and other payables that arise directly from its operations. The Group manages its exposure to currency and interest rate risks by using a variety of techniques and instruments as described in Notes 38(a) and 38(b) to the financial statements.

Natural hedging is preferred by matching assets and liabilities of the same currency. Derivative financial instruments are only used where it is necessary to reduce the Group's exposure to fluctuations in foreign exchange and interest rates or to comply with covenants imposed by banks. While these financial instruments are subject to risk of change in market rates subsequent to their acquisition, such changes are generally offset by opposite effects on the items being hedged. The Group does not hold or issue derivative financial instruments for speculative purposes. The Group is not exposed to any equity-price risk.

There has been no major change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analyses indicated in Notes 38(a) and 38(b) to the financial statements.

Categories of financial instruments

The table below sets out the financial instruments at the end of the reporting year:

	Group			Company		
	31 December 2018 $'000	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)	**31 December 2018 $'000**	**31 December 2017 $'000** (Restated)	**1 January 2017 $'000** (Restated)
Financial assets						
Financial assets at amortised cost	220,561	294,895	302,522	425,501	443,844	255,801
Financial liabilities						
Financial liabilities at amortised cost	1,748,771	1,572,239	1,126,896	551,292	543,508	349,378
Financial guarantee contracts	-	-	-	10,649	14,738	16,236
	1,748,771	1,572,239	1,126,896	561,941	558,246	365,614
Derivative financial instruments	-	87	1,019	-	-	-
	1,748,771	1,572,326	1,127,915	561,941	558,246	365,614

(a) Currency risk

The Group's subsidiaries operate mainly in Singapore, Australia, China, Malaysia and Indonesia. As for its associates, GulTech operates mainly in China and Singapore; Pan-West operates mainly in Singapore and Malaysia, SSRE operates in China. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the Singapore dollar ("SGD"), Australian dollar ("AUD"), United States dollar ("USD") and Malaysian Ringgit ("MYR"). Currency risk arises when transactions are denominated in foreign currencies.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations mainly in Australia and China. As far as possible, the Group relies on natural hedges of matching foreign assets and liabilities of the same currency.

SP Corporation Limited, a listed subsidiary of the Group, uses forward foreign exchange contracts to protect against the effect of volatility in foreign currency exchange rates on foreign currency denominated assets and liabilities arising in the normal course of business. SP Corp enters into forward exchange contracts with maturities of less than twelve months. Further details on the forward exchange contracts are disclosed in Note 36 to the financial statements.

The Group does not enter into currency options and does not use forward foreign exchange contracts for speculative trading purposes.

Currency risk exposure

At the end of the reporting year, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective entities' functional currencies were as follows:

	SGD	USD	AUD	Others
	$'000	$'000	$'000	$'000
Group				
At 31 December 2018				
Financial assets				
Cash and bank balances	494	406	23,535	89
Trade and other receivables	36	-	23	572
	530	406	23,558	661
Financial liabilities				
Trade and other payables	(63)	(97)	-	(60)
Net financial (liabilities)/assets	(63)	(97)	-	(60)
Net currency exposure	467	309	23,558	601
At 31 December 2017 (Restated)				
Financial assets				
Cash and bank balances	350	620	1	30
Trade and other receivables	46	-	-	77
	396	620	1	107
Financial liabilities				
Trade and other payables	(6,653)	(61)	-	(4,294)
Net financial (liabilities)/assets	(6,257)	559	1	(4,187)
Less:				
Forward foreign exchange contracts	8,382	-	-	-
Net currency exposure	2,125	559	1	(4,187)
At 1 January 2017 (Restated)				
Financial assets				
Cash and bank balances	230	5,791	1	18
Trade and other receivables	40	568	-	95
	270	6,359	1	113
Financial liabilities				
Trade and other payables	(19,226)	(228)	-	(120)
Net financial (liabilities)/assets	(18,956)	6,131	1	(7)
Less:				
Forward foreign exchange contracts	15,328	-	-	-
Net currency exposure	(3,628)	6,131	1	(7)

At the end of the reporting year, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency were as follows:

	31 December 2018		31 December 2017		1 January 2017 (Restated)	
	AUD	MYR	AUD	MYR	AUD	MYR
	$'000	$'000	$'000	$'000	$'000	$'000
Company						
Financial assets						
Amounts due from subsidiaries	-	43	-	37	-	131
Financial liabilities						
Amounts due to subsidiaries	(23,537)	-	(235)	-	(228)	-
Net currency exposure	(23,537)	43	(235)	37	(228)	131

Sensitivity analysis for currency risk

The following table details the sensitivity to a 10% increase/decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they gave rise to an impact on the Group's profit or loss and/or equity.

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, profit or loss may increase (decrease) by:

	SGD		USD	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Group				
Profit or Loss	(47)	(213)	(31)	(56)
Company				
Profit or Loss	-	-	-	-

	AUD		Others	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Group				
Profit or Loss	(2,356)	-	(60)	419
Company				
Profit or Loss	2,354	24	(4)	(4)

The strengthening of the relevant foreign currency against the functional currency of each Group entity at the end of the reporting year 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.

(b) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument may fluctuate because of changes in interest rates in the market.

The Group's exposure to interest rate risk arises mainly from bank borrowings. The Group aims to optimise net interest cost and to reduce volatility in the finance cost. The Group borrows mainly variable rate debts with varying tenures. A summary of the Group's interest-bearing financial instruments is disclosed in Note 38(d) to these financial statements.

Other than those disclosed below, the Group does not use derivative financial instruments to hedge fluctuations in interest rates for its borrowings.

Sensitivity analysis for interest rate risk

The sensitivity analysis below is based on the exposure to interest rates for non-derivative instruments at the end of the reporting year and assumes that the change took place at the beginning of the financial year and was held constant throughout the reporting year. The magnitude represents the Group's assessment of the likely movement in interest rates under normal economic conditions.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit after tax would decrease or increase by $13,651,000 (2017 : decrease or increase by $12,086,000).

The Company's profit or loss was not affected by changes in interest rates as the Company did not have any borrowings or inter-company loans that are at variable rates.

(c) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a mean of mitigating the risk of financial loss from such defaults. Credit risk on cash and bank balances and derivative financial instrument is limited as these balances are placed with or transacted with institutions of repute. The Group manages these risks by monitoring credit worthiness and limiting the aggregate use to any individual counterparty. The Group does not expect to incur material credit losses on its financial instruments.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its trading records to rate its major customers and other debtors. The Group does not hold any collateral to cover its credit risks associated with its financial assets.

The Group's current credit risk framework comprises the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The assessment of the credit quality and exposure to credit risk of the Group's trade and other receivables have been disclosed in Note 6. The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
31 December 2018						
Trade and other receivables	6	(i)	Lifetime ECL (simplified approach)	45,036	(1,148)	43,888
Contract assets	7	(i)	Lifetime ECL (simplified approach)	15,451	-	15,451
Refundable trade deposit with related party	19	Performing	12-month ECL	8,215	-	8,215
Loan to a related party	19	Performing	12-month ECL	20,000	-	20,000
					(1,148)	

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
31 December 2017 (Restated)						
Trade and other receivables	6	(i)	Lifetime ECL (simplified approach)	60,697	(665)	60,032
Contract assets	7	(i)	Lifetime ECL (simplified approach)	9,537	-	9,537
Refundable trade deposit with related party	19	Performing	12-month ECL	8,073	-	8,073
					(665)	

Group	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
I January 2017 (Restated)						
Trade and other receivables	6	(i)	Lifetime ECL (simplified approach)	65,899	(303)	65,596
Contract assets	7	(i)	Lifetime ECL (simplified approach)	64,549	-	64,549
Refundable trade deposit with a related party	19	Performing	12-month ECL	8,689	-	8,689
					(303)	

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
31 December 2018						
Other receivables	6	(i)	Lifetime ECL (simplified approach)	96	(72)	24
Amount due from subsidiaries	19	Performing	12-month ECL	424,576	(24,264)	400,312
					(24,336)	

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
31 December 2017 (Restated)						
Other receivables	6	(i)	Lifetime ECL (simplified approach)	328	(72)	256
Amount due from related party	19	Performing	12-month ECL	13	-	13
Amount due from subsidiaries	19	Performing	12-month ECL	379,901	(25,050)	354,851
					(25,122)	

Company	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
1 January 2017 (Restated)						
Other receivables	6	(i)	Lifetime ECL (simplified approach)	105	(72)	33
Amount due from subsidiaries	19	Performing	12-month ECL	279,146	(23,679)	255,467
					(23,751)	

(i) For trade and other receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 6 includes further details on the loss allowance for these receivables.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

With respect to trade and other receivables at the end of the reporting year, trade amounts due from other related parties includes an amount of $20,183,000 (31 December 2017 : $29,124,000; 1 January 2017 : $30,820,000) which comprised of 2 (31 December 2017 : 3; 1 January 2017: 3) major customers with outstanding balances individually exceeding 5% of the Group's trade and other receivables as at 31 December 2018.

The credit risk for trade receivables after allowance for doubtful receivables was as follows:

	Group		
	31 December 2018 $'000	**31 December 2017 $'000**	**1 January 2017 $'000**
		(Restated)	(Restated)
By geographical area			
Singapore	21,229	30,160	35,577
Australia	3,810	4,996	4,821
China	356	704	3,903
Malaysia	2,365	1,891	2,330
Indonesia	8,875	10,394	8,323
United States of America (USA)	266	220	126
Others	20	23	617
	36,921	48,388	55,697
By type of customers			
Related parties	21,699	31,040	32,895
Non-related parties	15,222	17,348	22,802
	36,921	48,388	55,697
By industry sector			
Property	3,125	7,826	9,314
Hotels investment	3,667	4,560	5,236
Industrial services	30,129	36,002	41,147
	36,921	48,388	55,697

Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and borrowings with different tenures. Due to the dynamic nature of the businesses the Group is in, the Group aims at maintaining flexibility in funding and keeping adequate committed credit facilities available.

As at 31 December 2018, the Group's current liabilities exceed its current assets by $388,420,000 (31 December 2017 : net current asset of $87,700,000; 1 January 2017 : net current asset of $371,585,000). The directors are satisfied that the Group is able to refinance the loans that are due and it will not affect its ability to continue as a going concern within the next 12 months.

Analysis for liquidity and interest risk - non-derivative financial liabilities

The following tables detail the effective annual interest rates and the remaining contractual maturity for non-derivative financial liabilities at the end of the reporting year.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents possible future cash flow attributable to the instruments included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statements of financial position.

	Effective interest rate	On demand / less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2018							
Non-interest bearing	-	117,956	374	-	-	-	118,330
Fixed interest rate instruments	4.5 - 6.0	91,821	153,847	-	-	(16,588)	229,080
Variable interest rate instruments	2.2 - 3.5	824,997	67,766	543,371	219	(34,992)	1,401,361
		1,034,774	221,987	543,371	219	(51,580)	1,748,771
31 December 2017 (Restated)							
Non-interest bearing	-	113,656	463	-	-	-	114,119
Fixed interest rate instruments	4.5 - 6.0	12,600	91,821	153,847	-	(29,904)	228,364
Variable interest rate instruments	2.2 - 3.0	301,012	875,350	85,102	3,636	(35,344)	1,229,756
		427,268	967,634	238,949	3,636	(65,248)	1,572,239
1 January 2017 (Restated)							
Non-interest bearing	-	105,641	462	-	-	-	106,103
Fixed interest rate instruments	4.5	3,600	86,420	-	-	(10,458)	79,562
Variable interest rate instruments	1.7-2.8	14,598	668,322	282,697	4,982	(29,368)	941,231
		123,839	755,204	282,697	4,982	(39,826)	1,126,896

	Effective interest rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
Company							
31 December 2018							
Non-interest bearing	-	322,212	-	-	-	-	322,212
Fixed interest rate instruments	4.5 - 6.0	91,821	153,847	-	-	(16,588)	229,080
Financial guarantee contracts	-	10,649	-	-	-	-	10,649
		424,682	153,847	-	-	(16,588)	561,941
31 December 2017 (Restated)							
Non-interest bearing	-	315,144	-	-	-	-	315,144
Fixed interest rate instruments	4.5 - 6.0	12,600	91,821	153,847	-	(29,904)	228,364
Financial guarantee contracts	-	807,361	-	-	-	(792,623)	14,738
		1,135,105	91,821	153,847	-	(822,527)	558,246
1 January 2017 (Restated)							
Non-interest bearing	-	269,815	-	-	-	-	269,815
Fixed interest rate instruments	4.5	3,600	86,420	-	-	(10,457)	79,563
Financial guarantee contracts	-	513,482	-	-	-	(497,246)	16,236
		786,897	86,420	-	-	(507,703)	365,614

At the end of the reporting year, the maximum amount that the Company could be forced to settle under the financial guarantee contracts if the full guaranteed amounts is claimed by the counterparty to the guarantee is $970,489,000 (31 December 2017 : $807,361,000, 1 January 2017 : $513,482,000). Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending no the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

As at the end of the reporting year, the Group's total obligation on guarantees in connection with Pan-West's bank facilities amounted to $5,344,000 (2017 : $5,408,000). The earliest time that a guarantee could be called is as and when the guarantee is claimed by the counterparty.

Analysis for liquidity and interest risk - non-derivative financial assets

The following tables detail the effective annual interest rates and the expected maturity for non-derivative financial assets at the end of the reporting year. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different year. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial assets on the statements of financial position.

	Effective interest rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2018							
Non-interest bearing	-	**65,928**	**1,934**	**3,218**	**-**	**-**	**71,080**
Variable interest rate instruments	0.1 - 0.3	**36,561**	**-**	**-**	**-**	**(326)**	**36,235**
Fixed interest rate instruments	0.4 - 5.7	**51,390**	**15,457**	**47,640**	**-**	**(1,241)**	**113,246**
		138,428	**17,391**	**50,858**	**-**	**(1,567)**	**220,561**
31 December 2017 (Restated)							
Non-interest bearing	-	87,742	-	-	-	-	87,742
Variable interest rate instruments	0.1 - 0.3	21,163	-	-	-	(5)	21,158
Fixed interest rate instruments	0.4 - 5.7	123,882	31,275	31,275	-	(437)	185,995
		232,787	31,275	31,275	-	(442)	294,895
1 January 2017 (Restated)							
Non-interest bearing	-	139,822	113	2,901	9	-	142,845
Variable interest rate instruments	0.1 - 0.3	23,406	-	-	-	(16)	23,390
Fixed interest rate instruments	0.2 - 5.4	74,072	31,275	31,275	-	(335)	136,287
		237,300	31,388	34,176	9	(351)	302,522

	Effective interest rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
Company							
31 December 2018							
Non-interest bearing	-	425,501	-	-	-	-	425,501
31 December 2017 (Restated)							
Non-interest bearing	-	443,844	-	-	-	-	443,844
1 January 2017 (Restated)							
Non-interest bearing	-	255,801	-	-	-	-	255,801

Analysis for liquidity risk - derivative financial instruments

The following table details a liquidity analysis for derivative financial instruments the Group had entered into at the end of the reporting year. The table has been drawn up based on the undiscounted net cash outflows on the derivative instruments that settle on a net basis and the undiscounted gross inflows on those derivatives that require gross settlement.

	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
31 December 2018						
Gross settled:						
Foreign exchange forward contracts	-	-	-	-	-	-
31 December 2017 (Restated)						
Gross settled:						
Foreign exchange forward contracts	19	-	-	-	-	19
1 January 2017 (Restated)						
Gross settled:						
Foreign exchange forward contracts	(327)	-	-	-	-	(327)

(d) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and payables, provisions and other liabilities approximated their respective fair values due to their relative short-term maturity.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and

- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

  The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements. The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

At the end of each reporting year, the Group and the Company's interest rate swap was measured based on Level 2. The valuation technique and key input is future cash flows which are estimated based on forward interest rates (from observable yield curves at the end of the reporting year) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

(e) Capital risk

In managing capital, the Group's objectives are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to provide appropriate returns to shareholders and benefits for other stakeholders through pricing its products and services at levels commensurate with the level of risks it is exposed to.

The capital structure of the Group consists of loans and borrowings disclosed in Note 16, issued capital, reserves and retained earnings disclosed in Notes 23 and 24 to the financial statements. In order to maintain or achieve an optimal capital structure, the Group may issue new shares, obtain new borrowings, sell assets to reduce borrowings, pay or adjust the amount of dividend payment or return capital to shareholders. The Group's overall strategy remains unchanged from the prior years.

The Group monitors capital risks through measuring the Group's gross gearing and net gearing. The Group's gross gearing is calculated as total borrowings divided by total equity, whilst net gearing is calculated as net borrowings divided by total equity. Net borrowings are calculated as total borrowings as disclosed in Note 16, less cash and bank balances as disclosed in Note 5 to the financial statements.

	Group		
	31 December 2018 $'000	**31 December 2017 $'000**	**1 January 2017 $'000**
Total borrowings	1,630,441	1,458,120	1,020,793
Total equity	1,108,464	1,000,219	934,436
Gross gearing (times)	1.47	1.46	1.09
Net borrowings	1,497,434	1,241,277	857,105
Total equity	1,108,464	1,000,219	934,436
Net gearing (times)	1.35	1.24	0.92

39 Listing of significant subsidiaries

Information relating to the significant subsidiaries is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation/ establishment	Effective equity interest & voting power held by the Group		
				31 December 2018	31 December 2017	1 January 2017
				%	%	%
Significant subsidiaries directly held by the Company						
Asiaview Properties Pte Ltd		Prop erty investment	Singapore	100	100	100
Asplenium Land Pte. Ltd.		Property development	Singapore	100	100	100
Clerodendrum Land Pte. Ltd.		Property development	Singapore	100	100	100
Dillenia Land Pte. Ltd.		Property development	Singapore	100	100	100
Episcia Land Pte. Ltd.		Property development	Singapore	100	100	100
Gerbera Land Pte. Ltd.		Property development	Singapore	100	100	-
Oxley Development Pte Ltd		Property investment	Singapore	100	100	100
SP Corporation Limited		Investment holding	Singapore	80.2	80.2	80.2
Superluck Properties Pte Ltd		Property investment	Singapore	100	100	100
Significant subsidiaries indirectly held by the Company						
39 Robinson Road Pte. Ltd.		Property investment	Singapore	100	100	100
Grand Hotel Group	(i)	Property investment	Australia	100	100	100
Habitat Properties (Shanghai) Ltd.	(i)	Property development	China	100	100	100
Shelford Properties Pte Ltd		Property development	Singapore	100	100	100
SP Resources International Pte. Ltd.		Trading of industrial products	Singapore	80.2	80.2	80.2
TSRC Novena Pte. Ltd.		Property development	Singapore	70	-	-

All subsidiaries in Singapore are audited by Deloitte & Touche LLP, Singapore.

(i) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

40 Listing of significant associates

Associates are those in which the Group has significant influence, but not control in the operating and financial policy decisions.

Information relating to the significant associates is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation	Effective equity interest & voting power held by the Group		
				31 December 2018 %	31 December 2017 %	1 January 2017 %
Gul Technologies Pte. Ltd.	(i)	Manufacture of printed circuit boards	Singapore	44.5	44.5	44.5
Sanya Summer Real Estate		Property Developer	China	7.8	-	-

Note

(i) Audited by Deloitte & Touche LLP, Singapore.

41 Adoption of a new financial reporting framework

The Group and the Company adopted the new financial reporting framework - Singapore Financial Reporting Standards (International) ("SFRS(I)") for the first time for financial year ended 31 December, 2018 and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied in the first set of SFRS(I) financial statements. SFRS(I) is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

As a first-time adopter of SFRS(I), the Group and the Company have applied retrospectively, accounting policies based on each SFRS(I) effective as at end of the first SFRS(I) reporting period (31 December 2018), except for areas of exceptions and optional exemptions set out in SFRS(I) 1. In the first set of SFRS(I) financial statements for the financial year ended 31 December 2018, an additional opening statement of financial position as at date of transition (1 January 2017) is presented, together with related notes. Reconciliation statements from previously reported FRS amounts and explanatory notes on transition adjustments are presented for equity as at date of transition (1 January 2017) and as at end of last financial period under FRS (31 December 2017), and for total comprehensive income and cash flows reported for the last financial period under FRS (for the year ended 31 December 2017). Additional disclosures are made for specific transition adjustments if applicable.

There is no change to the Group's and the Company's previous accounting policies under FRS or material adjustments on the initial transition to the new framework, other than those arising from the application of SFRS(I) 15 and the election of certain transition options available under SFRS(I) I.

Management has elected the following transition exemption:

- SFRS(I) 3 *Business Combinations* has not been applied to acquisitions of subsidiaries that are considered businesses under SFRS(I) that occurred before 1 January 2017. The FRS carrying amounts of assets and liabilities determined in that business combination, that are required to be recognised under SFRS(I), are the deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with SFRS(I). Assets and liabilities that do not qualify for recognition under SFRS(I) are excluded from the opening SFRS(I) statement of financial position. The Group did not recognise or exclude any previously recognised amounts as a result of SFRS(I) recognition requirements.

  SFRS(I) 1 also requires that the FRS carrying amount of goodwill must be used in the opening SFRS(I) statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). There was no goodwill that had arose from the previous acquisitions.

- As permitted under SFRS(I) 1, the transaction price allocated to (partially) unsatisfied performance obligations as of 31 December 2017 is not disclosed using the transition provisions of SFRS(I) 15.

Reconciliations of equity and total comprehensive income

The effects of transition to SFRS(I) and initial application of SFRS(I) 15 are presented and explained below.

Group

(A) Impact on the Statement of Financial Position as at 1 January 2017 (date of transition to SFRS(I))

	As previously reported under FRS	Application of SFRS(I) 1	Note	Initial application of SFRS(I) 15	Note	As adjusted under SFRS(I)
	$'000	$'000		$'000		$'000
Current assets						
Cash and bank balances	163,688	-		-		163,688
Trade and other receivables	158,793	-		(64,549)	(2)	94,244
Contract assets	-	-		64,549	(2)	64,549
Contract costs	-	-		337	(3)	337
Amounts due from subsidiaries	-	-		-		-
Inventories	3,564	-		-		3,564
Development properties	183,232	-		-		183,232
Asset classified held for sale	-	-		-		-
Non-current assets						
Property, plant and equipment	419,278	3,643	(1)	-		422,921
Investment properties	1,108,652	-		-		1,108,652
Investment in subsidiaries	-	-		-		-
Investments in equity accounted investees	83,579	-		-		83,579
Deferred tax assets	2,286	-		-		2,286
Contract assets	-	-		-		-
Other non-current assets	11	-		-		11
Current liabilities						
Loans and borrowings	3,406	-		-		3,406
Trade and other payables	112,333	-		-		112,333
Amounts due to subsidiaries	-	-		-		-
Contract liabilities	-	-		-		-
Derivative financial instruments	-	-		-		-
Income tax payable	22,290	-		-		22,290
Non-current liabilities						
Loans and borrowings	1,017,387	-		-		1,017,387
Derivative financial instruments	1,019	-		-		1,019
Deferred tax liabilities	35,730	-		-		35,730
Other non-current liabilities	462	-		-		462
Capital, reserves and non-controlling interests						
Share capital	171,306	-		-		171,306
Treasury shares	-	-		-		-
Reserves	748,116	3,643	(1)	337	(3)	752,096
Non-controlling interests	11,034	-		-		11,034

(B) Impact on the Statement of Financial Position as at 31 December 2017 (end of last period reported under FRS)

	As previously reported under FRS	Application of SFRS(I) 1	Note	Initial application of SFRS(I) 15	Note	As adjusted under SFRS(I)
	$'000	$'000		$'000		$'000
Current assets						
Cash and bank balances	216,843	-		-		216,843
Trade and other receivables	93,827	-		(4,679)	(2)	89,148
Contract assets	-	-		4,480	(2)	4,480
Contract costs	-	-		485	(3)	485
Amounts due from subsidiaries	-	-		-		-
Inventories	2,906	-		-		2,906
Development properties	188,308	-		372	(2)	188,680
Asset classified held for sale	-	-		-		-
Non-current assets						
Property, plant and equipment	443,093	3,656	(1)	-		446,749
Investment properties	1,592,687	-		-		1,592,687
Investment in subsidiaries	-	-		-		-
Investments in equity accounted investees	93,185	-		-		93,185
Deferred tax assets	2,253	-		-		2,253
Trade and other receivables	5,057	-		(5,057)	(2)	-
Contract assets	-	-		5,057	(2)	5,057
Other non-current assets	12	-		-		12
Current liabilities						
Loans and borrowings	278,943	-		-		278,943
Trade and other payables	121,917	-		-		121,917
Amounts due to subsidiaries	-	-		-		-
Contract liabilities	-	-		372	(2)	372
Derivative financial instruments	87	-		-		87
Income tax payable	13,523	-		-		13,523
Non-current liabilities						
Loans and borrowings	1,179,177	-		-		1,179,177
Derivative financial instruments	-	-		-		-
Deferred tax liabilities	47,784	-		-		47,784
Other non-current liabilities	463	-		-		463
Capital, reserves and non-controlling interests						
Share capital	172,514	-		-		172,514
Treasury shares	-	-		-		-
Reserves	813,135	3,656	(1)	286	(3)	817,077
Non-controlling interests	10,628	-		-		10,628

(C) Impact on the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2017 (last financial year reported under FRS)

	As previously reported under FRS	Application of SFRS(I) 1	Note	Initial application of SFRS(I) 15	Note	As adjusted under SFRS(I)
	$'000	$'000		$'000		$'000
Revenue	357,922	-		(1,958)	(4)	355,964
Cost of sales	(292,894)	-		1,715	(3) (4)	(291,179)
Other operating income	7,346	-		-		7,346
Distribution costs	(6,077)	-		192	(3)	(5,885)
Administrative expenses	(26,268)	(51)	(1)	-		(26,319)
Other operating expenses	(3,390)	-		-		(3,390)
Share of results of an equity accounted investee	15,677	-		-		15,677
Interest income	4,150	-		-		4,150
Finance costs	(33,173)	-		-		(33,173)
Fair value adjustments	44,814	-		-		44,814
Income tax expenses	(5,261)	-		-		(5,261)
Profit for the year	62,846	(51)	(1)	(51)	(3) (4)	62,744
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Revaluation of properties	33,846	-		-		33,846
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	(10,154)	-		-		(10,154)
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	(9,109)	64	(1)	-		(9,045)
Share of other comprehensive income of an equity accounted investee	(6,360)	-		-		(6,360)
Cash flow hedges	916	-		-		916
Income tax relating to components of other comprehensive income that may be reclassified subsequently	(275)	-		-		(275)
Total comprehensive income for the year	71,710	13	(1)	(51)	(3) (4)	71,672

<u>Notes to the reconciliations</u>:

SFRS (I) 1

(1) Management has elected to adopt the fair value of a leasehold land and building and freehold building as their deemed cost as at 1 January 2017. Revaluation gain of $3,643,000 was recognised by the Group as at 1 January 2017. The amount of annual depreciation expense recognised in profit or loss is also impacted.

SFRS(I) 15

(2) Under SFRS(I) 15, progress billings invoiced to purchasers of development properties in advance of the percentage of completion of performance obligations are recognised as contract assets. This balance was previously recognised as part of trade receivables and development properties and so has been reclassified. If the percentage of completion of performance obligations are ahead of progress billings invoices, a contract liability is recognised. There was no impact on the statement of profit or loss as a result of these reclassifications.

(3) The Group incurs commission fees paid to intermediaries in connection with obtaining residential property sales contracts. When the Group expects that these costs will be recovered, it capitalises these and amortises them over the period during which the residential property is transferred to the customer. These amounts were previously expensed as incurred.

(4) Variable consideration was previously recognised within cost of sales. Under SFRS(I) 15, such amounts are recognised as a reduction in revenue. There is no net impact on the statement of profit or loss as a result of this reclassification.

(D) Impact on the Statement of Cash Flows for the year ended 31 December 2017 (last financial year reported under FRS).

The transition to SFRS(I) and the initial application of SFRS(I) 9 and SFRS(I) 15 have not had a material impact on the statement of cash flows.

42 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements were issued but not effective and are expected to have an impact to the Group and the Company in the periods of their initial adoption.

SFRS(I) 16 *Leases*
Effective for annual periods beginning or after 1 January 2019

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities are recognised in respect of all leases (subject to limited exemptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

SFRS(I) 1-17 does not require the recognition of any right-of-use asset or liability for future payments for the operating leases that the Group enters into. Under SFRS(I) 16, the Group may be required to recognise a right-of-use asset and a corresponding liability in respect of all leases unless they qualify for low value or short-term leases upon the application of SFRS(I) 16. Additional disclosures may also be made with respect to leases, including any significant judgement and estimation made in distinguishing between leases and service contracts, on the basis of whether an identified asset controlled by the customer exists.

As at 31 December 2018, the Group and the Company have non-cancellable operating lease commitments as disclosed in Note 36. A preliminary assessment indicates that these arrangements will meet the definition of a lease under SFRS(I) 16, and hence the Group and the Company will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon application of SFRS(I) 16. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have impacts on the amounts recognised in the Group's and Company's financial statements and management is currently assessing its potential impact.

43 Tentative Agenda Decision issued by the International Financial Reporting Standards Interpretations Committee

As stated in Note 2(i) to the financial statements, cost of development properties comprise costs that related directly to the development which include finance costs. During the year ended 31 December 2018, the International Financial Reporting Standards ("IFRS") Interpretation Committee received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development (building). In a Tentative Agenda Decision issued in November 2018, the Interpretations Committee tentatively concluded that, the entity in the fact pattern in the submission should not capitalise borrowing costs. This conclusion is different from the accounting policies applied currently by the Group. As at the date of the issuance of this financial statements, the Tentative Agenda Decisions (including explanatory material) are subject to finalisation by the Interpretation Committee after February 2019 after consideration of comments received. Accordingly, no adjustment has been made by the Group in the accompanying financial statements in respect of this matter.