IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the notes, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States ("**U.S.**") nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933 (as amended or modified from time to time, the "**Securities Act**") nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this email has been delivered is not located in the U.S. and, to the extent you purchase the notes described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting the e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer may be made pursuant to Section 275(1A) of the SFA, and (B) agree to be bound by the limitations and restrictions described herein.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Tuan Sing Holdings Limited or DBS Bank Ltd., or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.

Restrictions: The attached document is being furnished in connection with an offering of notes exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the notes described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Tuan Sing Holdings Limited or DBS Bank Ltd. to subscribe for or purchase any of the notes described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of Tuan Sing Holdings Limited in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where Section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the notes described therein.**

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail, and you may not purchase any notes by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive this information memorandum by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Tuan Sing Holdings Limited

(Incorporated in the Republic of Singapore on 13 March 1969)
(UEN/Company Registration No. 196900130M)

S$900,000,000
Multicurrency Medium Term Note Programme
(the "Programme")

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by Tuan Sing Holdings Limited (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and quotation for any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Notes.

An investment in the Notes issued under the Programme involves certain risks. For a discussion of some of these risks see the section "Investment Considerations".

Arranger

DBS

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NOTICE

DBS Bank Ltd. (the "**Arranger**") has been authorised by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies (if any), the Programme and the Notes. The Issuer, having made all due and careful enquiries, confirms that this Information Memorandum contains all information which is or may be material in the context of the Programme or the issue and offering of the Notes, that the information contained in this Information Memorandum is true and accurate in all respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held by the directors of the Issuer, and that there are no other facts the omission of which in the context of the Programme or the issue and offering of the Notes would or might make any such information or expressions of opinion, expectation or intention misleading in any respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Note (as defined herein) or a Permanent Global Note (as defined herein) which will be deposited on the issue date with either CDP (as defined herein) or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**, **Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes will bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to herein) shall be S$900,000,000 (or its equivalent in any other currencies) or such higher amount as may be agreed between the Issuer and the Arranger.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, any of the Dealers or the Trustee. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, or constitutes an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger, any of the Dealers or the Trustee to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger, any of the Dealers or the Trustee to subscribe for or purchase, any of the Notes.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Notes from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger, the Dealers and the Trustee have not separately verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealers, the Trustee or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, none of the Arranger, any of the Dealers or the Trustee makes any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger, any of the Dealers or the Trustee that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes or as to the merits of the Notes or the subscription for, purchase or acquisition thereof. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, the Dealers, the Trustee or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arranger, any of the Dealers or the Trustee accepts any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger, any of the Dealers or the Trustee or on its behalf in connection with the Issuer, the Group or the issue and offering of the Notes. The Arranger, each Dealer and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or unaudited financial statements of the Issuer and its subsidiaries and associated companies (if any) and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein).

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein) and the issue of the Notes by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Arranger, any of the Dealers or the Trustee) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under "Subscription, Purchase and Distribution" on pages 87 to 89 of this Information Memorandum.

Any person(s) who is/are invited to subscribe for or purchase the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Notes consult their own legal and other advisers before purchasing or acquiring the Notes. Such persons are also advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Notes.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would” and “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (as defined herein) (including statements as to the Issuer’s and/or the Group’s revenue, profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or the Group, expected growth in the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and/or the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, the discussion under “Investment Considerations”.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arranger, the Dealers and the Trustee do not represent or warrant that the actual future results, performance or achievements of the Issuer or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Notes by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer or the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arranger, the Dealers and the Trustee disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**1Q**"	:	The first quarter ended or ending 31 March.
"**2Q**"	:	The second quarter ended or ending 30 June.
"**3Q**"	:	The third quarter ended or ending 30 September.
"**Agency Agreement**"	:	The Agency Agreement dated 18 February 2013 between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, (3) the Agent Bank, as agent bank, and (4) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**Agent Bank**"	:	DBS Bank Ltd.
"**Arranger**"	:	DBS Bank Ltd.
"**BCA**"	:	The Building and Construction Authority of Singapore.
"**Board**"	:	The board of directors of the Issuer.
"**Business Day**"	:	In respect of each Note, (1) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (2) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office and (3) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
"**CDP**" or the "**Depository**"	:	The Central Depository (Pte) Limited.
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
"**Conditions**"	:	In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part II of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Note, by the provisions of such Global Note, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part II of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.

"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The interest coupons appertaining to an interest bearing Definitive Note.
"**CSC**"	:	Certificate of Statutory Completion.
"**Dealers**"	:	The persons appointed as dealers under the Programme.
"**Definitive Note**"	:	A definitive Note, in bearer form, being substantially in the form set out in Part I of Schedule 1 to the Trust Deed and having, where appropriate, Coupons attached on issue.
"**Directors**"	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.
"**Euro**"	:	The currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
"**FY**"	:	Financial year ended or ending 31 December.
"**GFA**"	:	Gross Floor Area.
"**GHG**"	:	Grand Hotel Group.
"**Global Note**"	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons.
"**Group**"	:	The Issuer and its subsidiaries.
"**GTSZ**"	:	Gultech (Suzhou) Electronics Co., Ltd.
"**GulTech**"	:	Gul Technologies Singapore Pte. Ltd.
"**Hypak**"	:	Hypak Sdn Berhad.
"**Issuer**" or "**Tuan Sing**"	:	Tuan Sing Holdings Limited.
"**Issuing and Paying Agent**"	:	DBS Bank Ltd.
"**ITA**"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
"**Latest Practicable Date**"	:	28 April 2017.
"**LRT**"	:	Light Rail Transit.
"**MAS**"	:	The Monetary Authority of Singapore.
"**MRT**"	:	Mass Rapid Transit.
"**Noteholders**"	:	The holders of the Notes.

"**Notes**"	:	The multicurrency medium term notes of the Issuer issued or to be issued pursuant to the Programme Agreement and constituted by the Trust Deed (and shall, where the context so admits, include the Global Notes and the Definitive Notes).
"**Pan-West**"	:	Pan-West (Private) Limited.
"**PCB**"	:	Printed circuit board.
"**Permanent Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note, being substantially in the form set out in Schedule 3 to the Trust Deed.
"**Pricing Supplement**"	:	In relation to any Tranche or Series, a pricing supplement supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series, substantially in the form of Appendix 2 to the Programme Agreement.
"**Programme**"	:	The S$900,000,000 Multicurrency Medium Term Note Programme established by the Issuer pursuant to the Programme Agreement.
"**Programme Agreement**"	:	The Programme Agreement dated 18 February 2013 made between (1) the Issuer, as issuer, (2) the Arranger, as arranger, and (3) DBS Bank Ltd., as dealer, as supplemented by a supplemental programme agreement dated 12 May 2017 made between the same parties, and as further amended, varied or supplemented from time to time.
"**RevPAR**"	:	Revenue per available room.
"**Securities Act**"	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
"**Series**"	:	(1) (in relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"**SFA**"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Shares**"	:	Ordinary shares in the capital of the Issuer.
"**SIA**"	:	Singapore Institute of Architects.
"**SP Corp**"	:	SP Corporation Limited.
"**sq ft**"	:	Square feet.

"**sq m**"	:	Square metres.
"**subsidiary**"	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).
"**TARGET System**"	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
"**Temporary Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 to the Trust Deed.
"**TOP**"	:	Temporary Occupation Permit.
"**Tranche**"	:	Notes which are identical in all respects (including as to listing).
"**Trust Deed**"	:	The trust deed dated 18 February 2013 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as supplemented by a supplemental trust deed dated 3 July 2013 and a second supplemental trust deed dated 12 May 2017, in each case, made between the same parties, and as further amended, varied or supplemented from time to time.
"**Trustee**"	:	DBS Trustee Limited.
"**United States**" or "**U.S.**"	:	United States of America.
"**A$**" or "**AUD**"	:	The lawful currency of the Commonwealth of Australia.
"**Renminbi**"	:	The lawful currency of the People's Republic of China.
"**S$**" and "**cents**"	:	The lawful currency of the Republic of Singapore.
"**US$**" or "**US dollars**" or "**USD**"	:	The lawful currency of the United States of America.
"**%**" or "**per cent.**"	:	Per centum.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors	:	Mr Ong Beng Kheong Mr William Nursalim alias William Liem Mr Choo Teow Huat Albert Mr Chow Kok Kee Mr David Lee Kay Tuan Ms Michelle Liem Mei Fung Mr Neo Ban Chuan
Company Secretary	:	Ms Helena Chua Guat Huat
Registered Office	:	9 Oxley Rise #03-02 The Oxley Singapore 238697
Auditors to the Issuer	:	Deloitte & Touche LLP 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809
Arranger of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Arranger	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer	:	Drew & Napier LLC 10 Collyer Quay #10-01 Ocean Financial Centre Singapore 049315
Legal Advisers to the Trustee, the Issuing and Paying Agent and the Agent Bank	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Issuing and Paying Agent and Agent Bank	:	DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) DBS Asia Gateway Singapore 608838
Trustee for the Noteholders	:	DBS Trustee Limited 12 Marina Boulevard, Level 44 Marina Bay Financial Centre Tower 3 Singapore 018982

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	Tuan Sing Holdings Limited.
Arranger	:	DBS Bank Ltd.
Dealers	:	DBS Bank Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DBS Trustee Limited.
Issuing and Paying Agent	:	DBS Bank Ltd.
Description	:	S$900,000,000 Multicurrency Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding at any time shall be S$900,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the terms of the Programme Agreement.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Purpose	:	Net proceeds arising from the issue of the Notes under the Programme (after deducting issue expenses) will be used for property development and investment as well as for general corporate purposes, including refinancing of borrowings, and financing investments and general working capital of the Issuer or its subsidiaries.
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.

Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ Swap Rate (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ Swap Rate (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	:	The Notes will be issued in bearer form only and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or Definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein.

Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.
Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Optional Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Redemption at the Option of Noteholders upon Change of Shareholding Event	:	If, for any reason, a Change of Shareholding Event occurs, the Issuer will within seven days of such occurrence give notice to the Noteholders of the occurrence of such event (the "**Notice**") and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable), no later than 30 days from the date of the Notice. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. For the purposes of this paragraph: (a) a "**Change of Shareholding Event**" occurs when Ms Michelle Liem Mei Fung, Mr William Nursalim alias William Liem and Mr Tan Enk Ee and their respective Immediate Family Members cease to own in aggregate (whether directly or indirectly) at least 40 per cent. of the issued share capital of the Issuer; and (b) "**Immediate Family Members**" means the father, mother, siblings, spouse, son(s) and daughter(s).

Redemption at the Option of Noteholders upon Cessation or Suspension of Trading of Shares	:	In the event that (a) the shares of the Issuer cease to be traded on the SGX-ST or (b) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 14 days (other than by reason of holiday, statutory or otherwise), the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 30 days after (in the case of (a)) the date of cessation of trading or (in the case of (b)) the business day immediately following the expiry of such continuous period of 14 days.
Negative Pledge	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, save for: (a) liens or rights of set-off arising in the ordinary course of business or by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (i) has been due for less than 14 days or (ii) is being contested in good faith and by appropriate means; (b) any security existing as at the date of the Trust Deed over any of its assets and disclosed in writing to the Trustee on or prior to the date of the Trust Deed and any security to be created over such asset in connection with the extension, refinancing or increase in the facility limit of the credit facilities secured by such asset provided that the amount secured by the security over such asset shall not at any time exceed 70 per cent. of the current market value of such asset at that time (as determined by the Trustee on the basis of the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee); (c) (i) any security over any of its assets acquired, developed, renovated or refurbished by it after the date of the Trust Deed for the sole purpose of financing the acquisition, development, renovation or refurbishment of such assets and securing a principal amount not exceeding the cost of that acquisition, development, renovation or refurbishment, and (ii) any security over such assets for the sole purpose of refinancing the acquisition, development, renovation or refurbishment of such assets, provided that (in the case of acquisition or development) the amount secured by the security over such asset shall not at any time exceed 70 per cent. of the current market value of such asset at that time (as determined by the Trustee on the basis of the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee) and (in the case of renovation or refurbishment) the amount secured by the security over such asset shall not exceed the cost of that renovation or refurbishment;

(d) any security created by way of a floating charge on or over its assets for the purpose of securing working capital facilities granted in the ordinary course of business, and any security created to secure its liabilities in respect of letters of credit, performance bonds and/or bank guarantees issued in the ordinary course of business; and

(e) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

Terms used in this paragraph have the meaning ascribed to them in the Conditions.

Financial Covenants	:	The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that: (a) the Consolidated Tangible Net Worth shall not at any time be less than S$700,000,000; and (b) the ratio of Consolidated Total Borrowings to Consolidated Total Assets shall not at any time be more than 0.73:1. Terms used in this paragraph have the meaning ascribed to them in the Conditions.
Events of Default	:	See Condition 9 of the Notes.
Taxation	:	All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Singapore Taxation" herein.
Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 or its equivalent in foreign currencies.
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.

Governing Law and Jurisdiction	:	The Programme and any Notes issued under the Programme are governed by, and shall be construed in accordance with, the laws of Singapore. The courts of Singapore are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Programme and any Notes issued under the Programme.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed dated 18 February 2013 made between (1) Tuan Sing Holdings Limited (the "**Issuer**") and (2) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below) (as amended and supplemented by a supplemental trust deed dated 3 July 2013 and a second supplemental trust deed dated 12 May 2017, in each case, made between the parties to the Trust Deed and as further amended and supplemented, the "**Trust Deed**"), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended and supplemented, the "**Deed of Covenant**") dated 18 February 2013, relating to the Notes executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and Coupons referred to below. The Issuer has entered into an Agency Agreement (as amended and supplemented, the "**Agency Agreement**") dated 18 February 2013 made between (1) the Issuer, as issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**") and agent bank (in such capacity, the "**Agent Bank**"), and (3) the Trustee, as trustee. The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form in each case in the Denomination Amount shown hereon.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 6(f)) in these Conditions are not applicable.

(b) Title

(i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Note and such Global Note is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest or proven error) shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, interest and any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Noteholder**" means the bearer of any Definitive Note (as defined in the Trust Deed) and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "**Series**" means (1) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

3. Negative Pledge and Financial Covenants

(a) Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 9) will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, save for:

(i) liens or rights of set-off arising in the ordinary course of business or by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (1) has been due for less than 14 days or (2) is being contested in good faith and by appropriate means;

(ii) any security existing as at the date of the Trust Deed over any of its assets and disclosed in writing to the Trustee on or prior to the date of the Trust Deed and any security to be created over such asset in connection with the extension, refinancing or increase in the facility limit of the credit facilities secured by such asset provided that the amount secured by the security over such asset shall not at any time exceed 70 per cent. of the current market value of such asset at that time (as determined by the Trustee on the basis of the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee);

(iii) (1) any security over any of its assets acquired, developed, renovated or refurbished by it after the date of the Trust Deed for the sole purpose of financing the acquisition, development, renovation or refurbishment of such assets and securing a principal amount not exceeding the cost of that acquisition, development, renovation or refurbishment, and (2) any security over such assets for the sole purpose of refinancing the acquisition, development, renovation or refurbishment of such assets, provided that (in the case of acquisition or development) the amount secured by the security over such asset shall not at any time exceed 70 per cent. of the current market value of such asset at that time (as determined by the Trustee on the basis of the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee) and (in the case of renovation or refurbishment) the amount secured by the security over such asset shall not exceed the cost of that renovation or refurbishment;

(iv) any security created by way of a floating charge on or over its assets for the purpose of securing working capital facilities granted in the ordinary course of business, and any security created to secure its liabilities in respect of letters of credit, performance bonds and/or bank guarantees issued in the ordinary course of business; and

(v) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

(b) Financial Covenants

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

(i) the Consolidated Tangible Net Worth shall not at any time be less than S$700,000,000; and

(ii) the ratio of Consolidated Total Borrowings to Consolidated Total Assets shall not at any time be more than 0.73:1.

For the purposes of these Conditions:

(1) "**Consolidated Tangible Net Worth**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(aa) the amount paid up or credited as paid up on the issued share capital of the Issuer; and

(bb) the amounts standing to the credit of the capital and revenue reserves (including profit and loss account) of the Group on a consolidated basis,

all as shown in the then latest audited consolidated balance sheet of the Group but after:

(I) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraph (bb) above of the Group since the date of the latest audited consolidated balance sheet of the Group;

(II) excluding any sums set aside for future taxation;

(III) deducting:

(AA) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group;

(BB) all goodwill and other intangible assets; and

(CC) any debit balances on consolidated profit and loss account; and

(IV) excluding any amount attributable to minority interests;

(2) "**Consolidated Total Assets**" means, at any particular time, the consolidated amount of the book values of all the assets of the Group, determined as assets in accordance with generally accepted accounting principles in Singapore; and

(3) "**Consolidated Total Borrowings**" means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(aa) bank overdrafts and all other indebtedness in respect of any bank borrowings;

(bb) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(cc) the liabilities of the Issuer under the Trust Deed or the Notes;

(dd) all other indebtedness whatsoever of the Group for borrowed moneys; and

(ee) any redeemable preference shares issued by any member of the Group (other than those shares which are regarded as equity as reflected in the Group's latest audited consolidated balance sheet),

where such aggregate amount falls to be calculated, no amount shall be taken into account more than once in the same calculation.

4. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its Calculation Amount (as defined in Condition 4(II)(d)) from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) and the Agency Agreement to the Relevant Date (as defined in Condition 7).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the relevant currency (with halves rounded up).

In this Condition 4(I)(b), "**Fixed Rate Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 4(II)(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) and the Agency Agreement to the Relevant Date.

(b) Rate of Interest - Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "**Spread**" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page as aforesaid) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Interest Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 1/16 per cent.)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as may be agreed between the Agent Bank and the Issuer and as adjusted by the Spread (if any); and

(C) if on any Interest Determination Date, the Agent Bank is otherwise unable to determine the Rate of Interest under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Agent Bank and the Issuer under paragraph (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest - Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Issuing and Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 4(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (a) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office and (c) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 4:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365; and

(iv) if "30/360" is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 30, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Agent Bank;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) and the Agency Agreement to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on the first day of the Floating Rate Period and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) and the Agency Agreement to the Relevant Date.

(iv) The provisions of Condition 4(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(h)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable in respect of any Floating Rate Note, Variable Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest or proven error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, if so required by the Issuer, the Agent Bank will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 15 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign its duties without a successor having been appointed as aforesaid.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit any Variable Rate Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit any Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of Noteholders

(i) If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(ii) If, for any reason, a Change of Shareholding Event occurs, the Issuer will within seven days of such occurrence give notice to the Noteholders of the occurrence of such event (the "**Notice**") and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable), no later than 30 days from the date of the Notice. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 5(e)(ii):

(1) a "**Change of Shareholding Event**" occurs when Ms Michelle Liem Mei Fung, Mr William Nursalim alias William Liem and Mr Tan Enk Ee and their respective Immediate Family Members cease to own in aggregate (whether directly or indirectly) at least 40 per cent. of the issued share capital of the Issuer; and

(2) "**Immediate Family Members**" means the father, mother, siblings, spouse, son(s) and daughter(s).

(iii) In the event that (a) the shares of the Issuer cease to be traded on the SGX-ST or (b) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 14 days (other than by reason of holiday, statutory or otherwise), the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 30 days after (in the case of (a)) the date of cessation of trading or (in the case of (b)) the business day immediately following the expiry of such continuous period of 14 days (in either case, the "**Effective Date**"). The Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Issuing and Paying Agent and the Noteholders of the occurrence of the event specified in this paragraph (iii) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with an Exercise Notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) not later than 21 days after the Effective Date. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 5(h) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) Purchases

The Issuer or any of its related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to the Issuing and Paying Agent for cancellation or may at the option of the Issuer or relevant subsidiary be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(i) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its related corporations may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Issuing and Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Interest

Payments of principal and interest in respect of the Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Issuing and Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Issuing and Paying Agent and its specified office are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent and to appoint additional or other Issuing and Paying Agents, provided that it will at all times maintain an Issuing and Paying Agent having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent and the Trustee, without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the Issuing and Paying Agent and the Trustee, adversely affect the interests of the holders.

(d) Unmatured Coupons

(i) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(iv) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

(e) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

7. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 15 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

The Notes and Coupons shall become void unless presented for payment within three years from the appropriate Relevant Date for payment.

9. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may, and if so requested by holders of at least 20 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay any sum payable by it under any of the Notes or the Issue Documents (as defined in the Trust Deed) at the place at and in the currency in which it is expressed to be payable within three business days of its due date;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents or any of the Notes and, if in the opinion of the Trustee that default is capable of remedy, it is not in the opinion of the Trustee remedied within 21 business days of the earlier of (i) the Trustee giving written notice of the failure to perform or comply to the Issuer and (ii) the Issuer becoming aware of the failure to perform or comply;

(c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and, if in the opinion of the Trustee the event resulting in such non-compliance or incorrect representation, warranty or statement is capable of remedy, it is not in the opinion of the Trustee remedied within 21 business days of the earlier of (i) the Trustee giving written notice of such non-compliance or incorrect representation, warranty or statement and (ii) the Issuer becoming aware of such non-compliance or incorrect representation, warranty or statement;

(d) (i) any other indebtedness of the Issuer or any of its Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any default, event of default or the like (however described) or is not paid when due or, as a result of any default, event of default or the like (however described) any facility relating to any such indebtedness is or is declared to be or is capable of being cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled; or

(ii) the Issuer or any of its Principal Subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys.

No Event of Default will occur under paragraph (d)(i) or (d)(ii) above if the aggregate amount of the indebtedness for borrowed moneys or guarantee of indebtedness for borrowed moneys falling within paragraphs (d)(i) and (d)(ii) above is less than S$15,000,000 (or its equivalent in any other currency or currencies);

(e) the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any part of (or of a particular type of) its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the indebtedness of the Issuer or any of its Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the material property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;

(g) any security on or over the whole or any part of the property or assets of the Issuer or any of its Principal Subsidiaries becomes enforceable or any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person);

(h) any step is taken by any person with a view to the winding-up of the Issuer or any of its Principal Subsidiaries or for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of its Principal Subsidiaries or over the whole or any part of the property or assets of the Issuer or any of its Principal Subsidiaries (save for a voluntary liquidation or winding-up of a Principal Subsidiary not involving insolvency and which does not have a material adverse effect on the Issuer);

(i) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any part of its business or (otherwise than in the ordinary course of its business) disposes or threatens to dispose of the whole or any part of its property or assets;

(j) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer or any of its Principal Subsidiaries;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 14.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;

(m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature and discharged within 30 days of its commencement) against the Issuer or any of its Principal Subsidiaries is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or could have a material adverse effect on the Issuer;

(o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j); and

(p) the Issuer or any of its Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore.

In these Conditions:

(1) "**Principal Subsidiary**" means any subsidiary of the Issuer:

(aa) whose profits before tax and minority interests, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the consolidated profits before tax and minority interests of the Group as shown by such audited consolidated accounts; or

(bb) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the total assets of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or the Issuer (the "**transferee**") then:

(I) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(II) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (I) above or which remains or becomes a Principal Subsidiary by virtue of (II) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the profits before tax and minority interests or (as the case may be) total assets as shown by the accounts of such subsidiary (consolidated (if any) in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the consolidated profits before tax and minority interests or (as the case may be) total assets of the Group, as shown by such audited consolidated accounts. A report by the Auditors (as defined in the Trust Deed), who shall also be responsible for reviewing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

10. Enforcement of Rights

At any time after an Event of Default shall have occurred which is continuing and not waived or after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 20 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded by the Noteholders to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

11. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

12. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent, or at the specified office of such other Issuing and Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 15, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note or Coupon) and otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

15. Notices

Notices to the holders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

Until such time as any Definitive Notes are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent. Whilst the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Issuing and Paying Agent through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

16. Governing Law and Jurisdiction

(a) Governing Law: The Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction: The courts of Singapore are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes or the Coupons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the exclusive jurisdiction of such courts.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

THE ISSUER

A. OVERVIEW AND HISTORY

Tuan Sing was incorporated in 1969 as "Hytex Limited" and listed on the Mainboard of the SGX-ST in 1973. Following a restructuring exercise in 1983, the current name was adopted. Tuan Sing is an investment holding company with interests in multiple industries.

In 2008, the Board undertook a strategic review of the Group's businesses and decided to redirect its major resources and energy to the real estate sector to spearhead future growth. Since then, the Group has strengthened and expanded its core businesses to include property development and investment and hotels investment. The Group has also made significant progress in reducing its exposure in non-core businesses where feasible in the last few years. In this respect, the technology and retail business segments have been discontinued following the cessation of management control over GulTech and Pan-West respectively. Tuan Sing's investment in these two entities has been passive since then.

Presently, Tuan Sing's core businesses are in property development, property investment and hotels investment in Singapore, China and Australia. Tuan Sing also engages in industrial services and other investments. Headquartered in Singapore, the Group has over 60 subsidiaries and associates. With total assets of S$2.1 billion as at 31 March 2017, the Group serves a broad spectrum of customers through its workforce across Southeast Asia, China and Australia. As at the Latest Practicable Date, Tuan Sing has a market capitalisation of approximately S$384.4 million.

B. CORPORATE STRUCTURE

The Group's corporate structure as at the Latest Practicable Date is set out below:

Property

- Asiaview Properties Pte Ltd
- Asplenium Land Pte. Ltd.
- Bauhinia Land Pte. Ltd.
  - Qingdao Shenyang Property Co., Ltd.
- Clerodendrum Land Pte. Ltd.
- Dillenia Land Pte. Ltd.
- Episcia Land Pte. Ltd.
- Fuchsia Land Pty Ltd
- Gerbera Land Pte Ltd
- Golden Cape Investments Ltd[#]
- Heliconia Land Pte Ltd
- Megaton Investments Pte Ltd
- Oxley Development Pte Ltd
- Pemimpin Properties Pte. Ltd.
- Robinson Point Limited
  - 39 Robinson Road Pte. Ltd.
- Silveridge Investments Pte Ltd
  - Shelford Properties Pte Ltd
- Sing-Hu International Pte Ltd
  - Premiera Development Pte. Ltd.
  - Shanghai Shenyu Interior Decoration Limited Liability Company
    - Fujian Ji'Xing Real Estate Development Co. Ltd
- Superluck Properties Pte Ltd
- TSH China Holdings Pte Ltd
  - Yewglade Pte Ltd
    - Habitat Properties (Shanghai) Ltd. (91%)[1]
  - Shanghai Shenjia Property Management Co., Ltd.
- Tuan Sing (China) Investments Limited[#]
- Shanghai Xin Min Real Estate United Development Co., Ltd.[#] (70%)[2]
- Maylands Investment Pte Ltd (70%)

Hotels Investment

- TSH Australia Holdings Pte Ltd
  - Tuan Sing (Australia) Pty Limited ("TSA")
  - Tuan Sing Real Estate Pty Limited ("TSRE")
    - Grand Hotel Group - Grand Hotel Company Pty Ltd
      - GH Operations Pty Ltd
      - HR Operations Pty Ltd
      - Grand Hotel Management Pty Ltd
      - GHG Capital Pty Ltd

Industrial Services

- SP Corporation Limited* (80.2%)
  - SP Performance Pte. Ltd.
    - Performance Retreads Sdn. Bhd.
  - SP Energy Pte. Ltd.
    - SP Mining & Engineering Pte. Ltd.
      - PT. SP Mining & Engineering (99%)[3]
  - Globaltraco International Pte Ltd
  - SP Resources International Pte. Ltd.
  - SP Global International Pte. Ltd.
- Hypak Sdn. Berhad (97.9%)

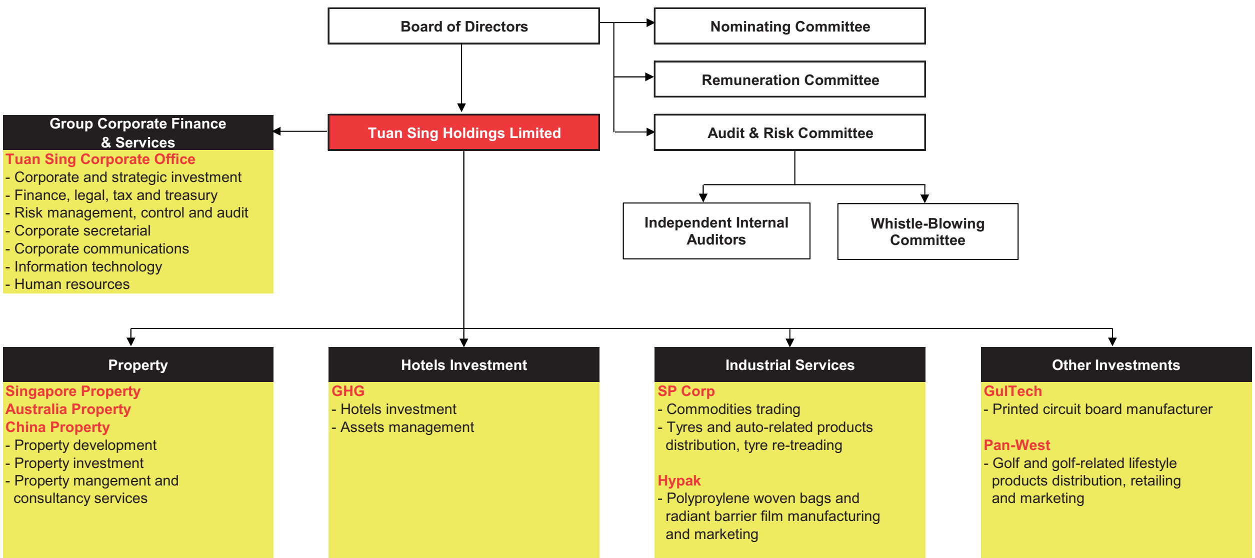
Other Investments

- TS Planet Sports Pte. Ltd.
  - Pan-West (Private) Limited (49%)
    - Pan-West (Malaysia) Sdn. Bhd.
    - Pan-West China Holdings Pte. Ltd.
      - Pan-West (Shenzhen) Co. Ltd#
- TS Technologies Pte Ltd
  - Gul Technologies Singapore Pte. Ltd. (44.5%)
    - Gultech International Pte Ltd
      - Gultech (Suzhou) Electronics Co., Ltd
    - Gultech China Pte. Ltd.
      - Gultech (Jiangsu) Electronics Technologies Co., Ltd
      - Gultech (Wuxi) Electronics Co., Ltd (51%)
        - Gultech Wuxi Electronics Co (HK), Limited
  - Pacific Consultants Pte. Ltd.

● 100% owned
● less other than 100% owned
● TSA and TSRE each holds 50% in that entity
Entity incorporated outside Singapore

1. Balance of 9% is held by TSH China Holdings Pte Ltd
2. Balance of 30% is held by Tuan Sing (China) Investments Limited
3. Balance of 1% is held by SP Energy Pte Ltd
* Public listed company
\# in members' voluntary liquidation

The Group's management and corporate governance structure as at the Latest Practicable Date is set out below:



The Group has four principal operating units: (i) property, (ii) hotels investment, (iii) industrial services and (iv) other investments.

(i) Property

The Property segment focuses on development of and investment in prime residential, commercial and industrial properties. Tuan Sing is a recognised property developer and owns a number of properties in prime areas in Singapore. This is in line with the Group's strategic direction to continue expanding its property business to spearhead future growth.

(ii) Hotels Investment

The Group's Hotels Investment segment is represented by GHG, which owns two five-star Hyatt hotels in Australia, namely, Grand Hyatt in Melbourne ("**Grand Hyatt Melbourne**") and Hyatt Regency in Perth ("**Hyatt Regency Perth**"). The hotels are managed by Hyatt International and are located in prime locations that cater to the business and tourism sectors in Melbourne and Perth.

(iii) Industrial Services

The Industrial Services segment consists of 80.2 per cent.-owned SGX-ST-listed subsidiary, SP Corp, and 97.9 per cent.-owned subsidiary, Hypak. SP Corp is primarily engaged in commodities trading and tyres distribution. Hypak is in the business of manufacturing and marketing polypropylene woven bags and radiant barrier films in Malaysia.

(iv) Other Investments

The Group also holds a 44.5 per cent. interest in GulTech, a PCB manufacturer with operations in Singapore and China. GulTech underwent a delisting exercise and was delisted from the SGX-ST on 18 January 2013. It is now a non-listed public company. The Group also holds a 49 per cent. stake in Pan-West, a retailer of golf-related products. In line with its strategic direction, the Group is not averse to divesting these investments in these two entities when the opportunities arise.

C. PROPERTIES AND PRINCIPAL ACTIVITIES

(i) Development Properties

Tuan Sing has earned a reputation for developing projects of distinction. In 2007, it held an international auction, the first amongst developers in Singapore, for uncompleted condominium units of Botanika on Holland Road. All remaining units were sold with an average selling price of S$2,040 per sq ft, a benchmark price in the area at that time. Designed by renowned architectural firm, SCDA Architects, the project went on to win the SIA Architectural Design Award in 2011. Following the successful launch of Botanika, Tuan Sing introduced Mont Timah, a 32-unit, limited-edition luxury development in 2011. Nestled at the foot of Bukit Timah Hill, it features unique cluster-housing design – the first-ever in Singapore – as well as a modern contemporary tropical design blending the experience of living in condominiums and landed homes. Tuan Sing made its first foray into larger-scale developments after successfully securing the Seletar, Sennett (Pheng Geck Avenue) and Cluny Park sites in 2010 and 2011. More recent additions to the property portfolio of the Group include a leasehold residential site at Jalan Kandis and a freehold residential site at 1 Jalan Remaja. Over the years, the Group has also broadened its presence overseas by acquiring land in Fuzhou and Qingdao, China. These development projects are expected to strengthen the Group's property portfolio and profitability in the future.

Tuan Sing prides itself on developing high quality premium homes over the last two decades. Tuan Sing believes that its attention to details, from site planning to developing the finishes for each project, is the right formula to ensure that the products would be outstanding and appealing to its customers. Tuan Sing also prides itself on working seamlessly with architects it carefully selects with a view to creating cutting edge architecture.

Tuan Sing intends to continue working with world class and renowned architects to create breakthrough and visually exciting designs catering to sophisticated individuals and investors as well as to deliver to the market products that set a new benchmark for quality and living.

The Group's current portfolio of development projects consists of eight sites under various stages of development in Singapore and China. The following tables set forth details of the location and proposed use of, as well as the Group's interest in, these development projects.

Completed Projects

Project	**Location**	**Proposed Use**	**Total Planned GFA (sq m)**	**No. of Units**	**No. of Units Sold#**	**Group's Effective Equity Interest**	**Completion Year**
Botanika	Singapore	Residential	5,797	34	34	100%	2008
Lakeside Ville Phase III	Shanghai, China	Residential & commercial	41,584	172 residential units & 8 commercial units	168	100%	2010
Mont Timah	Singapore	Residential	8,527	32	32	70%	2011
Seletar Park Residence	Singapore	Residential	26,862	276	273	100%	2015
Sennett Residence	Singapore	Residential	33,328	332 residential units & 3 shop units	321	100%	2016
Cluny Park Residence	Singapore	Residential	6,997	52	36	100%	2016

Note:

 # Number of units booked/sold as at 31 March 2017.

Projects Under Development

Project	**Location**	**Proposed Use**	**Estimated Planned GFA (sq m)**	**Estimated No. of Units**	**Expected Launch Date**	**Group's Effective Equity Interest**	**Estimated Completion**
Kandis Residence	Singapore	Residential	10,850	130	3Q2017	100%	2020
1 Jalan Remaja (Option to purchase exercised in April 2017. Expected completion of purchase in June 2017)	Singapore	Residential	7,770	100	2Q2018	100%	2022

Land Bank

Project	**Location**	**Proposed Use**	**Total Land Area (sq m)**	**Group's Effective Equity Interest**
Fuzhou Land	Fuzhou, China	Residential	163,740	100%
Jiaozhou Land	Qingdao, China	Residential & commercial	119,244	100%

Botanika is a four-storey, 34-unit freehold residential development located along Holland Road in the sought-after District 10 in Singapore. The exclusive boutique development is nestled next to the greenery of Singapore Botanic Gardens and is just minutes from the heart of Singapore's shopping belt in Orchard Road. Designed by SCDA Architects, Botanika won the Best Residential Design at the 11th SIA Architectural Design Award 2011. The project was completed in 2008 and is fully sold.

Lakeside Ville is an upmarket residential project located in Qingpu District, Shanghai with a total land area of 378,812 sq m. The development was recognised as one of the ten best designed villas in Shanghai and was awarded the National Overall Gold Medal in the bungalow category by the Ministry of Construction, China. Lakeside Ville was also one of the top five finalists for the Best Urban Design category during the Dubai International Architecture Awards in 2004. It was the first residential development in China to be awarded the Green Mark Gold Award (Provisional) by the BCA in 2008.

The development of Lakeside Ville was carried out in three phases. Phase I, comprising 173 units of villas and a clubhouse, was completed in December 2003 while Phase II, comprising 123 units of villas, was completed in December 2004. All units of Phase I and Phase II developments have been sold. Phase III comprised 148 units of quality condominiums, 24 units of three-storey townhouses and eight units of retail and commercial space. In 2011, Lakeside Ville Phase III was awarded the Green Mark Gold Award by the BCA. The last phase of the project was completed in 2010 and 168 units (98 per cent. of the number of residential units) have been sold as at 31 March 2017.

Mont Timah is a 99-year leasehold development occupying an area of approximately 7,842 sq m on an elevated ground at Hindhede Drive abutting the Bukit Timah Nature Reserve. The development comprises 32 exclusive strata units of spacious cluster housing, each fitted with a courtyard, private lift and roof terrace with a commanding view of the nature reserve.

Designed by Chan Sau Yan & Associates, this cluster of homes offers residents the modern lifestyle and convenience while situated close to nature. Common facilities include a spacious basement car park, swimming pool, gymnasium and outdoor functional areas. Mont Timah was awarded the BCA's Green Mark (Gold) Award, the Best Residential (Cluster Housing) Design at the 12th SIA Architectural Design Awards 2012, the Pertubuhan Akitek Malaysia ("**PAM**") Award Gold (Overseas) at the PAM Awards 2012, and the Best Housing (Singapore) Award at the 11th South East Asia Property Awards 2012 in the housing category. The project was completed in 2011 and is fully sold.

Seletar Park Residence is a three-block, five-storey, 276-unit residential development occupying approximately 17,456 sq m of land with a basement car park and communal facilities. The 99-year leasehold development is located within the established Seletar Hills private estate, close to the Seletar Aerospace Park and near the Yio Chu Kang MRT and Fernvale LRT stations. The project was launched in March 2012 and 273 units have been sold as at 31 March 2017. The TOP was obtained in August 2015 and CSC was obtained in January 2016. The project won the Asia Pacific Property Awards under the Architecture Multiple Residence for Singapore category in 2016.

Sennett Residence comprises three blocks of 19-storey and one block of five-storey condominium housing (totalling approximately 332 residential units) with two basement car parks, roof terraces and other facilities. The 99-year leasehold land has an area of approximately 8,664 sq m, is located immediately next to the Potong Pasir MRT station and overlooks the landed Sennett estate. Designed by MKPL Architects, Sennett Residence was launched for sale in March 2013 and 321 units have been sold as at 31 March 2017. The TOP was obtained in June 2016 and CSC was obtained in May 2017.

Cluny Park Residence is a 52-unit luxury residential development occupying a total land area of approximately 4,544 sq m. This freehold development is directly opposite the Bukit Timah Gate of the Singapore Botanic Gardens. The project was officially launched in March 2014 and 36 units have been sold as at 31 March 2017. The TOP was obtained in July 2016 and CSC was obtained in October 2016.

Kandis Residence is designed by Ong & Ong and is expected to be launched by 3Q2017. The Group intends to develop it into a condominium housing of three- and seven-storey high buildings (totalling approximately 130 units) comprising one- to three-bedroom units and with full condominium facilities. The 99-year leasehold development is well-positioned within the North Coast Innovation Corridor earmarked by the Urban Redevelopment Authority and is a short drive to key commercial centres along the Corridor – Woodlands Regional Centre, the future Seletar Regional Centre and Punggol Creative Cluster. The project is anticipated to be completed by 2020.

1 Jalan Remaja is a freehold residential site within walking distance to Hillview MRT Station. In April 2017, the Group exercised the option to purchase the vacant lot at 1 Jalan Remaja for S$47.8 million. The purchase is expected to be completed in June 2017. The Group plans to develop it into approximately 100 condominium apartments. The project is expected to be launched in 2Q2018 and is anticipated to be completed by 2022.

Fuzhou Land is a piece of vacant and undeveloped land measuring 163,740 sq m and is situated in the mountainous ridge of the Shoushan Country, Jing'an District of Fuzhou, China which is a rural part of the city. The site is about 400 metres above the sea level and is approximately 20 minutes' drive to the foot of the mountain and a further 30 minutes' drive to the city center. The Group plans to develop the site into luxury residences.

Jiaozhou Land is a plot of residential-cum-commercial site about 30 minutes' drive from Qingdao City, China. The Group acquired the first plot of land of approximately 53,334 sq m in 2011, the second plot of land of approximately 65,910 sq m in 2013 and the third plot of land of approximately 60,216 sq m in 2014. The third plot of land is currently pending the issuance of the land title deeds. The Group intends to develop the site into a residential development.

(ii) Investment Properties

The Group acquires and retains commercial, industrial and retail properties. The Group acquires such properties based on a projection of each property's rental yield and potential capital appreciation. The process through which the Group evaluates an investment option is similar to the process adopted in the evaluation for a development project. The study will focus on supply and demand and the current and potential rental movements in relation to the possible competition that the property in question may face in the future. The rental yield is evaluated against other comparable properties and other investment options to determine its attractiveness. Apart from the rental yield, the potential for future capital appreciation also plays a significant role in determining the attractiveness of the investment option.

The Group's current portfolio consists of six investment properties and an investment property under redevelopment in Singapore and two commercial centres in Australia.

The following table sets forth details of the location and tenure, as well as the Group's interest in, these investment properties (other than in respect of those under redevelopment).

Project	Location	Tenure	Estimated Lettable Area/ Strata Area (sq m)	Average Occupancy Rate#	Group's Effective Equity Interest	Latest Valuation (S$'000)##
Robinson Point	Singapore	Freehold	12,479	89%	100%	352,000
Far East Finance Building (1 strata unit)	Singapore	999 years from 1884	402	100%	100%	9,300
The Oxley	Singapore	Freehold	2,770	100%	100%	63,300
Century Warehouse (31 strata units)	Singapore	Freehold	4,690	91%	100%	40,400
L&Y Building (3 strata units)	Singapore	999 years from 1885	2,285	-	100%	13,030

Project	Location	Tenure	Estimated Lettable Area/ Strata Area (sq m)	Average Occupancy Rate#	Group's Effective Equity Interest	Latest Valuation (S$'000)##
Sime Darby Centre (Purchase agreement entered in April 2017. Purchase transaction expected to be completed in June 2017)	Singapore	Part Freehold and Part 999 years	18,832	96%	100%	365,000
Commercial Centre and Carpark within Melbourne Grand Hyatt complex	Melbourne, Australia	Freehold	3,024	100%	100%	136,097 (A$130,000,000)
Fortescue Centre and Carpark (being part of Hyatt Regency Perth complex)	Perth, Australia	Freehold	23,415	76%	100%	91,212 (A$87,125,000)

Note:

Average occupancy rate for the three months ended 31 March 2017.

Latest valuation carried out on 31 December 2016. For Sime Darby Centre, it is based on the purchase consideration in April 2017. For Australian commercial buildings, latest valuations carried out by Knight Frank Valuations on 30 November 2016.

Robinson Point was acquired in October 2013. It is a 21-storey freehold office building at 39 Robinson Road, in the heart of Singapore's Central Business District. The building comprises approximately 134,320 sq ft of net lettable area, which includes three retail units on the ground floor. The building offers 57 car park bays at levels three to five. Robinson Point was awarded the BCA Green Mark (Gold) in 2013 and was rated one of the Top 10 most energy-efficient private office buildings by the BCA. As at 31 March 2017, the average occupancy rate was 89 per cent. and the average gross rental was around S$8.00 per sq ft per month.

Far East Finance Building is a 14-storey office building located immediately adjacent to the site where Robinson Towers and International Factors Building was before its redevelopment. The Group owns the 11th floor of the building. As at 31 March 2017, the average occupancy rate was 100 per cent. and the average gross rental was around S$6.40 per sq ft per month.

The Oxley is a freehold ten-storey mixed commercial-cum-residential building located along Oxley Rise which is in the prime District 9 of Singapore and a few minutes' walk from the entertainment, shopping and hotel belt of Orchard Road. The building comprises commercial premises in a podium block located from the first to the third storey, residential units located in a tower block from the fourth to the tenth storey and a carpark at three basement levels. The Group owns the three-storey office space in the building. The first and second floors are fully leased out to the Group's related parties and the third floor is currently where the corporate headquarters of the Group sits. As at 31 March 2017, the average occupancy rate was 100 per cent. with average gross rental of around S$8.00 per sq ft per month.

Century Warehouse is an eight-storey freehold warehouse building at 100E Pasir Panjang Road, within close proximity to Pasir Panjang MRT station, Labrador Park MRT station and Alexandra Retail Centre, which provides a host of food and beverage and retail amenities. The Group owns 31 strata units out of a total of 35 units in the building. As at 31 March 2017, the average occupancy rate was 91 per cent. and the average gross rental was around S$2.10 per sq ft per month.

L&Y Building is a five-storey light industrial building with a basement car park located at Jalan Pemimpin, within close proximity to Marymount MRT station. The Group owns three out of 24 strata units in the building. The Group intends to take part in a collective sale for L&Y Building.

Sime Darby Centre sits on a part freehold and part 999-year leasehold commercial land of 13,088.8 sq m with an allowable gross plot ratio of 1.8 and a maximum permissible gross floor area of 23,559.8 sq m. The building is located at Dunearn Road (opposite King Albert Park MRT Station) and comprises a net lettable area of approximately 18,832 sq m. In April 2017, the Group entered into a Property Purchase Agreement to purchase Sime Darby Centre for a purchase consideration of S$365.0 million. The purchase transaction is expected to be completed in June 2017. The existing tenancy mix (based on net lettable area) consists of office, retail, education, childcare and other tenants.

Commercial Centre and Carpark within Melbourne Grand Hyatt complex comprises four retail tenancies fronting Collins Street, three retail tenancies fronting the Grand Hyatt Hotel Porte-Cochere (with return driveway to Russell Street), a basement tenancy and two car park basement tenancies with a total lettable area of 3,024 sq m. The tenancies are a mixture of leases ranging from three to eight years. Some of the luxurious and high-end stores in the hotel's shopping complex include Chanel, Bvlgari, Paspaley Pearls and Giorgio Armani. The Group had a master lease agreement with Wilson Parking for the leasing of the car park. The basement car park comprises a total of 595 bays. The car park is configured over four levels and has access from Russell Street and Flinders Lane. In 2016, net property income for non-hotel operations amounted to approximately A$7.0 million. As at 31 March 2017, the average occupancy rate for the commercial building was 100 per cent.

Fortescue Centre and Carpark (being part of the Hyatt Regency Perth complex), which caters for retail and office tenants, includes a three-level office in the building facing Terrace Road, Adelaide Terrace and Plain Street with a lettable area of 20,235 sq m, ground floor retail and commercial units with a total lettable area of 3,180 sq m, a squash centre and a car park which can accommodate approximately 1,020 cars. Lease terms are a mixture of leases ranging from one to 15 years. Rent reviews typically include a combination of market reviews and fixed or Consumer Price Index increases per annum. Fortescue Metals Group which occupies approximately 60 per cent. of the total office area, is the major tenant. The Group currently has a management agreement with Secure Parking for the management of car park operations within the Hyatt Regency Perth complex. In 2016, net property income for non-hotel operations amounted to approximately A$7.5 million. As at 31 March 2017, the average occupancy rate for the commercial building was 76 per cent.

The key tenants of the above investment properties based on annual turnover are Fortescue Metals Group, Wilson Parking Australia 1992 Pty Ltd, Bulgari Australia Pty Ltd, Secure Parking Pty Ltd, Nuri Holdings (S) Pte Ltd, Cold Storage Singapore (1983) Pte Ltd and Sia Huat Pte Ltd.

Investment Property Under Redevelopment

The Group is redeveloping Robinson Towers, its annex and the immediately adjacent International Factors Building as a single commercial development in June 2013.

Project	Location	Tenure	Proposed Use	Total Planned GFA (sq m)	Group's Effective Equity Interest	Latest Valuation (S$'000)#	Estimated Lettable Area (sq m)	Estimated Gross Development Value When Completed (S$'000)#	Estimated Completion Date
Robinson Towers Redevelopment	Singapore	999-years from year 1884 & 1885 (Lots 167X, 616W, 691X, 99280A, 99287W and 99289P) 99-years from 2013 (Lots 485M, 488P)	Commercial development	24,086	100%	396,954	18,058	667,700	2018

Note:

Latest valuation carried out by CBRE Pte Ltd on 31 December 2016. The valuation method is based on residual land method taking into account the construction costs incurred as at 31 December 2016.

Designed by the internationally-acclaimed Kohn Pedersen Fox Associates and Architects 61, the proposed redevelopment on a 1,725 sq m site will comprise an office tower with a retail podium of a total planned gross floor area of 24,086 sq m and total estimated lettable area of about 18,058 sq m.

The redeveloped Robinson Towers will feature high-ceiling, grade-A office space, a retail podium with shaped urban plaza at the entrance of the building, food and beverage spaces looking into the atrium and roof gardens, retail outlets highly visible from Robinson Road and Market Street, and urban windows revealing interior functions to the street. The new building, when completed by end 2018, will offer a towering presence three times the height of its existing tower, and will contribute positively to the skyline of the Central Business District in Singapore. The new building will have energy and water saving features aimed at achieving Green Gold^{Plus} standards, thus reflecting Tuan Sing's green and sustainability efforts. This project won the 2014 Le marché international des professionnels de l'immobilier (MIPIM) Asia Awards – Best Futura Project (Silver) and was rated the Top 10 developers at 2016 BCI Asia Awards. BCA had already awarded the project its BCA Green Mark (Gold^{Plus}) in early 2017.

The total redevelopment cost is estimated to be approximately S$277.7 million as at 31 December 2016 and will be substantially funded through debt financing. Jones Lang LaSalle has been appointed as the leasing agent of the redeveloped Robinson Towers. The Group expects a recurring income stream from the rental proceeds once the redevelopment is completed.

(iii) Financing of Projects

The Group finances its projects through a combination of bank loans and internal cash flows, including proceeds from the sale of its units in the development properties. The Group's practice is to finance its development and investment properties using internal resources to the extent practicable so as to reduce the level of external funding required as far as possible. As of 31 December 2016, the outstanding borrowings from banks amounted to S$1,020.8 million.

(iv) Hotels Investment

The Group's Hotels Investment segment is represented by its 100 per cent.-owned company, GHG. GHG owns two internationally-recognised five-star hotels managed by Hyatt International, namely, Grand Hyatt Melbourne and Hyatt Regency Perth. The hotel management agreement for Grand Hyatt Melbourne commenced on 8 August 1996 and will expire on 31 December 2022. Hyatt Regency Perth's hotel management agreement commenced on 1 July 1996 and will expire on 31 December 2026. Hyatt International has the option to extend the management agreement for Hyatt Regency Perth.

Details on Grand Hyatt Melbourne and Hyatt Regency Perth are set out in the table below:

Project	Location	Tenure	Land Area (sq m)	No. of Hotel Rooms	Group's Effective Equity Interest	Latest Valuation# (A$'000)
Grand Hyatt 121-131 Collins Street Melbourne, Victoria	Melbourne, Australia	Freehold	5,776	550	100%	334,871 (S$350,576,000)
Hyatt Regency & Fortescue Center 87-123 Adelaide Terrace Vacant Land Lots 11 & 12 at 10 & 40 Terrace Road, East Perth, Western Australia Va	Perth, Australia	Freehold	25,826	367	100%	61,090 (S$63,955,000)

Note:

\# *Latest valuation carried out by Knight Frank Valuations on 30 November 2016.*

Grand Hyatt Melbourne is located within Melbourne's Central Business District at the "Paris End" on the southern side of Collins Street intersected with the eastern side of Russell Street and a rear frontage to Flinders Lane.

The internationally recognised five-star hotel, which opened in November 1986 and which was extensively renovated in recent years, comprises a total of 550 guestrooms and suites over 34 levels. The hotel also offers four food and beverage outlets, 16 meeting rooms, a day spa, a fully equipped health/fitness club with swimming pool tennis court, basketball court and golf driving area.

As an outstanding hospitality service provider, Grand Hyatt Melbourne received a number of awards from 2014 to 2016, including the 2014 World Travel Awards – Australia's Leading Business Hotel, the 2015 Tourism Accommodation Australia (Victoria) Awards for Excellence – Outstanding Achievement in Training; Best Marketed Accommodation Provider; Concierge of the Year, the 2015 Hotel Management (HM) Awards – Best Upper-Upscale Hotel in Australia, the 2015 Australian Hotels Association (AHA) National Awards for Excellence – Best Marketed Hotel – Accommodation Division, the 2016 Hyatt Thrive Leadership Award for Excellence in Environmental Sustainability, the 2016 Haute Grandeur Global Hotel Awards – Best City Hotel in Oceania and the 2016 World Luxury Hotel Awards – Australia's Luxury Hotel and Conference Centre.

In 2016, the average occupancy rate for the hotel operations was 88 per cent. Net property income for hotel operations amounted to approximately A$21.3 million.

Hyatt Regency Perth is located at the eastern end of Perth's Central Business District on the southern side of Adelaide Terrace and the northern side of Terrace Road between Plain Street to the east and Bennett Street to the west.

The hotel was completed in 1984 and forms an integrated five-star hotel, office, retail, and parking complex with the adjacent commercial centre. It comprises 367 hotel rooms and suites over the upper nine levels. Facilities and amenities include a total of five food and beverage outlets, 15 conference/meeting rooms as well as recreation facilities including an outdoor swimming pool, fitness centre and a day spa.

In 2014, Hyatt Regency Perth received the Australian Hotels Association AON Hotel & Hospitality Awards for Excellence - Winner of Best Conference and Functions. It also received a Gold Plate Award – Best Licenced Asian Restaurant in 2015 and a Gold Plate Award – High Tea in 2016, conducted by The Catering Institute of Australia, a well-regarded and highly successful hospitality industry awards program.

In 2016, the average occupancy rate for hotel operations was 87 per cent. Net property income for hotel operations amounted to approximately A$4.9 million.

Perth Land consists of Lots 11 and 12 Terrace Road of vacant land with freehold tenure and of 1,405 sq m and 1,667 sq m respectively. Both lots are adjoined to the Hyatt Regency Perth hotel and are capable of supporting future developments. These plots of land together with Hyatt Regency Perth (Lot 10) and the commercial centre are slated for an enhancement under the Group's Asset Enhancement Initiative. The proposed enhancement incorporates the redevelopment of its existing commercial space, development of new residential buildings, new hotel and office tower in several stages. Stage one, to be implemented by early 2018, will involve the refurbishment of the existing commercial space in Lot 10 and construction of a new podium in Lot 11. The proposed development, when completed, is expected to be a prominent retail and family entertainment destination and attraction because of its proximity to Langley Park, Swan River, the new Perth stadium and other landmarks in Perth, Australia.

(v) Industrial Services

SP Corp is an 80.2 per cent.-owned subsidiary listed in Singapore with primary business activities of commodities trading and tyre distribution.

The commodities trading unit primarily trades commodities such as coal, rubber, metals and other commodities and products used by manufacturers in the energy, tyre, metal and automotive industries in Asia. It also distributes consumer products including feminine napkins and baby diapers produced by established manufacturers in China and Indonesia.

The tyre distribution unit distributes a wide range of bias and radial tyres for trucks, buses and passenger cars for established tyre brands, namely GT Radial and Gajah Tunggal from Indonesia and GT Radial, Primewell and Runway from China. The tyre distribution unit's distribution networks includes Southeast Asian countries, except for Indonesia, Philippines and Thailand. It commenced distribution of Giti brand commercial tyres from China in 2016. The unit provides tyre management services in Singapore and offers a one-stop solution for both new and retread tyres.

Hypak is a 97.9 per cent.-owned subsidiary of the Group. Hypak is a leading industrial packaging producer and supplier of polypropylene woven bags and laminated bags in Malaysia for products such as fertilisers, sugar, chemicals, flour and feed meal.

(vi) Other Investments

GulTech is a 44.5 per cent.-owned associate of the Group. GulTech manufactures and supplies its PCBs for a wide range of industries such as the automotive, information technology, healthcare, telecommunications and consumer electronics industries. Its PCBs are used in many products such as hard-disk drives, automotive parts, digital still cameras, mobile phones, notebook batteries, liquid crystal display products and network equipment.

GulTech has manufacturing facilities in Suzhou, Wuxi and Jiangsu, China. On 31 December 2015, GulTech, through its wholly-owned subsidiary, Gultech International Pte Ltd ("**GTI**"), entered into an agreement with a related company, Anhui Prime Cord Fabrics Company Ltd, to acquire the remaining 38.6 per cent. of the issued share capital of GTSZ for a cash consideration of S$42,098,000 (RMB194,000,000). The Group's share of commitment in the acquisition is S$18,725,000 (RMB86,291,000). Following the completion of the acquisition in February 2016, GTI owns 100 per cent. of the issued share capital of GTSZ.

Pan-West is a 49 per cent.-owned associate of the Group. Pan-West distributes golf-related lifestyle products. As a retailer, Pan-West operates about ten on-course and off-course outlets and concessionaires in Singapore and Malaysia. Pan-West is the exclusive distributor for some of the world's top golfing brands including Honma Golf, Cleveland Golf, Sun Mountain, Volvik, and High Definition Golf simulators. Pan-West is also an exclusive dealer of Asics Golf and Skechers Golf footwear in Singapore.

D. BUSINESS STRATEGY

In line with its strategic direction, the Group plans to strengthen its core competencies in property related businesses, leverage its growth platform and build earnings robustness into its business models. The Group intends to continue expanding its property development business and to retain and acquire quality investment and hotel properties that will contribute an income flow for the Group. To achieve this, the Group intends to:

- **Enhance the "Tuan Sing" brand name by delivering value to its customers**

The Group will continue to promote the "Tuan Sing" brand and image. It will do so by focusing on quality, higher specifications and innovation in its property projects, and providing strong after-sales support and property management services. The Group believes that delivering value to its customers and enhancing their overall satisfaction with its products will enable it to strengthen the "Tuan Sing" brand further, and reinforce its association with prestige and quality.

- **Create innovative products and develop architecturally inspiring projects**

The Group will leverage on its brand name and experience in developing high quality properties. It has been and will continue to conduct in-depth market research and analysis with the aim of identifying property trends and potential development opportunities in a given locality. It will also continue its current practice of collaborating with renowned architects and designers to create architecturally inspiring and unique projects with attractive internal layout and practicality.

Furthermore, the Group will continue to pursue innovation within each of the residential, hotel, retail and office property sectors. It will, for example, incorporate eco-friendly and green features in its development projects whenever feasible. Luscious greenery, water and energy conservation programs have been introduced in many of its property projects both in Singapore and China.

The Group believes that innovation will provide it with a competitive advantage by differentiating its products and services from those of its competitors and by providing a unique experience to its customers.

- **Focus on developing residential and other properties**

The Group has successfully developed residential, commercial and office properties. In particular, the Group's past focus on the high-end segment of the residential market has served it well and it intends to continue to leverage on its experience in this segment.

The Group has been increasing its presence in Singapore since 2010 by undertaking the development of mid-priced residential and commercial properties to achieve a balanced revenue profile. It will also actively look out for opportunities to develop mixed developments with both residential and commercial components for sale or lease.

- **Diversify property portfolio to achieve a balanced revenue profile**

The Group intends to continue to hold a diversified portfolio of development and investment properties. The Group believes that a well-balanced mix of properties which includes residential, commercial, industrial, retail and hotel properties will minimise the risk of concentration and achieve greater balance in its revenues and profitability stream.

For development properties, the Group intends to maintain a balanced rolling property development programme to take advantage of economies of scale in terms of unit construction, financing and development costs, and in doing so, to generate acceptable profitability and returns to its shareholders.

- **Expand its property business in the region**

The Group currently has property businesses in Singapore, China and Australia. It believes the economic growth and rising affluence in the region will lead to an increased demand for quality properties at affordable prices. As such, the Group intends to enter new markets when opportunities arise.

- **Acquire land bank in a disciplined manner**

The Group intends to continue to adopt a disciplined approach to land acquisition. It will make decisions based on thorough research and analysis of a given project's expected returns in the context of future property and economic trends. The Group intends to continue leveraging on its strong brand name and financial track record to obtain attractive financing and refinancing opportunities while maintaining an acceptable gearing ratio.

E. COMPETITIVE STRENGTHS

The competitive strengths of the Group are set out below:

- **Proven track record and reputation associated with award-winning projects**

Tuan Sing is a recognised property developer with an established track record of building high-end residential development in prime locations in both Singapore and China. The strength of its brand has evidenced itself over the years not only in sales referrals from its existing customers, but also in the many awards it has won for excellent design and high quality standards. For example, Seletar Park Residence was awarded the Asia Pacific Property Awards under the category of Architecture Multiple Residence for Singapore, Mont Timah's awards include Best Residential Design (Cluster Housing) at the SIA Architectural Design Awards and PAM Award Gold (Overseas) at the PAM (Pertubuhan Akitek Malaysia) Awards and Botanika was awarded SIA Architectural Design Award for Best Residential Design. Tuan Sing believes that its brand is of tremendous value to the Group as it expands its business and geographic reach in cities and regions outside Singapore.

- **Cordial relationship with architects, designers and international business partners**

Tuan Sing has established cordial working relationships with well-known architects and designers that are among the best in their class. Notable projects include Lakeside Ville, Botanika, Seletar Park Residence and Cluny Park Residence designed by SCDA Architects, Mont Timah designed by Chan Sau Yan & Associates, Sennett Residence designed by MKPL Architects and Robinson Towers redevelopment designed by Kohn Pedersen Fox Associates and Architects 61. Tuan Sing believes that its collaboration with such internationally-renowned architecture and design consultants has enabled it to attain a consistently high quality design in its property projects.

Tuan Sing has also entered into long-term management agreements with Hyatt International for its hotel operations in Australia. Tuan Sing believes that the management of its hotels by Hyatt International significantly enhances the profile of the hotel properties among both international and domestic travelers.

- **Demonstrated abilities to deliver unique and high quality projects**

Tuan Sing believes that every home should inspire its inhabitants, and that Tuan Sing's customers deserve the best. Tuan Sing's philosophy is to develop properties that are of high quality in both design and construction. Tuan Sing has primarily built up its brand name through the proven quality and prime locations of its property developments and their ancillary recreational facilities.

To increase the value and appeal of property development projects, Tuan Sing has and will continue to invest significant effort into the overall architectural design and layout of its projects as well as the efficiency in space utilisation of the individual units to cater to the preferences of the targeted buyers and homeowners. To achieve high quality in design, Tuan Sing engages internationally-renowned architects and designers to create innovative and differentiated properties. To achieve high quality in construction, Tuan Sing uses premium materials and fittings, and closely supervises the work of its chosen contractors. Tuan Sing believes its focus on quality has enabled it not only to differentiate its properties and achieve favourable pricing, but more importantly, has allowed its customers to associate Tuan Sing with prestige and good quality.

- **Hotel properties offer strategic location and unique strength**

The Group, through GHG, owns Grand Hyatt Melbourne and Hyatt Regency Perth in Australia. These two five-star hotels are strategically located in or near the central business district of each city where their premier locations enable the hotels to cater to both business and leisure travelers. Both hotels enjoy significant revenue contribution from the higher yielding corporate segments and capture what the Group believes to be a more profitable segment of the hospitality market.

As part of the Group's proactive asset management initiatives, the Group intends to reposition and enhance the office and retail plaza at Hyatt Regency Perth through refurbishment which will reinforce the hotels' upmarket image and contribute positively to the Group.

- **Wide property portfolio range**

The Group believes that a good selection of properties in its portfolio and its positioning has been crucial to its success. It has carefully expanded its portfolio over the years to include residential, commercial, industrial, retail and hotel properties in Singapore, China and Australia. Through diversification, the Group believes it can enhance the stability of its future revenue and profitability streams.

- **Experienced and committed board of directors and management team**

The Group's board of directors and management team possess vast knowledge and experience in their own fields and are committed to the growth of the Group. Key members of its board and management team have been with the Group for years and have in-depth experience in the area of real estate investment, development, asset management, marketing, financial and capital management.

The Group believes that by engaging, employing and retaining individuals from diversified backgrounds and track records, it has been able to capitalise on their collective experience and expertise in identifying market opportunities as well as maintain high operational standards, efficiency and returns.

- **Strong performance for its development properties and investment properties and a strong financial track record**

In FY2016, the Group's turnover for property segment reported S$130.0 million as compared to S$404.0 million in FY2015. This was a direct consequence of all the three residential developments in Singapore completing during the year: Seletar Park Residence obtained the CSC in January 2016, Sennett Residence obtained the TOP in June 2016 and CSC in May 2017, and Cluny Park Residence obtained the TOP in July 2016 and CSC in October 2016. Rental revenue from investment properties in Singapore of S$17.0 million remained comparable to last year.

The Group has maintained a strong financial track record over the years, posting a sterling financial position in FY2016 backed by the strengthening of net asset value per share from 74.4 cents in the corresponding period to 77.7 cents as at 31 December 2016. The Group's total equity including non-controlling interests stood at S$930.5 million as at 31 December 2016, representing an increase of

S$43.0 million from S$887.5 million at the previous year-end. These increases reflect mainly profit made during the year, gain from revaluation of properties and gain from foreign currency translation but reduced by payment of dividend to shareholders.

The Group has a strong balance sheet of approximately S$2,123.1 million in total assets as at 31 December 2016. The Group's net asset value attributable to shareholders has grown from S$876.8 million as at 31 December 2015 to S$919.4 million as at 31 December 2016.

The Group's total liabilities were S$1,192.6 million as at 31 December 2016, representing a 6.5 per cent. or S$82.4 million decrease compared to the previous year-end of S$1,275.0 million. The Group's net gearing ratio decreased from 1.09 times to 0.92 times as at 31 December 2016, giving it financial capability and flexibility to fund its future growth through internal and external resources.

F. RECENT DEVELOPMENTS

On 8 June 2016, Tuan Sing announced that it has entered into a share purchase agreement with Habitat Properties Pte Ltd ("**HPPL**") to purchase 900,000 ordinary shares in Goodworth Investments Pte Ltd ("**GIPL**") and 90,000 ordinary shares in Splendourland Pte Ltd ("**SPL**"), representing 90 per cent. of the total issued share capital of GIPL and SPL (collectively, the "**Singapore SPVs**") and certain shareholders' advances extended by HPPL to the Singapore SPVs for an aggregate consideration of S$39.15 million. GIPL and SPL hold 98 per cent. and 2 per cent. of the entire issued share capital of PT Goodworth Investments ("**PTGI**") respectively.

PTGI is a company incorporated in Indonesia and is the owner of a subject site measuring approximately 85 hectares comprising 4 plots of land located in Marina City in Batam, Indonesia. On completion of the acquisition, Tuan Sing intends to develop the subject site into an integrated mixed development township, comprising hotels with meetings, incentives, conferences and exhibitions facilities, retail, tourist facilities and attractions, and residential properties.

On 10 April 2017, Tuan Sing announced that the Group, through its wholly-owned subsidiary, Gerbera Land Pte. Ltd., had on 7 April 2017 signed a property purchase agreement with Sime Darby Property (Dunearn) Private Limited to purchase Sime Darby Centre located at 896 Dunearn Road, Singapore. The cash consideration payable is S$365.0 million. The transaction is expected to be completed within ten weeks from 7 April 2017.

Sime Darby Centre sits on a part freehold and part 999 years leasehold commercial land of 13,088.8 sq m (140,886 sq ft) with an allowable gross plot ratio of 1.8 and a maximum permissible gross floor area of 23,559.8 sq m (253,595 sq ft). As at 31 March 2017, the property is about 96 per cent. occupied over a net lettable area of approximately 18,832 sq m (202,712 sq ft).

On 12 April 2017, Tuan Sing announced that its wholly-owned subsidiary, Episcia Land Pte. Ltd. has exercised an option to purchase from Andermatt Investments Pte Ltd (the "**Vendor**") a piece of vacant land at 1 Jalan Remaja, Singapore for a total cash consideration of S$47.8 million. The Vendor is an unrelated and independent party. The freehold residential site has a land area of approximately 4,046.6 sq m (43,557 sq ft) with a plot ratio of 1.92 and Tuan Sing has a plan to develop it into approximately 100 condominium apartments.

G. MANAGEMENT OF TUAN SING

(i) Board of Directors

The Board of Tuan Sing is made up of seven Directors, comprising one Executive Director, three Non-Independent Non-Executive Directors and three Independent Non-Executive Directors.

Information on the business and working experience of each of the Directors is set out below:

Mr Ong Beng Kheong
Non-Independent Director and Non-Executive Chairman, Member of the Nominating Committee

Mr Ong joined Tuan Sing in January 2012 as a Non-Executive Director and was appointed as Non-Executive Chairman in April 2012. He became a Member of the Nominating Committee in July 2012.

Mr Ong is concurrently the President Director of PT Indonesia Prima Property Tbk (listed on the Indonesian Stock Exchange) and he is also the Managing Director of the property division of an Indonesian conglomerate which is deemed to be related to Tuan Sing's substantial shareholder.

Mr Ong has more than 30 years of experience in the real estate industry. He has held senior executive positions in major international property consultancies including Colliers International (Singapore) Pte Ltd, Jones Lang LaSalle Property Consultants Pte Ltd and Savills (Singapore) PteLtd. Mr Ong was also the Chief Executive Officer of Sentosa Cove Pte Ltd, and Chief Executive Officer, South East Asia for Ascendas Land Pte Ltd. He holds a Professional Diploma in Valuation Surveying from Stoke-On-Trent Cauldon College (now part of Staffordshire University, United Kingdom).

He was awarded the Service to Education (Silver) by the Ministry of Education in 2007.

Mr William Nursalim alias William Liem
Executive Director and Chief Executive Officer

Mr Liem joined Tuan Sing in January 2004 as an Executive Director and was appointed as Chief Executive Officer in January 2008.

Mr Liem is concurrently a Non-Executive Director of SP Corp. He is also a Non-Executive Director of GulTech. In addition, Mr Liem holds directorships in Nuri Holdings (S) Pte Ltd, GITI Holdings Ltd, GT Asia Pacific Holdings Pte Ltd and Grand Hotel Group (previously listed on the Australian Stock Exchange). Mr Liem had worked in Lehman Brothers and the GITI group prior to joining Tuan Sing in 2004. He obtained his Bachelor of Science in Business from the University of California at Berkeley and holds a Master of Business Administration from the Massachusetts Institute of Technology.

Mr Choo Teow Huat Albert
Independent and Non-Executive Director, Chairman of the Audit and Risk Committee and the Nominating Committee and Member of the Remuneration Committee

Mr Choo joined Tuan Sing in February 2002 as a Non-Executive Director and became a Member of the Remuneration Committee in November 2002. He was appointed as Chairman of the Nominating Committee and Audit and Risk Committee in November 2005 and April 2012 respectively.

Mr Choo was a Director of Permasteelisa Pacific Holdings Ltd and stepped down after its successful voluntary delisting from the SGX-ST. He was also a Director of the Pan-West group of companies. Mr Choo was appointed to the board of Power Senoko Pte Ltd in 1997 and assumed the chairmanship from 1999 to 2001. He held various senior positions in the finance function of the Shell group of companies in Singapore and was the Assistant Treasurer, Global Treasury Division of Caltex Corporation. Mr Choo holds a Bachelor of Business Administration (Upper Two Honours) degree from the National University of Singapore.

Mr Chow Kok Kee
Independent and Non-Executive Director, Chairman of the Remuneration Committee, Member of the Audit and Risk Committee and the Nominating Committee

Mr Chow joined Tuan Sing in March 1999 as a non-executive Director and became a member of the Audit and Risk Committee and Nominating Committee in March 1999 and November 2005 respectively. He was appointed as chairman of the Remuneration Committee in February 2001.

Mr Chow is the managing director of ACTA Investment & Services Pte Ltd which provides business and financial-related services to companies. He has about 30 years of extensive experience in the financial services industry. He also sits on the board of M1 Limited, a listed company in Singapore. Mr Chow is a Fellow of the Singapore Institute of Directors, member of the Institute of Engineers, Australia and an Associate of the Institute of Chartered Secretaries and Administrators, United Kingdom. He worked in the government administrative service for six years from 1976, holding management positions in the Ministries of Defence and Education before joining DBS Bank in 1982. He was the senior vice president of International and Correspondent Banking at DBS Bank. Mr Chow was also a Director of other Singapore listed companies namely Chosen Holdings Limited and Valuetronics Holdings Limited as well as Meiban Group Ltd (previously listed on the SGX-ST). A Colombo Plan Scholar, Mr Chow holds a Bachelor of

Engineering degree with first class honours and a Bachelor of Commerce degree from the University of Newcastle, Australia and a Master of Business Administration from the National University of Singapore. Mr Chow received the Public Administration Medal (Bronze) in 1981.

Mr David Lee Kay Tuan
Non-Independent and Non-Executive Director, Member of the Audit and Risk Committee

Mr Lee joined Tuan Sing in December 2001 as an Executive Director and was appointed its Chief Executive Officer in September 2003. In January 2008, Mr Lee stepped down as Chief Executive Officer and remained as a Non-Executive Director to concentrate on his role as Managing Director and Chief Executive Officer of SP Corp until November 2009. He became a member of Tuan Sing's Audit and Risk Committee in April 2010.

Mr Lee is currently the Managing Partner of Shenton Law Practice LLP, a Notary Public and a Commissioner for Oaths. He is also a Fellow of the Singapore Institute of Arbitrators and the Chartered Institute of Arbitrators and an Associate Mediator of the Singapore Mediation Centre. Mr Lee holds a Bachelor of Laws (Honours) degree from the National University of Singapore, a Master of Laws (International Business Law) (cum laude) from Universite Panthéon-Assas (Paris II) and a Master of Science (Applied Economics) from the Singapore Management University.

Ms Michelle Liem Mei Fung
Non-Independent and Non-Executive Director, Member of the Nominating Committee and the Remuneration Committee

Ms Liem joined Tuan Sing in April 2001 as a Non-Executive Director and became a Member of the Nominating Committee and the Remuneration Committee in November 2002 and July 2012 respectively.

Ms Liem is the Managing Director of Nuri Holdings (S) Pte Ltd (a substantial shareholder of Tuan Sing) and a director of Giti Tire Company Limited, GT Asia Pacific Holdings Pte Ltd, Habitat Properties Pte Ltd, Conservation International Singapore Ltd, and other companies. Ms Liem is also an Honorary Consul of the Grand Duchy of Luxembourg in Singapore, the Chairman of Bukit Timah Citizens' Consultative Committee, Holland-Bukit Timah GRC, Singapore, a Co-Chair of the Global Advisory Board (Asia Cabinet) of the University of Chicago Booth School of Business and a Trustee of the Singapore LSE Trust. She was conferred the Public Service Medal (PBM) by the President of Singapore, Dr Tony Tan in 2016. She was a non-executive director of SP Corp, between 1991 and 1999. She holds a Bachelor of Science (Economics) (Hons) degree from the London School of Economics and a Master of Business Administration from the University of Chicago.

Mr Neo Ban Chuan
Independent and Non-Executive Director, Member of the Audit and Risk Committee and Member of the Nominating Committee

Mr Neo Ban Chuan is currently the Managing Director of BC Neo Business Advisory Pte Ltd and Arrow Business Consultants Pte Ltd. He is also an Independent Director of Manulife (Singapore) Pte Ltd. He was previously the Head of Restructuring at KPMG Singapore. He has been in the restructuring business for close to 30 years and has managed a diverse portfolio. Mr Neo has been involved in the overall conduct of numerous formal insolvency assignments during his time as one of the most senior insolvency practitioners in Singapore. He is intimately familiar with the legislative and regulatory requirements expected of these assignments across multiple jurisdictions.

He has to date been accredited with the successful restructuring of numerous cross-border assignments involving distressed businesses in the region. He also acted as a Co-Mediator on a court matter.

Mr Neo is a Fellow of Insolvency Practitioners Association of Singapore, a Fellow Member of Chartered Public Accountants Australia and a Member of Institute of Singapore Chartered Accountants. He holds a Masters in Professional Accounting and a Masters in International Business. Mr Neo is a Chartered Accountant in Singapore and registered Company Liquidator in Singapore.

(ii) <u>Senior Management – Corporate Office</u>

Information on the experience and expertise of each of the key executive officers of the Group's corporate office is set out below:

Mr Chong Chou Yuen
Group Chief Financial Officer

Mr Chong has been with Tuan Sing since April 2004. He holds directorships in most of Tuan Sing's subsidiaries including a concurrent non-executive directorship in main-board listed SP Corp. His career spans more than three decades in finance management in a number of industries covering Asia Pacific, Middle East and the Caribbean regions. Mr Chong holds a Bachelor Degree in Accountancy and a Master of Business Administration Degree from the National University of Singapore. He is a Fellow of the Institute of Singapore Chartered Accountants. In addition, Mr Chong is a director and Honorary Treasurer of Singapore Heart Foundation, and a member of the Audit Committee of Alexandra Health which manages Khoo Teck Puat Hospital and Yishun Community Hospital.

Ms Helena Chua Guat Huat
Company Secretary

Ms Chua joined Tuan Sing in April 2016 overseeing the corporate secretarial matters of the Group. She has more than two decades of experience in providing corporate secretarial support to public listed companies and privately owned local and foreign companies. Ms Chua is an Associate Member of the Singapore Association of the Chartered Secretaries Institute of Singapore.

Ms Ding Tsui Eng Florence
Group Financial Controller

Ms Ding joined Tuan Sing in May 2016. She has more than 15 years' experience in group reporting, corporate finance, reporting and compliance in listed companies in Singapore. Ms Ding is a Fellow of the Association of Chartered Certified Accountants and a non-practising member of the Institute of Singapore Chartered Accountants.

Ms Gan Hui Yen
Vice President, Human Resources

Ms Gan has been with Tuan Sing since August 2002. Prior to that, she has had regional human resources experiences in human resources consultancy and insurance industry. Ms Gan holds a Bachelor of Arts Degree in Business and Human Resource Management (Honours) from University of Portsmouth, United Kingdom and a Diploma in Life Insurance from the Singapore College of Insurance. She is also a member of the Singapore Human Resources Institute.

(iii) Senior Management – Property Operations

Information on the experience and expertise of each of the key executive officers of the Group's property operations is set out below:

Mr Ng Choong How Nick
Senior Vice President, Business Development

Mr Ng joined Tuan Sing in March 2010 and has more than two decades of experience in the real estate industry performing agency works, project marketing and project consultancy. Mr Ng holds a Bachelor of Science, Economics and Management Degree (Honours) from the University of London and a Specialist Diploma in Fund Management and Administration from Nanyang Polytechnic.

Mr Chong Teik Yean
Senior Vice President, Projects

Mr Chong joined Tuan Sing in May 2011, heading the Projects department. Mr Chong has more than three decades of experience in project management comprising infrastructure works, high-rise residential apartments and sizable commercial/mixed developments. Mr Chong holds a Bachelor of Engineering (Civil) Degree from the National University of Singapore and a Bachelor of Laws from University of London.

Mr Ong Joo Lim James
Senior Vice President, Sales, Leasing & Marketing

Mr Ong joined Tuan Sing in June 2012. Prior to that, Mr Ong had been in various senior positions with established real estate agencies including Jones Lang LaSalle, Chesterton International and Colliers International selling local and overseas residential projects for almost three decades.

Mr Kock Tiam Song Peter
Senior Vice President, Property Management

Mr Kock has been with Tuan Sing for more than two decades. Mr Kock holds a degree in Bachelor of Commerce in International Facility and Information Management from Curtin University of Technology and is a certified Fire Safety Manager accredited by Singapore Civil Defence Force. Mr Kock has been an active grassroots leader and was conferred the BBM (Public Service Star) in 2008 by the President of Singapore.

(iv) Senior Management – Hotel Operations

Information on the experience and expertise of each of the key executive officers of the Group's hotel operations is set out below:

Ms Mischa Davis
Chief Financial Officer, Grand Hotel Group

Ms Davis joined Grand Hotel Group as Financial Controller in May 2007 and became its Chief Financial Officer and Company Secretary in August 2011. Prior to that, she was an Audit Manager at Ernst & Young working for seven years on various listed and privately owned property related companies. Ms Davis is a member of the Institute of Chartered Accountants in Australia and holds a double degree from Monash University majoring in Accounting, Statistics and Psychology.

Mr Ilan Weill
General Manager, Grand Hyatt Melbourne

Mr Weill joined Grand Hyatt Melbourne in January 2011 after more than five years in Grand Hyatt Mumbai. His career with the Hyatt Group spans almost three decades and has held positions including those as the General Manager across multiple Hyatt brands in Mexico, Guatemala and Argentina. Mr Weill holds a certificate in Business and Hotel Management from the Mt Scopus University in Jerusalem, Israel.

Mr Sholto Smith
General Manager, Hyatt Regency Perth

Mr Smith joined the Hyatt Group in 1991. His career spans more than two decades in a number of Hyatt hotels in London, UK, Almaty in Kazakhstan, Perth, Melbourne and Sydney in Australia. His penultimate posting was in Siem Reap, Cambodia as the General Manager of Park Hyatt. During this period, he also acted as a board member of two charitable organisations in the city. Mr Smith holds a Diploma in Hotel Management from Bentley College, Perth, Western Australia.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set out the Group's consolidated financial statements for the three years ended 31 December 2014 ("**FY2014**"), 31 December 2015 ("**FY2015**") and 31 December 2016 ("**FY2016**") as well as the unaudited consolidated financial statements for the Group for the first quarter ended 31 March 2016 ("**1Q2016**") and 31 March 2017 ("**1Q2017**"). The selected consolidated financial data for FY2014, FY2015 and FY2016 in the tables below are derived from the historical financial statements of the Group, which have been audited by the independent auditors, Deloitte & Touche LLP, and should be read in conjunction with those financial statements and the notes thereto. The selected consolidated financial data for 1Q2016 and 1Q2017 in the tables below are derived from the unaudited financial information of the Group for 1Q2016 and 1Q2017. The audited financial statements of the Group have been drawn up in accordance with the Singapore Financial Reporting Standards.

CONSOLIDATED INCOME STATEMENT

	Unaudited 1Q2017 S$'000	**Unaudited 1Q2016 S$'000**	**Audited FY2016 S$'000**	**Audited FY2015 S$'000**	**Audited FY2014 S$'000**
Revenue	74,797	105,462	404,018	677,122	354,765
Cost of sales	(59,377)	(81,582)	(319,634)	(535,259)	(286,139)
Gross profit	15,420	23,880	84,384	141,863	68,626
Other operating income	511	739	4,490	3,420	29,177
Distribution costs	(1,227)	(986)	(5,867)	(4,355)	(4,230)
Administrative expenses	(5,654)	(7,085)	(29,741)	(25,672)	(16,202)
Other operating expenses	(1,232)	(582)	(7,739)	(10,085)	(23,426)
Share of results of equity accounted investees	3,603	1,740	13,466	6,803	19,985
Finance income	1,031	1,028	4,465	4,258	4,760
Finance costs	(6,102)	(6,735)	(25,716)	(27,529)	(9,186)
Profit before tax and fair value adjustments	6,350	11,999	37,742	88,703	69,504
Fair value adjustments	15	96	2,336	(8,049)	6,469
Profit before tax	6,365	12,095	40,078	80,654	75,973
Income tax expenses	(1,044)	(2,476)	(6,272)	(11,535)	(14,387)
Profit for the year	**5,321**	**9,619**	**33,806**	**69,119**	**61,586**
Profit attributable to:					
Owners of the Company	5,385	9,562	33,585	68,833	61,169
Non-controlling interests	(64)	57	221	286	417
	5,321	**9,619**	**33,806**	**69,119**	**61,586**
Basic and diluted earnings per share (In cents)	0.5	0.8	2.8	5.8	5.2

CONSOLIDATED FINANCIAL POSITION

	Unaudited 1Q2017 S$'000	Audited FY2016 S$'000	Audited FY2015 S$'000	Audited FY2014 S$'000
ASSETS				
Current assets				
Cash and bank balances	138,741	163,688	141,717	252,270
Trade and other receivables	161,890	158,793	134,390	87,420
Inventories	3,742	3,564	3,641	4,487
Development properties	173,790	183,232	336,132	414,153
Total current assets	478,163	509,277	615,880	758,330
Non-current assets				
Property, plant and equipment	427,509	419,278	395,149	397,886
Investment properties	1,124,207	1,108,652	1,076,909	1,082,932
Investments in equity accounted investees	84,346	83,579	71,511	62,981
Deferred tax assets	2,334	2,286	3,045	4,179
Other non-current asset	11	11	11	14
Total non-current assets	1,638,407	1,613,806	1,546,625	1,547,992
Total assets	**2,116,570**	**2,123,083**	**2,162,505**	**2,306,322**
LIABILITIES AND EQUITY				
Current liabilities				
Loans and borrowings	394,658	3,406	428,924	195,347
Trade and other payables	99,423	112,333	117,214	107,134
Income tax payable	21,402	22,290	7,914	5,830
Total current liabilities	515,483	138,029	554,052	308,311
Non-current liabilities				
Loans and borrowings	628,173	1,017,387	677,410	1,149,525
Derivative financial instrument	910	1,019	904	-
Deferred tax liabilities	37,177	35,730	42,320	35,016
Other non-liabilities	472	462	362	423
Total non-current liabilities	666,732	1,054,598	720,996	1,184,964
Equity				
Share capital	171,306	171,306	170,230	169,260
Reserves	752,300	748,116	706,575	633,658
Equity attributable to owners of the Company	923,606	919,422	876,805	802,918
Non-controlling interests	10,749	11,034	10,652	10,129
Total equity	934,355	930,456	887,457	813,047
Total liabilities and equity	**2,116,570**	**2,123,083**	**2,162,505**	**2,306,322**
Total borrowings	1,022,831	1,020,793	1,106,334	1,344,872
Gross gearing (times) ^	1.09	1.10	1.25	1.65
Net borrowings ^^	884,090	857,105	964,617	1,092,602
Net gearing (times) ^	0.95	0.92	1.09	1.34
Net asset value per share (in cents)	78.1	77.7	74.4	68.3

Note:

^ *Gross gearing = total borrowings / total equity. Net gearing = net borrowings / total equity.*

^^ *Net borrowings = total borrowings - cash and bank balances.*

GROUP'S REVENUE AND PROFIT BY BUSINESS SEGMENT

	Unaudited 1Q2017 S$'000	Unaudited 1Q2016 S$'000	Audited FY2016 S$'000	Audited FY2015 S$'000	Audited FY2014 S$'000
PROPERTY [1]					
Revenue	22,670	48,889	130,007	404,025	203,022
Profit before tax	2,003	8,369	6,032	61,526	44,334
Profit after tax	2,023	7,110	3,043	50,439	36,581
HOTELS INVESTMENT [2]					
Revenue	30,015	30,220	140,606	145,479	12,023
Profit before tax	1,748	2,005	12,203	5,622	19,440
Profit after tax	670	845	9,501	5,249	12,962
INDUSTRIAL SERVICES					
Revenue	26,023	30,030	134,148	128,342	140,347
Profit before tax	(348)	342	2,205	1,345	1,932
Profit after tax	(331)	284	1,668	1,286	1,825
OTHER INVESTMENTS [3]					
Revenue	-	-	-	-	-
Profit before tax	3,618	1,876	12,256	6,680	11,540
Profit after tax	3,618	1,876	12,256	6,680	11,539

Note:

1. FY2014 to FY2016 audited results reflected the performance of the investment properties in Australia under "Hotels Investment". As from FY2017, the results of Australia's investment properties have been reclassified from "Hotels Investment" to "Property". For comparison purpose, unaudited 1Q2016 results have also been reclassified accordingly.

2. Revenue reported under "Hotels Investment" relates to GHG's results after it was a 100 per cent.-owned subsidiary on 2 December 2014. Prior to that, the Group equity accounted for its 50 per cent. interest in GHG.

3. No revenue is reported under "Other Investments" as the Group equity accounts for its investment in GulTech and Pan-West.

FINANCIAL SUMMARY AND OVERVIEW

REVIEW OF THE GROUP'S FINANCIAL PERFORMANCE

1Q2017 versus 1Q2016

Group revenue of S$74.8 million was 29 per cent. lower than that in the same quarter in 2016. Lower revenue was a reflection that the Group had sold most of the units of its residential development projects which were completed in 2016.

As a result, gross profit fell by 35 per cent. to S$15.4 million. Distribution costs were increased by 24 per cent. to S$1.2 million as there were higher promotion and commission expenses incurred in relation to the residential projects. Administrative expenses decreased by 20 per cent. to S$5.7 million due largely to lower legal fees incurred in relation to the termination of the previous main contractor at Seletar Park Residence. Other operating income decreased as a result of lower foreign currency exchange gain arising from the appreciation of AUD. Other operating expenses increased due to allowance for diminution in value for one unit each in Cluny Park Residence and Sennett Residence, foreign currency exchange losses mainly arising from the depreciation of USD. In contrast, other operating expenses for 1Q2016 comprised mainly foreign currency exchange loss arising from the USD.

The Group's share of results from GulTech accounted for a profit (excluding fair value adjustments) of S$3.6 million as compared to S$1.7 million in the corresponding quarter in 2016. Finance income remains comparable to corresponding quarter in 2016. Finance costs decreased by 9 per cent. to S$6.1 million, as compared to finance costs of S$6.7 million a year earlier as result of lower interest rates secured for loans on certain investment properties.

Overall, profit after tax of S$5.3 million was 45 per cent. lower than the corresponding quarter in 2016. Net profit attributable to shareholders decreased by 44 per cent. to S$5.4 million.

FY2016 versus FY2015

Group revenue of S$404.0 million was 40 per cent. lower than in 2015. This was due to the completion of the various development projects during the year.

Gross profit fell in tandem by 41 per cent. to S$84.4 million. Distribution costs were up 35 per cent. to S$5.9 million as there were increased promotional activities and commission expenses mainly for the remaining units in Cluny Park Residence and Sennett Residence sold during the year. Administrative expenses edged up by 16 per cent. to S$29.7 million as a result of higher legal and professional fees incurred relating to the termination of the previous main contractor at Seletar Park Residence. Other operating income has increased due to foreign currency exchange gain from favourable AUD movement, whereas other operating expenses has decreased because of lower allowance for diminution for development properties in 2016 than in 2015.

The Group's share of results of GulTech increased 98 per cent. to S$13.5 million (excluding fair value adjustments), driven by their improved performance from its new Jiangsu Plant and the higher share of profit in 2016 following the acquisition of remaining shareholdings in GTSZ in February 2016. Finance income has increased by 5 per cent. to S$4.5 million mainly attributable from the overdue trade receivables at Commodity Trading Unit, while finance costs were down 7 per cent. to S$25.7 million largely because of repayment of loans during the year. In addition, fair value adjustments contributed a net gain of S$2.3 million as compared to a net loss of S$8.0 million a year earlier.

Profit after tax of S$33.8 million was down by S$35.3 million or 51 per cent. lower than S$69.1 million last year. Overall, the Group reported full year net profit attributable to shareholders of S$33.6 million, as compared to S$68.8 million in 2015.

FY2015 versus FY2014

Group revenue was S$677.1 million, reflecting higher revenue from the Property segment and the consolidation of revenue of GHG following the Group's acquisition of the remaining 50 per cent. interest in GHG on 2 December 2014.

Correspondingly, gross profit increased in tandem to S$141.9 million. Distribution costs were comparable to 2015 as higher marketing expenses incurred for the sales of development properties were mostly compensated by lower distribution costs from the Industrial Services segment. Administrative expenses were up by 58 per cent. to S$25.7 million, reflected higher legal fees incurred in relation to the termination of the previous main contractor at Seletar Park Residence, as well as the consolidation of GHG's administrative expenses.

The Group's share of results of associates and jointly-controlled entities, GulTech and GHG (before the acquisition in December 2014), had a 66 per cent. decrease to S$6.8 million (excluding fair value adjustments) due primarily to the consolidation of GHG's results since 2 December 2014. Finance income decreased by 11 per cent. to S$4.3 million as more cash was being channelled to repay project loans while finance costs surged to S$27.5 million due largely to the consolidation of GHG's finance costs and additional finance costs relating to borrowings taken out for its acquisition. A net fair value loss of S$8.0 million was recognised in 2016 as compared to a net gain of S$6.5 million a year earlier.

Overall, the Group reported full year profit after tax of S$69.1 million as compared to 2015's profit after tax of S$61.6 million. Net profit attributable to shareholders increased to S$68.8 million.

REVIEW OF THE GROUP'S FINANCIAL POSITION

1Q2017 versus FY2016

Group total assets decreased by 0.3 per cent. to S$2,116.6 million as at 31 March 2017, from S$2,123.1 million at the previous year-end. This was due mainly to lower cash and bank balances and lower value of development properties but higher balances in trade and other receivables, investment properties and property, plant and equipment.

Total liabilities of S$1,182.2 million at 31 March 2017 represented a 0.9 per cent. or S$10.4 million decrease from the previous year-end. This was due mainly to a decrease in trade and other payables which was in line with the lower level of activities for development properties and in Industrial Services segment.

Total borrowings increased by S$2.0 million to S$1,022.8 million, whereas cash and bank balances decreased by S$24.9 million to S$138.7 million. Consequently, the Group's net borrowings increased to S$884.1 million, as compared to S$857.1 million as at 31 December 2016. Gross gearing ratio improved to 1.09 times but net gearing ratios weakened to 0.95 times at end-March 2017.

Shareholders' funds grew by 0.5 per cent. to S$923.6 million. The increase reflected mainly profit made during the first quarter, offset by loss on foreign currency translation. Share capital remained unchanged as there was no new share issued during the quarter.

FY2016 versus FY2015

Group total assets decrease by 1.8 per cent. to S$2,123.1 million as at 31 December 2016, from S$2,162.5 million at the previous year-end. The decrease was due largely to lower carrying amount of the three development properties as they were completed and handed over to the buyers.

This decrease was offset partially by the increase in trade and other receivables, cash and bank balances, investment properties and property, plant and equipment. The increase in investment properties reflected the capitalised cost for the new Robinson Towers while its redevelopment is in progress. The increase in property, plant and equipment was mainly attributable to a net fair value gain of S$17.0 million for the two hotels in Australia and foreign currency translation gain as a result of the appreciation of AUD.

Corresponding to the drop in the Group's total assets, total liabilities of S$1,192.6 million represented a 6.5 per cent. decrease from 31 December 2015. This was attributable primarily to the repayment of certain loans after the completion of the development projects. Accordingly, gross gearing improved to 1.10 times and net gearing to 0.92 times, as compared to 1.25 times and 1.09 times respectively.

Shareholders' fund grew 4.9 per cent. or S$42.6 million to S$919.4 million as at 31 December 2016. The increase reflected mainly profit made during the year, gain from revaluation of properties and gain from foreign currency translation but reduced by payment of dividend to shareholders. 4.4 million new shares were issued to shareholders under the Tuan Sing Scrip Dividend Scheme. In addition, 414,600 shares were cancelled after they were purchased from the open market. Accordingly in monetary terms, the Company's share capital increased by approximately S$1.1 million to S$171.3 million as at 31 December 2016.

<u>FY2015 versus FY2014</u>

Group total assets of S$2,162.5 million at 31 December 2015 represented a 6 per cent. or S$143.8 million decrease from the previous year-end due to lower cash and bank balances after repaying certain development project loans and a decrease in carrying amount of development properties after completing Seletar Park Residence Project during the year.

The Group's total liabilities of S$1,275.0 million represented a 15 per cent or S$218.2 million decrease from 31 December 2014. This was attributable primarily to a reduction in bank borrowings after repaying certain development project loans. Accordingly, gross gearing improved from 1.65 times to 1.25 times and net gearing improved from 1.34 times to 1.09 times at year-end.

Shareholders' funds grew 9 per cent. or S$73.9 million to S$876.8 million at 31 December 2015. The increase was primarily attributable to profit and balance sheet revaluation gain recognised, but reduced by foreign currency translation losses, cash flow hedge losses and the Company's payment of dividend to shareholders. The share capital was also increased by approximately S$1.0 million to S$170.2 million at 31 December 2015 from the issue and allotment of 2.7 million shares under the Tuan Sing Scrip Dividend Scheme.

REVIEW OF THE GROUP'S SEGMENT PERFORMANCE

<u>1Q2017 versus 1Q2016</u>

Property

For the first quarter, property segment revenue decreased to S$22.7 million from S$48.9 million in the same period in 2016. Profit after tax was S$2.0 million, down from S$7.1 million in 2016. New sales recognition for units sold at the Cluny Park Residence formed the bulk of the revenue in the current quarter. As at 31 March 2017, only three units of Seletar Park Residence, 16 units of Cluny Park Residence and 11 units and the three shop units of Sennett Residence remain unsold. Including rental revenue from investment properties, Property segment contributed 30 per cent. of the Group's total revenue in the first quarter of 2017.

Hotels Investment

For the first quarter, Hotels Investment segment recorded A$28.0 million of revenue as compared to A$29.8 million in the same period last year. There was a marginal 2.5 per cent. drop in RevPAR from the two hotels and lower intake from the food and beverage business as compared to the same period a year ago. Consequently and after deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment segment contributed a lower profit after tax of S$0.7 million as compared to S$0.8 million in 2016.

Industrial Services

For the first quarter, Industrial Services segment recorded lower revenue of S$26.0 million as compared to S$30.0 million the same period in 2016. Accordingly, Industrial Services segment reported loss after tax of S$0.3 million as opposed to profit after tax of S$0.3 million same period in 2016.

Revenue from SP Corp decreased by 15 per cent. to S$23.7 million mainly due to lower trading activities in commodities trading and tyre distribution. SP Corp recorded a loss after tax of S$0.3 million as compared to profit after tax of S$0.3 million in corresponding period in 2016. This was largely due to lower profit contributed by the commodities trading business and higher loss incurred by the tyre distribution business. For Hypak, revenue of S$2.4 million was 11 per cent. higher than the corresponding period in 2016 due to increase in sales volume for PP Woven Bag and the loss in the first quarter of 2017 is comparable to the loss recorded in the corresponding period for 2016.

Other Investments

The Other Investments segment contributed profit after tax of S$3.6 million as compared to S$1.9 million in the same quarter in 2016. GulTech reported revenue of US$65.2 million and profit after tax of US$7.6 million, an increase of 17 per cent. and 66 per cent. respectively. The increase was mainly attributable to improved performance from all its three plants. Consequently, GulTech's net profit attributable to shareholders improved 95 per cent. to US$5.7 million. This translated into a higher share of profit for the Group.

FY2016 versus FY2015

Property

Property revenue decreased 68 per cent. to S$130.0 million and profit before tax and fair value adjustments declined 93 per cent. to S$4.1 million. The decrease was due to lower progressive revenue recognition as a result of the completion of various development projects during 2016. Seletar Park Residence obtained its CSC in January 2016. Sennett Residence obtained its TOP in June 2016. Cluny Park Residence obtained its TOP and CSC in July 2016 and October 2016 respectively.

At the end of 2016, Seletar Park Residence and Sennett Residence had been more than 95 per cent. sold and Cluny Park Residence had been more than 55 per cent. sold. Rental revenue from investment properties at S$17.0 million remained comparable as 2015.

Overall, the Property segment profit after tax has decreased 94 per cent. to S$3.0 million as a direct consequence of the completion of the development projects in Singapore. On the other hand, there was a slightly higher net fair value gain of S$1.9 million for investment properties in Singapore in 2016 as compared to S$1.2 million in the previous year. Property remained an important driver and accounted for 32 per cent. of the Group's total revenue in 2016.

Hotels Investment

Hotels Investment recorded revenue of A$136.9 million and net property income of A$40.7 million. Net income from hotel operations was down 7 per cent. to A$26.2 million as Grand Hyatt Melbourne and Hyatt Regency Perth registered a combined 2 per cent. drop in RevPAR coupled with an underperformance in food and beverage business.

Net income from non-hotel operations (office, retail and carpark) of A$14.5 million was 0.9 per cent. lower than 2015 mainly due to lower occupancy rate at commercial centre in Perth. Interest expenses decreased 7 per cent. to A$12.4 million from A$13.3 million in 2015; depreciation and amortisation increased 1 per cent. to A$7.4 million.

In addition, a net fair value gain of A$0.3 million arising from non-hotel investment properties was recorded in 2016, as opposed to a net fair value loss of A$8.8 million a year ago. After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed a higher profit after tax of S$9.5 million, as compared to S$5.2 million. Hotel properties have recorded a net fair value gain of A$16.2 million, as compared to A$22.0 million last year and such gain is reflected in the Group's balance sheet.

Industrial Services

Industrial Services reported revenue of S$134.1 million and profit after tax of S$1.7 million in 2016. In comparison, revenue of S$128.3 million and profit after tax of S$1.3 million were reported in the previous year.

SP Corp recorded revenue of S$125.6 million, a 5 per cent. increase as compared to S$119.7 million in 2015. As a result, profit after tax increased 23 per cent. to S$1.8 million, up from S$1.5 million in 2015. Commodities Trading Unit reported higher revenue of S$109.3 million in 2016 as compared to S$99.8 million in 2015 attributable in 2016 to higher coal trading. Tyre Distribution Unit's revenue of S$16.3 million was lower as compared to S$19.9 million in 2015. The weaker sales performance in 2016 was mainly due to the strong competition in the key tyre distribution markets in ASEAN region. Consequently, the Unit posted a loss of S$0.7 million arising from lower revenue, partially offset by lower operating overheads and expenses.

Hypak reported revenue of S$8.5 million in 2016, compared to S$8.7 million last year and a loss after tax of S$34,000, compared to a loss after tax of S$180,000 in 2015.

Other Investments

Other Investments contributed a profit after tax of S$12.3 million as compared to S$6.7 million in 2015, due to higher contribution from GulTech. GulTech reported revenue of US$244.3 million and profit after tax of US$28.8 million. Profit after tax increased 28 per cent. as compared to 2015 mainly attributable to improved performance from its new Jiangsu Plant. GulTech's net profit attributable to shareholders was up 103 per cent. to US$22.2 million on the back of its acquiring the remaining 38.6 per cent. shareholdings in GTSZ in February 2016. The transaction turned GTSZ into a wholly-owned subsidiary of GulTech. The effect is in turn a higher share by the Group of GulTech's net profit (including fair value adjustment) of S$13.6 million.

FY2015 versus FY2014

Property

Property revenue increased 99 per cent. to S$404.0 million and profit before tax and fair value adjustments improved 47 per cent. to S$60.4 million. The increase was attributable to higher progressive revenue recognition on Seletar Park Residence, Sennett Residence and Cluny Park Residence.

At the end of 2015, Seletar Park Residence and Sennett Residence combined had been more than 95 per cent. sold and Cluny Park Residence had been about 50 per cent. sold. Rental revenue from investment properties at S$16.4 million remained comparable as 2014.

Overall, the Property segment profit after tax increased 38 per cent. to S$50.4 million. This was achieved despite an allowance for diminution in value of S$8.9 million was made for some of development properties in Singapore and China, and lower net fair value gain of S$1.2 million for investment properties in Singapore in 2015 as compared to S$3.3 million in the previous year. Property remained the key driver and accounted for 60 per cent. of the Group's total revenue and 73 per cent. of the Group's total profit after tax in 2015.

Hotels Investment

Hotels Investment recorded revenue of A$140.6 million and net portfolio income of A$42.8 million in 2015. Net income from hotel operations was up 2 per cent. to A$28.2 million as Grand Hyatt Melbourne and Hyatt Regency Perth registered a combined 4 per cent. improvement in RevPAR with an increase in Melbourne offset by a decrease in Perth.

However, net income from non-hotel operations (office, retail and carpark) was down 11 per cent. to A$14.6 million due mainly to underperformance in Perth office and carpark operations which in turn was caused by a slow-down in the mining industry in Western Australia. Interest expenses decreased 28 per cent. to A$13.3 million from A$18.4 million in 2014; depreciation and amortisation increased 3 per cent. to A$7.2 million.

In addition, a net fair value loss of A$8.8 million arising from non-hotel investment properties was recorded in 2015, as opposed to a net fair value gain of A$6.4 million a year ago. After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed profit after tax of S$5.2 million, as compared to S$13.0 million last year. This was due mainly to the absence of one-time GHG net acquisition gain of approximately S$9.1 million in 2014.

Industrial Services

Industrial Services reported revenue of S$128.3 million and profit after tax of S$1.3 million. In comparison, revenue of S$140.3 million and profit after tax of S$1.8 million were reported in 2014. SP Corp recorded revenue of S$119.7 million as compared to S$131.9 million in 2014. As a result, profit after tax dipped 31 per cent. to S$1.5 million in 2015, down from S$2.1 million in 2014. Commodities Trading Unit reported lower revenue of S$99.8 million as compared to S$104.1 million in 2014 due to a slump in commodities prices despite an increase in trading volumes for rubber and coal. Tyre Distribution Unit's revenue of S$19.9 million in 2015 was lower as compared to S$27.8 million in 2014. Consequently, the Unit posted a loss of S$0.7 million arising from lower revenue, partially offset by lower operating overheads and expenses.

Hypak reported revenue of S$8.7 million in 2015, compared to 2014's S$8.4 million and a loss after tax of S$180,000, compared to loss of S$306,000 in 2014. The improved performance in 2015 was attributable also to the increased contribution from the new Radiant Barrier Film product which helped to spread overheads through cost-sharing.

Other Investments

Other Investments contributed a profit after tax of S$6.7 million in 2015 as compared to S$11.5 million in 2014, all from GulTech. GulTech reported revenue of US$242.9 million and profit after tax of US$22.5 million. GulTech's net profit attributable to shareholders was US$10.9 million despite challenging industry environment and start-up expenses for its new plant. This translated into a share of net profit (including fair value adjustments) of S$6.7 million for the Group.

INVESTMENT CONSIDERATIONS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Notes should carefully consider all the information set forth in this Information Memorandum and any documents incorporated by reference herein including the investment considerations set out below.

The investment considerations set out below do not purport to be complete or comprehensive of all the investment considerations that may be involved in the business, assets, financial condition, performance or prospects of the Issuer and its subsidiaries or the properties owned by the Group or any decision to purchase, own or dispose of the Notes. Additional investment considerations which the Issuer is currently unaware of may also impair its business, assets, financial condition, performance or prospects. If any of the following investment considerations develop into actual events, the business, assets, financial condition, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Notes may be adversely affected.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Notes may require in investigating the Issuer or the Group, prior to making an investment or divestment decision in relation to the Notes issued under the Programme.

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger, any of the Dealers or the Trustee that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries and/or its associated companies, the Arranger, any of the Dealers, the Trustee or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

RISKS RELATING TO NOTES

The Notes may have limited liquidity.

There can be no assurance regarding the future development of the market for the Notes issued under the Programme or the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. The Notes may have no established trading market when issued, and one may never develop. Even if a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Liquidity may have a severely adverse effect on the market value of Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of Notes similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

The market value of the Notes may fluctuate.

Trading prices of the Notes are influenced by numerous factors, including the operating results, financial condition and/or future prospects of the Issuer, its subsidiaries and/or its associated companies (if any), political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries and/or its associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, its subsidiaries and/or its associated companies (if any) operate or have business dealings, could have a material adverse effect on the operating results, financial condition and/or the future prospects of the Issuer, its subsidiaries and/or its associated companies (if any).

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Notes.

The Notes are subject to interest rate risk.

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in bond prices, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, bond prices may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The Notes are subject to inflation risks.

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The Notes may be subject to optional redemption by the Issuer.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The Notes may be issued at a substantial discount or premium.

The market values of notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing notes. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing notes with comparable maturities.

Provisions in the Trust Deed and the Conditions may be modified.

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Trust Deed and the Conditions also provide that the Trustee may at any time or times without any consent or sanction of the Noteholders or the Couponholders concur with the Issuer in making any modification (i) to the Trust Deed (other than any provision of the Trust Deed referred to in the proviso to paragraph 2 of Schedule 4 to the Trust Deed) or any of the other Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee it may be expedient to make, provided the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders or (ii) to the Trust Deed (including any provision of this Trust Deed referred to in the proviso to paragraph 2 of Schedule 4 to the Trust Deed) or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature, to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg and/or the Depository.

The Notes are subject to Singapore taxation.

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2018 are intended to be "qualifying debt securities" for the purposes of the ITA subject to the fulfillment of certain conditions more particularly described in the section "Singapore Taxation". However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

The Issuer's ability to comply with its obligation to repay the Notes may be dependent upon the earnings of, and distributions by, the members of the Group and future performance of the Group.

The Issuer's ability to comply with its obligation to repay the Notes may depend on the earnings of the Group and the distribution of funds amongst members of the Group, primarily in the form of dividends. Whether or not the members of the Group can make distributions to the Issuer will depend on distributable earnings, cash flow conditions, restrictions that may be contained in the debt instruments or loan agreements of its members, applicable law and other arrangements. These restrictions could reduce the amount of distributions that the Issuer receives from its members, which would restrict the Issuer's ability to fund its business operations and to comply with its payment obligations under the Notes.

Further, the ability of the Issuer to make scheduled principal or interest payments on its indebtedness, including the Notes, and to fund its growth aspirations, will depend on the Group's future performance and its ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this "Investment Considerations" section, many of which are beyond the control of the Issuer. If the Issuer's future cashflow from operations and other capital resources are insufficient to pay its debt obligations, including the Notes, or to fund its other liquidity needs, it may be forced to sell assets, attempt to restructure or refinance its existing indebtedness. No assurance can be given that the Issuer would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

Noteholders are exposed to financial risk.

Interest payment, where applicable, and principal repayment for debt occur at specified periods regardless of the performance of the Issuer and/or the Group. The Issuer may be unable to make interest payments or, where applicable, principal repayments under a series of Notes should it suffer a serious decline in net operating cash flows.

The Issuer may not be able to redeem the Notes upon the due date for redemption thereof.

The Issuer may, and at maturity will, be required to redeem the Notes. If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Notes in time, or on acceptable terms, or at all. The Issuer's failure to repay, repurchase or redeem tendered Notes could constitute an event of default under such Notes, which may also constitute a default under the terms of the Issuer's other indebtedness (if any).

Changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

The Notes are not secured.

The Notes and Coupons relating thereto constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer. Accordingly, on a winding-up or insolvency of the Issuer at any time prior to maturity of any Notes, the Noteholders will not have recourse to any specific assets of the Issuer or its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Notes and/or Coupons owed to the Noteholders. There can be no assurance that there would be sufficient value in the assets of the Issuer, after meeting all claims ranking ahead of the Notes, to discharge all outstanding payment and other obligations under the Notes and/or Coupons owed to the Noteholders.

The Trustee may request that the Noteholders provide an indemnity and/or security and/or pre-funding to its satisfaction before taking action on behalf of the Noteholders.

In certain circumstances (pursuant to Condition 9 of the Notes), the Trustee may (at its sole discretion) request that the Noteholders provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of the Noteholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to such indemnity and/or security and/or pre-funding can be a lengthy process and may impact when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to its satisfaction, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

Currency risk associated with Notes denominated in foreign currencies.

The Issuer's revenue is generally denominated in S$, A$, Renminbi and US dollars and the majority of the Issuer's expenses are generally incurred in those currencies as well. As the Notes can be denominated in currencies other than S$, A$, Renminbi or US dollars, the Issuer may be affected by fluctuations between the S$, A$, Renminbi and US dollars and such foreign currencies in meeting the payment obligations under such Notes and there is no assurance that the Issuer may be able to fully hedge the currency risks associated with Notes denominated in foreign currencies. The Group may also enter into cross currency swaps to hedge foreign exchange exposure, and the Group is accordingly exposed to risks similar to the interest rate hedging risks described further below.

Variable Rate Notes may have a multiplier or other leverage factor.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for notes that do not include those features.

Exchange rate risks and exchange controls may result in Noteholders receiving less interest and/or principal than expected.

The Issuer will pay principal and interest on the Notes in the currency specified. This presents certain risks relating to currency conversions if Noteholders' financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Notes are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Notes are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Notes are denominated would decrease (a) the Investor's Currency equivalent yield on the Notes, (b) the Investor's currency equivalent of the principal payable on the Notes, if any, and (c) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less principal and/or interest than expected, or principal and/or interest at all.

The value of the Notes could be adversely affected by a change in Singapore law or administrative practice.

The Conditions are based on Singapore law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of this Information Memorandum and any such change could materially and adversely impact the value of any Notes affected by it.

Performance of contractual obligations by the Issuer is dependent on other parties.

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee and/or the Paying Agents of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders.

The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System (as defined below).

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with or registered in the name of, or in the name of a nominee of, a Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. The relevant Clearing System will maintain records of their accountholders in relation to the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to the Common Depositary or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the Issuing and Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System to receive payments under the relevant Notes. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

RISKS RELATING TO THE ISSUER'S AND THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/OR RESULTS OF OPERATIONS

The Group is exposed to risks associated with its expansion plans.

As part of its business strategy, the Group intends to pursue growth through property development, both within and outside Singapore.

There is no assurance that expansion plans will be commercially successful. Expansion involves certain risks, such as the financial burden of setting up new business units, additional working capital requirements and dealing with unfamiliar rules and regulations in foreign countries or nuances in customer expectation. Expansion plans may therefore be expensive, may divert the management's attention and may expose the Group to unforeseen risks.

Competitive market conditions may adversely affect the Group's business and financial condition.

The Group has diverse business interests which are in very competitive markets. There can be no assurance that the Group's products remain accepted by consumers amidst the competition it faces. In the event that its products lose market acceptance, its business and financial condition may be adversely affected.

Competition amongst property developers could also result in, *inter alia*, increased costs of land for development, oversupply of properties for sales, a decrease in property prices, an increase in construction costs and difficulty in obtaining good contractors and qualified and experienced employees. Any such consequences may adversely affect the Group's business, financial performance and financial position. In addition, the real estate markets in Singapore and China are rapidly changing. If the Group cannot respond to changes in market conditions more swiftly or effectively than its competitors, its ability to do well may be adversely affected.

The Group owns hotel properties in Australia. The hospitality industry in Australia is highly competitive and on-going completion of new hotels or renovation of competing hotel properties could reduce the competitiveness of older or existing properties. The level of competition is affected by various factors, including but not limited to changes in local, regional and global economic conditions, changes in local, regional and global populations, changes in the supply and demand for hospitality properties and changes in patterns and preferences. The success of a hotel will largely depend on its ability to compete in areas such as quality of accommodation, room rates, level of service, brand recognition, convenience of location and the quality of lobby areas, food and beverage facilities and other amenities.

The Group is subject to risks inherent in the various industries in which it has activities.

The Group's activities span across different industries and are therefore exposed to the risks of those industries. For instance, the Group's property business is exposed to the inherent construction and property development risks.

The development process typically requires three to five years and considerable capital expenditure to complete. Any failure to complete projects in time or to keep the costs within the budget, change in government policies, major changes in buyers' profiles and preferences, new technology, or a change of popularity in areas where the Group has its projects during the planning and construction period may affect the success of a project.

Delays in the completion of property development projects and cost overruns may arise from inclement weather, shortage of labour, construction equipment or building materials, disputes with contractors, delays in obtaining the necessary regulatory approvals, industrial accidents or work stoppages. In such events, the Group may face claims for liquidated damages from purchasers or its contractors.

The Group's hotels investment business is highly dependent on the health of Australia's hospitality and leisure industry in particular and the macro-economy in general. The majority of the hotel guests are local business persons or professionals. The occupancy rate and RevPAR are subject to seasonal changes and could also be affected by unforeseen events such as acts of terrorism, public health scares, adverse weather conditions, natural disasters, and new visa requirements for foreigners. Hotel performance may also be affected by changes in travel patterns resulting from increases in transportation or fuel costs, or strikes among workers in the transportation industry.

The Group's trading activities conducted through SP Corp are subject to its ability to obtain adequate coal supplies. In addition, the Group's 44.5 per cent.-owned subsidiary, GulTech, is in the business of manufacturing PCBs. This business depends greatly on the global demand for consumer electronics and cars. More advanced, efficient and economical PCBs may be developed by competitors and that may render GulTech's products obsolete or less cost effective. The success of the business therefore hinges on GulTech's ability to respond to rapid technological changes in the PCB industry by developing and introducing new products, solutions and services or enhancements quickly to meet competitive changes.

Changing macroeconomic and political conditions in the countries in which the Group operates may adversely impact the Group.

The Group operates in Singapore, China, Australia, Malaysia and Indonesia. Accordingly, any significant economic slowdown or decline in demand for products in these countries will have an adverse effect on the Group's business and financial performance. Oversupply of new properties may also create downward pressure on property prices.

The Group's development projects and vacant land are located in Singapore and China. The success of the Group's property development business therefore depends heavily on the continued health of the real estate market in these two countries.

The Group's business may also be affected by changes in government policies. The real estate industry, particularly the residential property markets in Singapore and China, has been subject to numerous government regulations over, and policies on, among other things, land and title acquisition, development planning and design, construction hours and mortgage financing and refinancing. Both the Singapore government and the Chinese government have exercised and continue to exercise significant influence over the property industry, and the policies concerning the economy or the real estate sector of the respective countries, or any change therein, could have a material adverse effect on the business of the Group.

For example, the Singapore government has over the last few years introduced several measures with the aim of cooling the property market. On 13 January 2011, the Singapore government had announced the extension of the holding period for imposition of the seller's stamp duty ("**SSD**") on residential properties from three years to four years based on SSD rates ranging from 4 per cent. to 16 per cent. which were imposed on residential properties which were acquired (or purchased) on or after 14 January 2011 and disposed of (or sold) within four years of acquisition. On 10 March 2017, the Singapore government announced the shortening of the holding period for imposition of the SSD on residential properties from four years to three years, based on lowered rates. The lowered SSD rates, ranging from 4 per cent. to 12 per cent., will be imposed on residential properties which are acquired (or purchased) on or after 11 March 2017 and disposed of (or sold) within three years of acquisition. In December 2011, the Singapore government introduced the additional buyer's stamp duty ("**ABSD**"), which was further enhanced in January 2013. ABSD ranging from 5 per cent. to 15 per cent. is to be paid by certain groups of people who buy or acquire residential properties (including residential land). Further, the Group may, where necessary, apply for ABSD remission and if granted, the Inland Revenue Authority of Singapore may impose conditions on the Group which may be more stringent compared to certain Qualifying Certificate conditions. If such conditions are not met by the Group, ABSD with interest will be payable and this could have a material adverse effect on the Group's business, results of operations and financial condition. In addition, under the Qualifying Certificate rules under the Residential Property Act, Chapter

274 of Singapore, all developers with non-Singaporean shareholders or directors are required to obtain the TOP for their residential property developments within five years and to sell all dwelling units within two years from the date of TOP. Additional stamp duty of 8 per cent., 16 per cent. and 24 per cent. of the land purchase price for the first, second and subsequent years past the two year TOP deadline will be incurred to extend the deadline. The Group is affected by this Qualifying Certificate scheme and, while it is not currently incurring extension charges, it may incur extension charges if any units in its residential property developments remain unsold after a period of two years from TOP.

In addition, the loan-to-value limits on housing loans granted by financial institutions were also tightened for individuals who already have at least one outstanding loan, as well as for non-individuals such as companies. Besides tighter loan-to-value limits, the minimum cash down payment for individuals applying for a second or subsequent housing loan was also raised. In June 2013, the MAS introduced a new total debt servicing ratio ("**TDSR**") framework for property loans granted by financial institutions to individuals. The TDSR framework requires financial institutions to take into consideration borrowers' other outstanding debt obligations when granting property loans. The TDSR is the percentage of total monthly debt obligations to gross monthly income and the general position is that a property loan extended by a financial institution will not exceed a TDSR threshold of 60 per cent. On 10 March 2017, the Singapore government announced that the TDSR framework will no longer apply to mortgage equity withdrawal loans with loan-to-value ratios of 50 per cent. and below.

There is no assurance that the Singapore government will abolish the existing legislation or policies intended to cool the property market. There is also no certainty that other additional measures will not be introduced. Any such policy changes may adversely affect the Group's business, financial condition, results of operations and prospects. In addition, changes to the Master Plan guidelines relating to zoning and micro-planning restrictions on land use, and changes in laws relating to sustainable development, environmental controls, building codes, stamp duty, property tax, income tax, capital gains tax and the quota on foreign workers, and restrictions on foreign ownership and mortgage financing could have a material adverse effect on the Group's financial performance and results of operations.

Laws and regulations in the relevant jurisdictions may adversely impact the Group's businesses.

The Group's operations are subject to prevailing laws and regulations in the relevant jurisdictions it operates in, particularly in the areas of corporate law, competition law, consumer protection and environment law. Regulatory issues and future changes in regulation may have an adverse impact on the Group's businesses and limit the Group's flexibility to respond to market conditions, competition, or changes in cost structure.

In addition, the Group may face uncertainty relating to the interpretation of Chinese laws and regulations. Generally, the Chinese economy is developing at a faster pace than its legal system. Therefore, some degree of uncertainty exists in connection with whether existing laws and regulations will apply to certain events or circumstances, and if so, the manner of such application. The administration of Chinese laws and regulations may be subject to a certain degree of discretion by governmental authorities. This has resulted in the outcome of dispute resolutions not being as consistent or predictable as compared to more developed jurisdictions.

The reputation of the Group may be adversely affected by negative publicity.

The Group may face litigation, financial loss or a loss of goodwill from its customers arising from negative publicity caused by any activity, action or stance performed or taken by its entities or officials that may impair the image of the Group in the community and/or the long-term trust placed in it by its stakeholders.

The Group may not be able to obtain land plots and development projects which it desires and may lack acceptable funding.

The Group's ability to continue with property development business is dependent on its ability to obtain land plots and development projects which it desires and to successfully market and complete its projects. Any unforeseen delays in the launch and completion of these projects will have an adverse impact on the Group's profitability and track record.

Furthermore, the Group's property and hotels investment businesses are capital intensive and rely on the availability of adequate external funding at commercially acceptable interest rates and terms. There is no assurance that the Group will be able to obtain financing on terms which it finds acceptable, especially when the economic outlook is uncertain.

Although maintaining a land bank is desirable to ensure business continuity, it may not always be practical for listed entities in Singapore such as Tuan Sing, as listed entities face more restrictions in the ownership of land. The Singapore government has in recent years imposed on listed entities tender conditions on public land auctions limiting, among other things, construction periods to not more than five years after the award of the tenders.

The Group's performance may be affected by unforeseen rising costs.

The Group's results of operations are affected by the costs of labour and construction materials such as steel, sand and cement. To the extent that the Group is not able to pass such increased costs on to its customers, the Group's gross margin and results of operation would be adversely affected.

Commodity prices are volatile, cyclical and market-driven and are largely determined by changes in the supply and demand of industrial commodities and raw materials that are caused by market fluctuations outside the Group's control. As such, there is no certainty that the Group will be able to purchase the raw materials necessary for its business at commercially reasonable prices, which in turn could adversely affect its profits. In addition, if there is any supply crisis for the necessary raw materials, this may result in delays in the completion of construction of the Group's projects or also result in the Group having to acquire whatever available supply at prices which are not foreseeable. These factors in turn would affect the revenue and profitability of the Group's operations.

The Group is subject to liquidity risks arising mainly from bank borrowings.

The Group's exposure to liquidity risk arises mainly from bank borrowings. The Group currently relies on bank loans to finance its operations in Singapore and this is likely to continue in the future. In Singapore, the Group typically obtains 70 per cent. of the property value for each investment property. The balance of the amounts is covered by internally generated funds.

In general, development property loans are exposed to a higher level of risk than that of investment property loans due to the inherent uncertainties during the construction and sales period which may be up to five years. Accordingly, the Group has to endure higher risks before it can realise any benefits from its property developments.

There will be a material and adverse impact to the Group if a significant portion of the existing banking facilities are withdrawn by the Group's financiers and the Group is unable to secure alternative financing on acceptable terms. Furthermore, the majority of these facilities come with variable or floating interest rates and any increase in such rates will adversely affect its profitability and ability to make adequate provision for such interest expense.

The Group is subject to risk of policy changes which may adversely impact its capital structure.

The Group's ability to arrange adequate bank and other borrowings for its business and future plans depends on a number of factors that are beyond its control, including general economic and political conditions, the terms on which financial institutions are willing to extend credit to the Group (such as the amount of the loan and the time within which such a loan is made available to it) and the availability of other sources of debt or equity financing and fiscal policy changes.

The Group is therefore exposed to the risk of policy changes which may render its capital structure ineffective or inefficient. An ineffective or inefficient capital structure may result in a high cost for capital or lower the Group's ability to continue in its current form.

The Group is subject to interest rate risk arising from bank borrowings.

The Group's exposure to interest rate risk arises from bank borrowings. At present, the Group borrows mainly on variable rates with varying short-term tenures to take advantage of the current low interest rate environment. Accordingly, the interest cost for such loans will be subject to fluctuation in interest rates.

The Group is subject to risks inherent in hedging transactions which it has entered into.

The Group has entered into certain hedging transactions to protect itself against the effects of interest rate fluctuation on floating rate debt and foreign currency exposure. The Group is therefore subject to the risks inherent in such hedging transactions. There are also costs involved in hedging as there may be upfront fees payable or downward fair value adjustments to the mark-to-market values. In addition, no hedging can completely eliminate risks associated with changes in interest rates and exchange rates.

The Group is subject to credit risk arising from defaulting counterparties.

Credit risk may arise when counterparties default on their contractual obligations resulting in financial loss to the Group. Although the Group adopts a policy of only dealing with creditworthy counterparties and the Group regularly reviews its credit exposure to its customers, credit risks may nevertheless arise from events or circumstances that are difficult to anticipate or detect, including, but not limited to, political, social, legal, economic and foreign exchange risks that may have an impact on its customers' ability to make timely payment and render the Group's enforcement for payments ineffective.

The Group is subject to inter-quarter and inter-year revenue and profit volatility.

At present, the Group derives its revenue and profit principally from the property segment. Due to the nature of the property business, the Group is subject to inter-quarter and inter-year revenue and profit volatility. The earnings from the Group's development properties may fluctuate due to the overall schedule of each project, the level of acceptance by prospective customers, the timing of the sale, the Group's revenue recognition policies and any variation in construction cost. The earnings from the Group's investment properties may fluctuate from year to year due to fair value adjustments of the properties. In addition, the value of a property project may also be subject to market volatility and price corrections in the event of economic downturns, decrease in consumer confidence in the economy or other unpredictable supervening events.

The Group is subject to risks relating to foreign currency exchange rate fluctuations.

Because of its geographic diversity, the Group holds assets, receives income and incurs liabilities and expenses in a number of currencies, including Singapore dollars, United States dollars, Australian dollars, Chinese Renminbi, Malaysian Ringgit and Indonesian Rupiah. The different exchange rates prevailing at the times of payment and receipt may give rise to foreign currency exchange gains and losses. Consequently, the Group's costs, profit margin, cash flows and asset values are affected by fluctuations in the exchange rates of the aforementioned currencies.

In addition, the Group's financial statements are presented in Singapore dollars. Exchange rate gains or losses may arise when the assets and liabilities in foreign currencies are translated or exchanged into Singapore dollars for financial reporting or repatriation purposes. If foreign currencies depreciate against the Singapore dollar, this may materially and adversely affect the Group's reported financial results.

Revenue and gains from the Group's China property business are subject to changes in the tax rules and the varied interpretations of such rules in China.

Revenue and gains derived from the Group's property developments in China are subject to various types of taxes, including sales tax, land appreciation tax, withholding tax, corporate income tax and other taxes that may be imposed specifically for the real estate business. All these taxes are subject to changes at short notice and any or all of which may lead to an increase in tax expense and adversely affect the returns to stakeholders. In addition, tax authorities may challenge the basis on which the Group calculates its tax obligations. Any adverse tax ruling against the Group may adversely affect its business, financial performance and results of operations.

Financial risk management of the Group is carried out through self-assessment, review and reporting processes.

Other than the Group's policies, procedures and guidelines, the Group relies on the self-assessment, review and reporting processes of the respective business units to ensure that transactions are carried out in compliance with the accounting standards and Group accounting policies and that internal controls are adequate. The Group also has an outsourced internal audit function. This system may have inherent limitations and may not prevent or detect all misstatements or instances of fraud in a timely manner. In addition, changes in conditions or operations may cause the system's effectiveness to vary time to time.

The Group is subject to investment risks associated with its investment proposals.

It is in line with the Group's strategic direction to expand its property business into new market segments as and when opportunities arise. Hence, the Group is subject to investment risks. There is no assurance that the Group will be successful in expanding its activities into these new market segments and that an adequate return will be provided on the investment. The Group may also face considerable reputational and financial risks if these new investments do not meet the expectations of customers in these new market segments.

Internal controls and risk management and corporate governance frameworks may not be complied with by the subsidiaries and business units within the Group.

The Group has put in place appropriate internal controls, risk management and corporate governance frameworks designed to comply with the laws and regulations of the jurisdictions in which it operates, maintain a decent level of corporate governance and ensure that business and financial matters are reported to the Group in a timely manner. However, due to human error or judgment, there is no assurance that these frameworks and systems are strictly complied with at all times.

The Group may incur additional cost or liability in relation to environmental issues.

The Group may incur additional cost or liability arising from increasing awareness by both residents and government authorities of potential pollution of effluent discharges and the need to maintain a sustainable environment. While the Group pays attention to those laws and regulations, it may be possible that the Group will encounter legal or social liability or incur additional cost to clean up the environment, regardless of whether it is at fault or not, with respect to its past or present business activities or properties. Such additional costs or liability could adversely affect the Group's business, financial condition and results of operation.

The Group depends on the service of key personnel for business continuity.

The continued success of the Group depends on its ability to retain key members of its employees and recruit competent key personnel. The Group currently does not have "key man" insurance coverage as it is of the view that such insurance is currently unnecessary. Failure to recruit or retain competent key personnel, unexpected loss of such senior employees or failure in the execution of succession plans may adversely affect the Group's successful implementation of its business plans.

The Group relies on third-party contractors and consultants for various services.

The Group's business units, particularly the property business units, engage third-party contractors and consultants for various services including master planning, building design, construction, piling and foundation, fit-out works, interior decoration and marketing launches. There is no assurance that the services rendered by such independent third-parties will match the quality and timing that the Group requires.

Moreover, contractors and consultants may experience their own difficulties in procuring foreign labour that in turn may affect their ability to carry out the work for which they are contracted, thus delaying the completion of property development projects and resulting in additional costs to the Group.

The Group is subject to work health and safety risks of employees.

The Group is exposed to work health and safety risks of employees arising from process incidents, pandemics and general operational hazards.

The Group may suffer uninsured loss.

Properties owned by the Group are subject to risks of physical damage caused by fire, natural disaster or other causes such as terrorists' attacks as well as public liability claims due to negligence. While the Group maintains insurance cover at a level it considers to be appropriate, such as for property damage, business interruption and public liability that may occur in connection with the Group's business and operations, as well as limited coverage for terrorism, some claims may not be fully insurable and the Group remains liable for any debt or other financial obligation that may not be covered by its insurance policies.

In addition, certain types of risks (such as war risk and losses caused by an outbreak of contagious diseases and contamination or other environmental breaches) are either uninsurable or the cost of insurance is prohibitive when compared to the risk. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for the Group will be available in the future on commercially reasonable terms, at commercially reasonable rates or at all. Should such losses occur, it may adversely affect the Group's business, financial performance and results of operations.

Interruption or failure of the Group's information systems could impair its ability to effectively provide its services, which could damage its reputation.

The Group's ability to provide consistent and high-quality services and to monitor its operations on a real-time basis across all its hotels depends on the continued operation of its information technology systems, including its online distribution, central reservations and customer relationship management systems. Any damage to or failure of the Group's systems could interrupt its inventory management, affect service efficiency, consistency and quality or reduce its customer satisfaction.

The Group uses a non-proprietary technology platform through a third party vendor. Its technology platform plays an important role in its management of its revenues, inventory and loyalty programmes.

Computer viruses, fires, floods, earthquakes, hacking or other attempts to harm this system, or other similar events, all have the potential to cause difficulties with the technology platform. Such difficulties could require that reservation and billing activities be conducted off-line or manually. Some of these third party vendor's systems are not fully redundant, and its disaster-recovery planning does not account for all possible scenarios. Furthermore, the Group's systems and technologies, including its website and database, could contain undetected errors or "bugs" that could adversely affect their performance or could become outdated. The Group may not be able to replace or introduce upgraded systems as quickly as its competitors or within the budgeted costs for such upgrades. If the Group experiences system failures, its quality of service, customer satisfaction, and operational efficiency could be severely harmed, which could also adversely affect its reputation.

Failure to maintain the integrity of internal or customer data could result in harm to the Group's reputation or subject the Group to costs, liabilities, fines or lawsuits.

The Group's hotels investment business involves collecting and retaining large volumes of internal and customer data, including credit card numbers and other personal information as its various information technology systems enter, process, summarise and report such data. The Group also maintains information about various aspects of its business operations as well as its employees. The integrity and protection of the Group's customer, employee and company data are critical to its business and the Group is required to comply with data protection laws in the countries in which it operates. A theft, loss, fraudulent or unlawful use of customer, employee or company data, or any other breach of applicable data protection laws, could harm the Group's reputation or result in remedial and other costs, liabilities, fines or lawsuits.

Terrorist attacks, riots, public unrest, civil commotions and other similar acts of violence or wars may adversely affect the markets in which the Group operates in and its profitability.

Since the occurrence of certain terrorist attacks in different areas of the world in recent years, there has been an escalation of a general fear of expansion of terrorist activities around the world, which could have an adverse effect on the world economy, as well as on the demand levels for tourism.

If there is a general fear of economic fall-out around the world due to terrorism and other acts of violence or wars, the economic outlook of the Group's markets may become uncertain and there is no assurance that such markets will not be affected by the worldwide economic downturn, or that recovery would appear in the near future. This similarly applies if the levels of tourism are affected in the Group's markets. This could have a negative impact on the demand for the Group's hotels, goods and services and its sales, business, future growth and profitability may be adversely affected.

Similarly, in the event of any unexpected riots, public unrest, civil commotions, levels of tourism will be affected and demand that drives the Group's revenue will be negatively impacted.

Terrorist activities, acts of violence or war and adverse political developments also could potentially result in damage on properties, facilities and activities and cause injury or death or personnel as well as disruption in operations, revenue and profitability of the Group.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of the Notes under the Programme (after deducting issue expenses) will be used for property development and investment as well as for general corporate purposes, including refinancing of borrowings, and financing investments and general working capital of the Issuer or its subsidiaries.

CLEARING AND SETTLEMENT

Clearing and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the SFA to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent.. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole was arranged by DBS Bank Ltd., which was a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) at such time, any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be "qualifying debt securities" ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for QDS shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

    (aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

    (bb) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

    payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes which are outstanding at any time during the life of their issue is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:–

(i) any related party of the Issuer; or

(i) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

"prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

"redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

"break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the furnishing by the issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the QDS in the prescribed format within such period as the MAS may specify and such other particulars in connection with the QDS as the MAS may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where:-

   (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the issuer included in any offering document for such QDS; and

   (ii) the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Notes derived by:

(aa) any related party of the Issuer; or

(bb) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard 39 ("**FRS 39**") may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The Inland Revenue Authority of Singapore has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement" (the "**FRS 39 Circular**"). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Notes from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third parties commissions (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

The Dealers or certain of their respective affiliates may purchase the Securities and be allocated the Securities for asset management and/or proprietary purposes but not with a view to distribution.

In connection with each tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Notes for their own account (without a view to distributing such Notes) and such orders and/or allocations of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering. Accordingly, references herein to the Notes being "offered" should be read as including any offering of the Notes to the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable Tranche of which such Notes are a part, as determined and certified to the Issuing and Paying Agent, by such Dealer (or, in the case of an identifiable Tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable Tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Each purchaser of Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Information Memorandum and the Notes, will be deemed to have represented, agreed and acknowledged that:

(a) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

(b) It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

(c) It understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.”

(d) It understands that the Issuer, the Issuing and Paying Agent, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(e) It understands that the Notes offered in reliance on Regulation S will be represented by a Global Note. Prior to the expiration of the distribution compliance period, before any interest in the Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Global Note, it will be required to provide the Issuing and Paying Agent with a written certification as to compliance with applicable securities laws.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

The selling restrictions herein contained may be modified, varied or amended by agreement of the Issuer and the Dealers following a change in any relevant law, regulation or directive. Any such modification or supplement to the selling restrictions will be set out in the Pricing Supplement to be issued in respect of any issue of Notes to which it relates or in a supplement to this Information Memorandum.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, any other document or any Pricing Supplement.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The name and position of each of the Directors are set out below:

Name	Position
Ong Beng Kheong	Non-Independent Director and Non-Executive Chairman
William Nursalim alias William Liem	Executive Director and Chief Executive Officer
Choo Teow Huat Albert	Independent and Non-Executive Director
Chow Kok Kee	Independent and Non-Executive Director
David Lee Kay Tuan	Non-Independent and Non-Executive Director
Michelle Liem Mei Fung	Non-Independent and Non-Executive Director
Neo Ban Chuan	Independent and Non-Executive Director

2. Save as disclosed below, the Directors are not related by blood or marriage to one another nor are they related to any substantial shareholder of the Issuer:

   (a) Michelle Liem Mei Fung, William Nursalim alias William Liem and Tan Enk Ee are deemed to be the controlling shareholders of the Issuer by virtue of their interest in Nuri Holdings (S) Pte Ltd which holds 46.19 per cent. of the Issuer's issued share capital.

   (b) William Nursalim alias William Liem and Michelle Liem Mei Fung are siblings.

   (c) David Lee Kay Tuan, a non-executive Director of the Issuer, is the spouse of Michelle Liem Mei Fung.

   (d) William Nursalim alias William Liem, Michelle Lim Mei Fung and David Lee Kay Tuan are related to Tan Enk Ee who is their brother-in-law.

3. No option to subscribe for shares in, or debentures of, the Issuer has been granted to, or was exercised by, any Director or employees of the Group during the financial year ended 31 December 2016.

4. The interests of the Directors and the substantial shareholders of the Issuer in the Shares as at the Latest Practicable Date are as follows:

   Directors

Name	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Ong Beng Kheong	2,200	0.0002	–	–
David Lee Kay Tuan	250,000	0.0211	–	–
Michelle Liem Mei Fung	–	–	546,383,829[(1)]	46.1925
William Nursalim alias William Liem	–	–	546,383,829[(1)]	46.1925

NOTE:

(1) Nuri Holdings (S) Pte Ltd is a controlling shareholder of the Issuer (i.e. being a person who holds 15 per cent., or more of the issued shares of the Issuer) holding 46.19 per cent. of the Issuer's issued and paid-up share capital. Ms Michelle Liem Mei Fung and Mr William Nursalim alias Wililam Liem are deemed to be controlling shareholders of the Issuer by virtue of their respective interests in Nuri Holdings (S) Pte Ltd.

Substantial Shareholders

Name	Direct Interest		Deemed Interest	
	Number of Shares	%(1)	Number of Shares	%(1)
Nuri Holdings (S) Pte Ltd	546,383,829	46.1925	–	–
Michelle Liem Mei Fung	–	–	546,383,829(2)	46.1925
William Nursalim alias William Liem	–	–	546,383,829(2)	46.1925
Tan Enk Ee	–	–	546,383,829(2)	46.1925
Lim Tek Siong	55,326,150	4.6774	27,104,550(3)	2.2915
Go Giok Lian	27,104,550	2.2915	55,326,150(4)	4.6774
Koh Wee Meng	69,457,000	5.8720	1,600,000(5)	0.1353

NOTE:

(1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, comprising 1,182,842,055 Shares.

(2) Nuri Holdings (S) Pte Ltd is a controlling shareholder of the Issuer (i.e. being a person who holds 15 per cent. or more of the issued shares of the Issuer) holding 46.19 per cent. of the Issuer's issued and paid-up share capital. Ms Michelle Liem Mei Fung, Mr William Nursalim alias Wililam Liem and Dr Tan Enk Ee are deemed to be controlling shareholders of the Issuer by virtue of their respective interests in Nuri Holdings (S) Pte Ltd.

(3) Mr Lim Tek Siong, spouse of Madam Go Giok Lian, is deemed to be interested in Madam Go Giok Lian's direct interest of 2.2915 per cent. in the Issuer.

(4) Madam Go Giok Lian, spouse of Mr Lim Tek Siong, is deemed to be interested in Mr Lim Tek Siong's direct interest of 4.6774 per cent. in the Issuer.

(5) Mr Koh Wee Meng, spouse of Madam Lim Wan Looi, is deemed to be interested in Madam Lim Wan Looi's direct interest of 0.1353 per cent. in the Issuer.

SHARE CAPITAL

5. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Constitution of the Issuer.

6. The issued share capital of the Issuer as at the Latest Practicable Date is as follows:

Share Designation	Issued Share Capital	
	Number of Shares	Amount
Ordinary Shares	1,182,842,055	S$171,305,943.31

BORROWINGS

7. Save as disclosed in Appendix III, the Group had as at 31 December 2016 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

8. The Directors are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, the Issuer will have adequate working capital for their present requirements.

CHANGES IN ACCOUNTING POLICIES

9. On 1 January 2017, the Group adopted all the new and revised Financial Reporting Standards ("**FRSs**") and interpretations of FRS ("**INT FRS**") that are effective as from that date and are relevant to its operations. The adoption of these new or revised FRSs and INT FRSs does not result in changes to the Group's or the Issuer's accounting policies and has no material effect on the accounts reported for the current or prior financial periods or financial years.

LITIGATION

10. Save as disclosed below, there are no legal or arbitration proceedings pending or threatened against the Issuer or any of its subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or the Group:

    <u>Termination of main contractor</u>

    In 2014, Asplenium Land Pte. Ltd., a subsidiary of the Issuer, terminated the services of the previous main contractor for Seletar Park Residence on grounds of unsatisfactory performance. As at 31 December 2016, the ensuing legal and arbitration proceedings were still on-going. After taking due legal advice, the Group is of the view that it has a reasonable chance of prevailing.

MATERIAL ADVERSE CHANGE

11. There has been no material adverse change in the financial condition or business of the Issuer or the Group since 31 December 2016.

AUDITOR'S CONSENT

12. Deloitte & Touche LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

13. Copies of the following documents may be inspected at the registered office of the Issuer at 9 Oxley Rise, #03-02 The Oxley, Singapore 238697 during normal business hours for a period of three months from the date of this Information Memorandum:

    (a) the Constitution of the Issuer;

    (b) the Trust Deed; and

    (c) the audited consolidated financial statements of the Group for the financial years ended 31 December 2015 and 31 December 2016 and the unaudited financial statements announcement of the Group for the first quarter ended 31 March 2017.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

14. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The information in this Appendix II has been reproduced from the statutory reports and accounts of Tuan Sing Holdings Limited and its subsidiaries for the financial year ended 31 December 2015 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

Statutory Reports and Accounts

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Directors of the Company are pleased to present their report to the members 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 2015.

In the opinion of the Directors, 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 105 to 176 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 2015, 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 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 report are:

Mr Ong Beng Kheong (Chairman)
Mr William Nursalim alias William Liem (Chief Executive Officer)
Mr Choo Teow Huat Albert
Mr Chow Kok Kee
Mr David Lee Kay Tuan
Ms Michelle Liem Mei Fung
Mr Ng Siow How

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 did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in 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 and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in name of director		Shareholdings in which director is deemed to have an interest	
Names of directors and companies in which interests are held	**As at 1 January 2015**	**As at 31 December 2015**	**As at 1 January 2015**	**As at 31 December 2015**
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	–	–	546,383,829[1]	546,383,829[1]
Mr William Nursalim alias William Liem	–	–	–	546,383,829[1]
SP Corporation Limited (Ordinary Shares)				
Ms Michelle Liem Mei Fung	–	–	281,463,197[1]	28,146,319

Note

1 By virtue of interest in Nuri Holdings (S) Pte Ltd. There was a share consolidation exercise undertaken by SP Corporation Limited during the year whereby every 10 ordinary shares in the capital of SP Corporation Limited were consolidated into 1 ordinary share effective from 14 May 2015.

By virtue of Section 7 of the Singapore Companies 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 2016.

During the financial year ended 31 December 2015, 2,669,072 new ordinary shares, fully-paid were allotted pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme where shares were issued at 36.3 cents per share in lieu of cash for the first and final dividend of 0.5 cent per share for the financial year ended 31 December 2014. Following the allotment, the fully paid-up issued shares of the Company increased to 1,178,824,988 ordinary shares.

4 **DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS**

Since the beginning of the financial year, no Director has received or become entitled to receive a benefit, which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in notes 25 and 30 to the financial statements.

5 **SHARE OPTION**

Option to take up unissued shares

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

Unissued shares under option and option exercised

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

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

6 **AUDIT AND RISK COMMITTEE**

The Audit and Risk Committee performed functions specified in Section 201B (5) of the Singapore Companies Act 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 Chow Kok Kee and David Lee Kay Tuan, 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 2015 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 and results 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, the statement of financial position and statement of changes in equity of the Company before their submission to the Board of Directors 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 Review and the whistle-blowing investigation;

(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 Company at the Company's forthcoming Annual General Meeting.

7 **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

28 January 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

Deloitte.

REPORT ON THE FINANCIAL STATEMENTS

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 2015, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 105 to 176.

MANAGEMENT'S RESPONSIBILITY 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

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.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

28 January 2016

STATUTORY REPORTS AND ACCOUNTS

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Assets					
Current assets					
Cash and bank balances	5	**141,717**	252,270	**431**	356
Trade and other receivables	6	**134,390**	87,420	**142**	112
Amounts due from subsidiaries	15	**–**	–	**285,748**	366,313
Inventories	7	**3,641**	4,487	**–**	–
Development properties	8	**336,132**	414,153	**–**	–
Total current assets		**615,880**	758,330	**286,321**	366,781
Non-current assets					
Property, plant and equipment	9	**395,149**	397,886	**–**	–
Investment properties	10	**1,076,909**	1,082,932	**498**	498
Investments in subsidiaries	11	**–**	–	**661,900**	574,302
Investments in equity accounted investees	12	**71,511**	62,981	**–**	–
Deferred tax assets	17	**3,045**	4,179	**–**	–
Other non-current assets		**11**	14	**–**	–
Total non-current assets		**1,546,625**	1,547,992	**662,398**	574,800
Total assets		**2,162,505**	2,306,322	**948,719**	941,581
Liabilities and equity					
Current liabilities					
Loans and borrowings	13	**428,924**	195,347	**–**	–
Trade and other payables	14	**117,214**	107,134	**10,661**	15,693
Amounts due to subsidiaries	15	**–**	–	**292,716**	322,278
Income tax payable		**7,914**	5,830	**17**	52
Total current liabilities		**554,052**	308,311	**303,394**	338,023
Non-current liabilities					
Loans and borrowings	13	**677,410**	1,149,525	**79,404**	79,275
Derivative financial instruments	28	**904**	–	**–**	–
Deferred tax liabilities	17	**42,320**	35,016	**–**	–
Other non-current liabilities	14	**362**	423	**–**	–
Total non-current liabilities		**720,996**	1,184,964	**79,404**	79,275
Capital, reserves and non-controlling interests					
Share capital	18	**170,230**	169,260	**170,230**	169,260
Reserves	19	**706,575**	633,658	**395,691**	355,023
Equity attributable to owners of the Company		**876,805**	802,918	**565,921**	524,283
Non-controlling interests		**10,652**	10,129	**–**	–
Total equity		**887,457**	813,047	**565,961**	524,283
Total liabilities and equity		**2,162,505**	2,306,322	**948,719**	941,581

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 $'000	Group 2014 $'000
Revenue	21	**677,122**	354,765
Cost of sales		**(535,259)**	(286,139)
Gross profit		**141,863**	68,626
Other operating income		**3,420**	29,177
Distribution costs		**(4,355)**	(4,230)
Administrative expenses		**(25,672)**	(16,202)
Other operating expenses		**(10,085)**	(23,426)
Share of results of equity accounted investees	12	**6,803**	19,985
Finance income	22	**4,258**	4,760
Finance costs	23	**(27,529)**	(9,186)
Profit before tax and fair value adjustments		**88,703**	69,504
Fair value adjustments	24	**(8,049)**	6,469
Profit before tax	25	**80,654**	75,973
Income tax expenses	26	**(11,535)**	(14,387)
Profit for the year		**69,119**	61,586
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property	28	**22,447**	2,173
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	28	**(6,719)**	(276)
		15,728	1,897
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	28	**(4,893)**	(7,020)
Cash flow hedges	28	**(904)**	2,489
Income tax relating to components of other comprehensive income that may be reclassified subsequently	28	**271**	(316)
		(5,526)	(4,847)
Other comprehensive income/(loss) for the year, net of tax	28	**10,202**	(2,950)
Total comprehensive income for the year		**79,321**	58,636
Profit attributable to:			
Owners of the Company		**68,833**	61,169
Non-controlling interests		**286**	417
		69,119	61,586
Total comprehensive income attributable to:			
Owners of the Company		**78,798**	58,031
Non-controlling interests		**523**	605
		79,321	58,636
Basic and diluted earnings per share (in cents)			
Excluding fair value adjustments	27	**6.3**	4.7
Including fair value adjustments	27	**5.8**	5.2

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

STATUTORY REPORTS AND ACCOUNTS

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group	
	Note	2015 $'000	2014 $'000
Operating activities			
Profit before tax		**80,654**	75,973
Adjustments for:			
Fair value loss/(gain)	24	**8,049**	(6,469)
Share of results of equity accounted investees	12	**(6,803)**	(19,985)
Allowance for diminution in value for development properties	8	**8,935**	–
Depreciation of property, plant and equipment	9	**7,701**	1,078
Allowance for inventory obsolescence, net	7	**89**	75
Allowance/(write-back of allowance) for doubtful trade and other receivables, net	6	**197**	(1)
Plant and equipment written off	25	**–**	18
Net (gain)/loss on disposal of property, plant and equipment	25	**(62)**	3
Negative goodwill on acquisition	29	**–**	(26,924)
Adjustment arising from selective capital reduction of an associate	12	**–**	136
Finance income	22	**(4,258)**	(4,760)
Finance costs		**27,529**	9,186
Operating cash flows before movements in working capital		**122,031**	28,330
Development properties less progressive billings receivable		**74,432**	(4,630)
Inventories		**362**	207
Trade and other receivables		**(51,004)**	(7,696)
Trade and other payables		**2,685**	(3,054)
Cash generated from operations		**148,506**	13,157
Interest received		**10,100**	2,701
Income tax paid		**(6,303)**	(2,169)
Net cash from operating activities		**152,303**	13,689
Investing activities			
Purchase of property, plant and equipment	9	**(3,319)**	(831)
Proceeds on disposal of property, plant and equipment		**241**	–
Additions to investment properties		**(10,341)**	(11,068)
Acquisition of subsidiary	29	**–**	(102,317)
Dividends and distribution received from equity accounted investees	12	**8,563**	8,670
Net cash used in investing activities		**(4,856)**	(105,546)
Financing activities			
Repayment of finance lease obligations		**–**	(2)
Proceeds from loans and borrowings		**80,533**	202,498
Repayment of loans and borrowings		**(300,484)**	(115,677)
Interest paid		**(34,172)**	(16,157)
Bank deposits pledged as securities for bank facilities		**30,196**	95
Dividend paid to shareholders		**(4,911)**	(4,794)
Net cash (used in)/from financing activities		**(228,838)**	65,963
Net decrease in cash and cash equivalents		**(81,391)**	(25,894)
Cash and cash equivalents at the beginning of the year		**187,414**	212,626
Foreign currency translation adjustments		**(348)**	682
Cash and cash equivalents at the end of the year	5	**105,675**	187,414

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Share capital $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
Group									
At 1 January 2015		169,260	(18,592)	78,806	110,335	463,109	802,918	10,129	813,047
Total comprehensive income for the year									
Profit for the year		–	–	–	–	68,833	68,833	286	69,119
Exchange differences on translation of foreign operations	28	–	(5,130)	–	–	–	(5,130)	237	(4,893)
Revaluation of property	28	–	–	22,447	–	–	22,447	–	22,447
Cash flow hedges	28	–	–	–	(904)	–	(904)	–	(904)
Income tax adjustments relating to other comprehensive income	28	–	–	(6,719)	271	–	(6,448)	–	(6,448)
Other comprehensive (loss)/income for the year, net of tax		–	(5,130)	15,728	(633)	–	9,965	237	10,202
Total		–	(5,130)	15,728	(633)	68,833	78,798	523	79,321
Transactions with owners, recognised directly in equity									
Transfer from revenue reserve to other capital reserves		–	–	–	6,640	(6,640)	–	–	–
Issue of shares under the Scrip Dividend Scheme	18	970	–	–	–	–	970	–	970
Dividend paid to shareholders									
– Cash	20	–	–	–	–	(4,911)	(4,911)	–	(4,911)
– Share	20	–	–	–	–	(970)	(970)	–	(970)
Total		970	–	–	6,640	(12,521)	(4,911)	–	(4,911)
At 31 December 2015		170,230	(23,722)	94,534	116,342	519,421	876,805	10,652	887,457

\# Details of "Other capital reserves" are disclosed in note 19.

	Note	Share capital $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
Group									
At 1 January 2014		168,190	(11,384)	76,909	99,381	416,585	749,681	9,524	759,205
Total comprehensive income for the year									
Profit for the year		–	–	–	–	61,169	61,169	417	61,586
Exchange differences on translation of foreign operations	28	–	(7,208)	–	–	–	(7,208)	188	(7,020)
Share of other comprehensive income of equity accounted investees	28	–	–	2,173	2,489	–	4,662	–	4,662
Income tax adjustments relating to other comprehensive income	28	–	–	(276)	(316)	–	(592)	–	(592)
Other comprehensive (loss)/income for the year, net of tax		–	(7,208)	1,897	2,173	–	(3,138)	188	(2,950)
Total		–	(7,208)	1,897	2,173	61,169	58,031	605	58,636
Transactions with owners, recognised directly in equity									
Transfer from revenue reserve to other capital reserves		–	–	–	8,781	(8,781)	–	–	–
Issue of shares under the Scrip Dividend Scheme	18	1,070	–	–	–	–	1,070	–	1,070
Dividend paid to shareholders									
– Cash	20	–	–	–	–	(4,794)	(4,794)	–	(4,794)
– Share	20	–	–	–	–	(1,070)	(1,070)	–	(1,070)
Total		1,070	–	–	8,781	(14,645)	(4,794)	–	(4,794)
At 31 December 2014		169,260	(18,592)	78,806	110,335	463,109	802,918	10,129	813,047

Details of "Other capital reserves" are disclosed in note 19.

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Share capital $'000	Other capital reserve# $'000	Revenue reserve $'000	Total $'000
Company					
At 1 January 2015		**169,260**	**101,264**	**253,759**	**524,283**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**46,549**	**46,549**
Transactions with owners, recognised directly in equity					
Issue of shares under the Scrip Dividend Scheme	18	**970**	**–**	**–**	**970**
Dividend paid to shareholders					
– Cash	20	**–**	**–**	**(4,911)**	**(4,911)**
– Share	20	**–**	**–**	**(970)**	**(970)**
Total		**970**	**–**	**(5,881)**	**(4,911)**
At 31 December 2015		**170,230**	**101,264**	**294,427**	**565,921**
At 1 January 2014		168,190	101,264	273,221	542,675
Loss for the year, representing total comprehensive loss for the year		–	–	(13,598)	(13,598)
Transactions with owners, recognised directly in equity					
Issue of shares under the Scrip Dividend Scheme	18	1,070	–	–	1,070
Dividend paid to shareholders					
– Cash	20	–	–	(4,794)	(4,794)
– Share	20	–	–	(1,070)	(1,070)
Total		1,070	–	(5,864)	(4,794)
At 31 December 2014		169,260	101,264	253,759	524,283

Details of "Other capital reserves" are disclosed in note 19.

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

STATUTORY REPORTS AND ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2015

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 Stock Exchange. 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 note 34 and note 35 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 2015 were authorised for issue by the Board of Directors on 28 January 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

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 FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the 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) Adoption of new and revised Standards

On 1 January 2015, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations.

The adoption of these new or revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

(c) Standards issued but not yet effective

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- *FRS 109 Financial Instruments*[2]
- *FRS 115 Revenue from Contracts with Customers*[2]
- *Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative*[1]
- *Amendments to FRS 27 Separate Financial Statements: Equity Method in Separate Financial Statements*[1]
- *Amendments to FRS 110 Consolidated Financial Statements, FRS 112 Disclosure of Interests in Other Entities, FRS 28 Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*[1]
- *Improvements to Financial Reporting Standards (November 2014)*[1]

[1] Applies to annual periods beginning on or after 1 January 2016, with early application permitted.

[2] Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standards issued but not yet effective (cont'd)

Consequential amendments were also made to various standards as a result of these new or revised standards.

Management has considered and is of the view that the adoption of the FRSs, amendments and improvements to FRSs that are issued as at date of authorisation of these financial statements but effective only in future periods will not have a material impact on the financial statements in the period of their initial adoption, except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Group anticipates that the application of FRS 109 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contracts with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. In addition, extensive disclosures are required by FRS 115.

Management anticipates that the initial application of the new FRS 115 will result in changes to the accounting policies relating to revenue recognition. Additional disclosures will also be made with respect of development properties, completed property held for sale, trade receivables and revenue, including any significant judgement and estimation made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the entity's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 115.

(d) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

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 subsidiaries 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 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 the 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 FRSs). 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 FRS 39 *Financial Instruments: Recognition and Measurement* 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, associates and joint ventures 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

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 FRS 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 FRS 12 *Income Taxes* and FRS 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 FRS 102 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Asset 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 FRS.

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 and joint venture (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.

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

The results of and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

Associates and joint venture (equity accounted investees) (cont'd)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, 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(h)].

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 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 a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture 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 FRS 39. The difference between the carrying amount of the associate or joint venture 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 or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture 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 or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

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

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

(e) 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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Foreign currency transactions and translation (cont'd)

Foreign currency transactions (cont'd)

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(f)].

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.

(f) 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 instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on 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 instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Financial assets (cont'd)

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if (i) it has been acquired principally for the purpose of selling in the near future; or (ii) on initial recognition, it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or (ii) the financial asset 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 grouping is provided internally on that basis; or (iii) it forms part of a contract containing one or more embedded derivatives and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 33(e).

Held-to-maturity financial assets

Bonds with fixed or determinable payments and fixed maturity dates where the Group has a positive intent and ability to hold to maturity are classified as held-to-maturity investments. Subsequent to initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale financial assets

Certain shares and debt securities held by the Group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in note 33(e). Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the available-for-sale monetary asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Trade and other receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Derecognition of financial assets

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

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if (i) it has been incurred principally for the purpose of repurchasing in the near future; or (ii) it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or (ii) on initial recognition, 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 grouping is provided internally on that basis; or (iii) it forms part of a contract containing one or more embedded derivatives, and FRS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other operating income and expenses' line in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 33(e).

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs [note 2(y)].

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL, subsequently at the higher of the amount of obligation under the guarantee recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

Equity instruments

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Derivative financial instruments and hedge accounting

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. 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.

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and 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 that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss for the period immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the statement of profit or loss and other comprehensive income relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedge

The effective portion of changes in the fair value of the derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other income and expenses.

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the period when the hedged item is recognised in profit or loss in same line item of the statement of profit or loss and other comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and when the forecast transaction is ultimately recognised in profit or loss, such gains and losses are recognised in profit or loss, or transferred from equity and included in the initial measurement of the cost of the asset or liability as described above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was accumulated in equity is recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation account. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "fair value adjustments" line of the statement of profit or loss and other comprehensive income.

Gains and losses previously recognised in other comprehensive income and accumulated in foreign currency translation account are reclassified in profit or loss in the same way as exchange differences relating to the foreign operation as described in the accounting policy for foreign currency transactions and translation as stated in note 2(e) to these financial statements.

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.

(g) 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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment (cont'd)

Depreciation (cont'd)

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.

(h) 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, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(k) Impairment of assets

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, objective evidence of impairment could include (i) significant financial difficulty of the issuer or counterparty; or (ii) default or delinquency in interest or principal payments; or (iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of assets (cont'd)

Impairment of financial assets (cont'd)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment of tangible and intangible assets excluding goodwill

The carrying amounts of the Group's tangible and non-tangible assets are reviewed at the end of each reporting period 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.

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.

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.

(m) 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(g)] up to the date of change in use.

(n) Development properties

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

Properties in the course of development are stated at cost plus attributable profits less progress billing if their revenue is recognised based on percentage of completion method. Progress billings received from customers prior to completion are presented as advance billings within "trade and other payables" and progress billings not yet paid by customers are presented within "trade and other receivables".

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Development properties (cont'd)

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, development costs and borrowing 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, including attributable borrowing costs [note 2(y)].

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(w)].

(p) 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 is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Allowance is made where necessary for obsolete, slow-moving and defective inventories.

(q) 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.

(r) Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of reporting period, as measured by the proportion that contract cost incurred for work performed to date relative to the estimated total contract cost, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent recovery of contract costs is probable. Contract costs are recognised as expenses in the periods in which they are incurred. When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense for the period.

(s) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Leases (cont'd)

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(y)]. 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.

(t) 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.

(u) Government grants

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

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, are recognised in the profit or loss in the period in which they become receivable.

(w) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is reduced for goods and services tax, estimated customer returns, rebates and other similar allowances.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Revenue recognition (cont'd)

Sale of goods (cont'd)

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales of development properties

Revenue from completed properties is recognised when the risks and rewards of ownership have been transferred to the purchaser either through the transfer of legal title or equitable interest in a property.

Revenue recognition on partly completed properties held for sale is based on the following methods:

- For sale of partly completed development properties in Singapore under progressive payment scheme, profit is recognised upon the signing of sale contracts and payment of the first instalment which corresponds to 20% of the estimated profit attributable to the actual sale contracts signed. Subsequent recognition of profit is based on the percentage of completion method as construction progresses. The percentage of work completed is measured based on the construction and related costs incurred to date as a proportion of the estimated total construction and related costs;
- For sale of partly completed development properties in Singapore under deferred payment scheme and overseas development properties, profit is recognised only upon the transfer of significant risks and rewards of ownership of the properties to the purchasers.

In cases where transfer of significant risks and rewards of ownership coincides with the time the development units are delivered to the purchasers, revenue is recognised upon completion of construction; and when legal title passes to the buyer or when equitable interest in the property vests to the buyer upon release of the handover notice to the buyer, whichever is earlier.

Construction contracts

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts as disclosed in note 2(r).

Revenue from hotel operations

Revenue is recognised when goods and services have been provided to the customer and the costs in relation to the goods and services can be reliably measured.

Services rendered

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period except that revenue from services of short duration are recognised on completion of services;
- servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the services for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Rental income

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

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investment is recognised when the shareholders' rights to receive payment have been established.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) 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.

(z) 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.

(aa) Employee benefits

Retirement benefit obligations

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

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.

(ab) 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.

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 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ab) Income tax (cont'd)

Deferred tax (cont'd)

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.

(ac) 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. As at 31 December 2015, the ensuing legal and arbitration proceedings were still on-going. After taking due legal advice, the Group is of the view that it has a reasonable chance of prevailing. Accordingly, no provision was made in relation to such termination.

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 uses the stage of completion method to account for its contract revenue [note 21] and contract costs arising from the sale of development properties in Singapore under progressive payment scheme that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 – Agreement for the Construction of Real Estate [note 2(w)].

The stage of completion is measured by reference to certification of value of work performed to date. Where there is no certification of value available, the stage of completion is based on the respective costs incurred to date as compared to the total budgeted costs of the development.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

Percentage of completion for revenue recognition (cont'd)

Significant judgements are required to estimate the total contract 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 development properties are disclosed in note 8 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, an allowance for diminution in value of $1,200,000 (2014: $Nil) was made on a Singapore development property, taking into account with reference to past sales, comparable properties, location and market conditions. In addition, an allowance for diminution in value of $7,679,000 (2014: $Nil) was made on a plot of land in Jin'an District, Fuzhou Fujian Province, China based on management's best estimate on net realisable value of the site, taking into consideration its current status and future plans for the land.

The carrying amount of development properties are disclosed in note 8. Allowance for diminution in value is recognised as "other operating expenses" in profit or loss and disclosed in note 25 to the financial statements.

Fair value measurement and valuation processes

The Group carries its hotel properties [note 9] and investment properties [note 10] 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, investment method, capitalisation method, discounted cash flow method and residual land value method) which involve certain estimates and significant unobservable inputs which are disclosed in notes 9 and 10. 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 the residual land value method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of the property under development. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. 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 9 and 10 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. In prior years, TAHAUD has not been taxed on income received from the trust as it had unutilised losses brought forward which can be used to offset against future taxable income arising from the distribution of income from GHT subject to satisfying the relevant loss recoupment tests. At the end of the reporting period, TAHAUD had estimated aggregate tax loss of A$Nil (2014: tax losses of A$1,432,000) or equivalent to $Nil (2014: tax losses of $1,538,000).

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

Deferred tax liabilities arising from increase in the carrying amount of investment in Grand Hotel Group (cont'd)

The estimates of available tax losses are dependent on a number of assumptions, such as the nature and deductibility of expenses, the calculation of tax base which involves adjustment of certain historical cost with inflation factor and the determination of whether there is thin capitalisation which may result in the inability to claim tax deduction for finance cost. In making these estimates on the amount of tax losses available, the Group has taken advice from certain tax specialists.

The Group has also in turn estimated deferred tax liability arising from an increase in the carrying amount of its investments in GHG amounting to A$27,469,000 (2014: A$23,816,000) or equivalent to $27,969,000 (2014: $25,576,000) [note 17]. 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.

Recoverability of investments in and amounts due from subsidiaries in the Company's financial statements

Investments in subsidiaries and amounts due from subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets have been subsequently determined based on fair value less costs to sell. As a result of above assessment, the Company made a net impairment loss of $1,178,000 (2014: $11,240,000) for investments in subsidiaries and a net impairment loss of $1,520,000 (2014: $20,639,000) for amounts due from subsidiaries. The carrying amounts of investments in subsidiaries and amounts due from subsidiaries are disclosed in notes 11 and 15 to the financial statements respectively.

Allowance for doubtful receivables

Allowance for doubtful receivables is 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 and ongoing dealings with them. 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 is 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 FRS 108 are as follows:

Segment	**Principal activities**
Property	Development of properties for sale, property investment and provision of property management services.
Hotels Investment	Investment in hotels in Australia through Grand Hotel Group ("GHG").
Industrial Services	Trading and marketing of industrial commodities, distribution of tyres and re-treading of tyres, as well as manufacturing of polypropylene woven bags.
Other Investments	Investments in GulTech, a printed circuit boards manufacturer with operations in Singapore and China, and Pan-West, a retailer of golf-related products.
Corporate and Others	Provision of corporate-level services.

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. Corporate and Others are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

4 SEGMENT INFORMATION (CONT'D)

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

Segment revenue and results

	Property $'000	Hotels Investment[1] $'000	Industrial Services $'000	Other Investments[2] $'000	Corporate and Others[3] $'000	Inter-Segment Eliminations $'000	Total Consolidated $'000
2015							
Revenue:							
External revenue	403,121	145,479	128,342	–	180	–	677,122
Inter-segment revenue	904	–	–	–	51,066	(51,970)	–
	404,025	145,479	128,342	–	51,246	(51,970)	677,122
Results							
Gross profit	80,534	44,349	6,108	–	43,896	(33,024)	141,863
Other operating income	2,375	309	722	–	7,557	(7,543)	3,420
Distribution costs	(1,758)	–	(2,597)	–	–	–	(4,355)
Administrative expenses	(6,744)	(9,772)	(3,690)	(3)	(2,277)	(3,186)	(25,672)
Other operating expenses	(9,343)	(574)	(157)	–	(2,709)	2,698	(10,085)
Share of results of equity accounted investees	–	–	–	6,803	–	–	6,803
Finance income	4,851	85	983	–	3,974	(5,635)	4,258
Finance costs	(9,556)	(19,679)	(24)	–	(3,877)	5,607	(27,529)
Profit before tax and fair value adjustments	60,359	14,718	1,345	6,800	46,564	(41,083)	88,703
Fair value adjustments	1,167	(9,096)	–	(120)	–	–	(8,049)
Profit before tax	61,526	5,622	1,345	6,680	46,564	(41,083)	80,654
Income tax expenses	(11,087)	(373)	(59)	–	(16)	–	(11,535)
Profit for the year	50,439	5,249	1,286	6,680	46,548	(41,083)	69,119
Profit attributable to:							
Owners of the Company	50,440	5,249	999	6,680	46,548	(41,083)	68,833
Non-controlling interests	(1)	–	287	–	–	–	286
Profit for the year	50,439	5,249	1,286	6,680	46,548	(41,083)	69,119

Notes:
1. Revenue reported under "Hotels Investment" relates to GHG's results after it was acquired on 2 December, 2014 [note 29].
2. No revenue is reported under "Other Investments" as the Group equity accounts for its investments in GulTech and Pan-West.
3. "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.

4 SEGMENT INFORMATION (CONT'D)

Segment revenue and results (cont'd)

	Property $'000	Hotels Investment[1] $'000	Industrial Services $'000	Other Investments[2] $'000	Corporate and Others[3] $'000	Inter-Segment Eliminations $'000	Total Consolidated $'000
2014							
Revenue:							
External revenue	202,215	12,023	140,347	–	180	–	354,765
Inter-segment revenue	807	–	–	–	9,339	(10,146)	–
	203,022	12,023	140,347	–	9,519	(10,146)	354,765
Results							
Gross profit	53,575	3,322	7,621	–	2,507	1,601	68,626
Other operating income	1,596	26,991	352	205	22,978	(22,945)	29,177
Distribution costs	(1,501)	–	(2,729)	–	–	–	(4,230)
Administrative expenses	(5,585)	(1,226)	(3,886)	(12)	(1,956)	(3,537)	(16,202)
Other operating expenses	(4,940)	(18,192)	(156)	(136)	(37,161)	37,159	(23,426)
Share of results of equity accounted investees	–	8,049	–	11,936	–	–	19,985
Finance income	4,953	185	758	27	872	(2,035)	4,760
Finance costs	(7,028)	(3,374)	(28)	–	(790)	2,034	(9,186)
Profit before tax and fair value adjustments	41,070	15,755	1,932	12,020	(13,550)	12,277	69,504
Fair value adjustments	3,264	3,685	–	(480)	–	–	6,469
Profit before tax	44,334	19,440	1,932	11,540	(13,550)	12,277	75,973
Income tax expenses	(7,753)	(6,478)	(107)	(1)	(48)	–	(14,387)
Profit for the year	36,581	12,962	1,825	11,539	(13,598)	12,277	61,586
Profit attributable to:							
Owners of the Company	36,580	12,962	1,409	11,539	(13,598)	12,277	61,169
Non-controlling interests	1	–	416	–	–	–	417
Profit for the year	36,581	12,962	1,825	11,539	(13,598)	12,277	61,586

Notes:
1. Revenue reported under "Hotels Investment" relates to GHG's results after it was acquired on 2 December, 2014 [note 29].
2. No revenue is reported under "Other Investments" as the Group equity accounts for its investments in GulTech and Pan-West.
3. "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.

NOTES TO THE FINANCIAL STATEMENTS

4 SEGMENT INFORMATION (CONT'D)

Segment assets, liabilities and other segment information

	Property $'000	Hotels Investment[1] $'000	Industrial Services $'000	Other Investments[2] $'000	Corporate and Others $'000	Total Consolidated $'000
2015						
Assets						
Segment assets	**1,430,010**	**638,507**	**83,549**	**14**	**(61,086)**	**2,090,994**
Investments in equity accounted investees	**–**	**–**	**–**	**71,511**	**–**	**71,511**
Total assets	**1,430,010**	**638,507**	**83,549**	**71,525**	**(61,086)**	**2,162,505**
Liabilities						
Segment liabilities	**(58,176)**	**(23,572)**	**(26,970)**	**(5,909)**	**(3,853)**	**(118,480)**
Loans and borrowings	**(667,137)**	**(359,793)**	**–**	**–**	**(79,404)**	**(1,106,334)**
Income tax payable and deferred tax liabilities	**(20,072)**	**(29,746)**	**(288)**	**(24)**	**(104)**	**(50,234)**
Total liabilities	**(745,385)**	**(413,111)**	**(27,258)**	**(5,933)**	**(83,361)**	**(1,275,048)**
Net assets	**684,625**	**225,396**	**56,291**	**65,592**	**(144,447)**	**887,457**
Other information						
Capital expenditure	**184**	**2,723**	**412**	**–**	**–**	**3,319**
Depreciation of property, plant and equipment	**148**	**7,108**	**445**	**–**	**–**	**7,701**
Allowance for diminution in value for development properties	**8,935**	**–**	**–**	**–**	**–**	**8,935**
Revaluation gain of property	**–**	**(22,447)**	**–**	**–**	**–**	**(22,447)**
Fair value (gain)/loss on investment properties	**(1,167)**	**9,096**	**–**	**–**	**–**	**7,929**
Fair value loss on financial instruments	**–**	**–**	**–**	**120**	**–**	**120**
2014						
Assets						
Segment assets	1,496,391	669,452	76,516	16	966	2,243,341
Investments in equity accounted investees	–	–	–	62,981	–	62,981
Total assets	1,496,391	669,452	76,516	62,997	966	2,306,322
Liabilities						
Segment liabilities	(52,806)	(31,340)	(21,304)	(60)	(2,047)	(107,557)
Loans and borrowings	(886,523)	(379,074)	–	–	(79,275)	(1,344,872)
Income tax payable and deferred tax liabilities	(13,854)	(26,264)	(560)	(29)	(139)	(40,846)
Total liabilities	(953,183)	(436,678)	(21,864)	(89)	(81,461)	(1,493,275)
Net assets	543,208	232,774	54,652	62,908	(80,495)	813,047
Other information						
Capital expenditure	305	102	424	–	–	831
Depreciation of property, plant and equipment	230	381	467	–	–	1,078
Share of revaluation gain of property	–	(2,173)	–	–	–	(2,173)
Fair value gain on investment properties	(3,264)	(3,076)	–	–	–	(6,340)
Fair value (gain)/loss on financial instruments	–	(609)	–	480	–	(129)

Notes:

1. Capital expenditure and depreciation reported under "Hotels Investment" relates to GHG's results after it was acquired on 2 December, 2014 [note 29].
2. No capital expenditure and depreciation are reported under "Other Investments" as the Group equity accounts for its investment in GulTech and Pan-West.

4 **SEGMENT INFORMATION (CONT'D)**

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 are based on the geographical location of the assets.

	Revenue from customers		Non-current assets	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Singapore	**469,237**	255,192	**923,595**	900,881
Australia[(1)]	**145,479**	12,023	**614,430**	638,185
China	**16,586**	21,388	**6,811**	6,665
Malaysia	**16,863**	16,804	**1,789**	2,261
Indonesia	**13,453**	22,529	**–**	–
Europe	**7,452**	13,016	**–**	–
Other ASEAN countries[(2)]	**6,811**	12,157	**–**	–
Others	**1,241**	1,656	**–**	–
	677,122	354,765	**1,546,625**	1,547,992

Notes:

1. Revenue reported under "Australia" relates to GHG's results after it was acquired on 2 December, 2014 [note 29].
2. Other ASEAN countries comprise Vietnam, Cambodia, Brunei and Laos with revenue constituting not more than 1% of total Group revenue for each country.

Other segment information

The Group does not have any single major customer that contributes 10% or more to the Group's revenue.

5 **CASH AND BANK BALANCES**

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Cash at banks and on hand	**80,102**	40,115	**431**	356
Fixed deposits	**37,365**	79,765	**–**	–
Amounts held under the Housing Developers (Project Account) Rules	**24,250**	132,390	**–**	–
	141,717	252,270	**431**	356

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 0.1% to 4.3% per annum (2014: 0.5% to 4.9% per annum) and for tenures ranging from 7 to 360 days (2014: 7 to 360 days).

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.

Cash and bank balances amounting to $48,547,000 (2014: $82,556,000) for the Group was pledged to banks to secure credit facilities. Information relating to the Group's loans and borrowings are disclosed in note 13 to the financial statements.

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 33 to the financial statements.

5 CASH AND BANK BALANCES (CONT'D)

Cash and cash equivalents

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

	Group	
	2015 $'000	**2014 $'000**
Cash and cash equivalents per consolidated statement of cash flows		
Cash and bank balances (as per statements of financial position)	**141,717**	252,270
Encumbered fixed deposit and bank balances	**(36,042)**	(64,856)
	105,675	187,414

As at 31 December 2015, the Group had cash and cash equivalents placed with banks in China amounting to $82,777,000 (2014: $76,115,000), of which $32,550,000 (2014: $63,172,000) was pledged to a bank as security for banking facilities in Singapore. The repatriation of these cash into Singapore is subject to the Foreign Exchange Control Regulations in China.

6 TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**
Trade					
Trade debtors		**94,953**	48,153	**–**	–
Less: Allowance for doubtful receivables		**(272)**	(228)	**–**	–
		94,681	47,925	**–**	–
Amounts due from related parties	16	**5,805**	4,001	**–**	–
		100,486	51,926	**–**	–
Non-trade					
Deposits		**6,099**	12,207	**73**	73
Prepayments		**3,183**	3,354	**141**	111
Interest receivables		**30**	5,890	**–**	–
Sundry debtors		**6,995**	5,678	**–**	–
Advances to suppliers		**3,936**	–	**–**	–
Tax recoverable		**125**	120	**–**	–
		20,368	27,249	**214**	184
Less: Allowance for doubtful receivables		**(77)**	(78)	**(72)**	(72)
		20,291	27,171	**142**	112
Amount due from related parties	16	**13,613**	8,323	**–**	–
		33,904	35,494	**142**	112
		134,390	87,420	**142**	112

Trade Debtors

Included in the trade debtors were unbilled receivables of $44,929,000 (2014: $Nil) related to the remaining sales consideration on completed development properties for sale.

Deposits in respect of acquisition of lands

Included in the carrying amount of deposits as at 31 December 2015 were deposits amounting to $5,186,000 (2014: $6,251,000) relating to land acquisition in Jiaozhou, China. This includes a plot of land of approximately 60,200 square metre (2014: 60,200 square metre) which had been secured by the Group pending the issuance of the land title deeds. The deposit has been assessed to be placed with a counterparty that is creditworthy and accordingly, no allowance for potential non-recovery of the deposit is required.

Tender deposits relating to Gilstead Court of $1,000,000 included in 2014 had been refunded during the year.

Amounts due from related parties – trade

Included in the carrying amount as at 31 December 2015 were unbilled revenue of $221,000 (2014: $27,000) relating to rent-free periods given to a related party lessee as incentive [note 16].

Details of collateral

As at 31 December 2015, trade and other receivables amounting to $10,736,000 (2014: $12,772,000) 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 13 to the financial statements.

6 TRADE AND OTHER RECEIVABLES (CONT'D)

Analysis of allowance for doubtful receivables:

		Group		Company	
	Note	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**
Allowance for doubtful receivables					
Trade		**(272)**	(228)	**–**	–
Non-trade		**(77)**	(78)	**(72)**	(72)
		(349)	(306)	**(72)**	(72)
At 1 January		**(306)**	(2,785)	**(72)**	(72)
Exchange differences on consolidation		**2**	(20)	**–**	–
Acquisition of subsidiary	29	**–**	(21)	**–**	–
Amounts written off		**152**	2,519	**–**	–
Allowance (made)/written back, net	25	**(197)**	1	**–**	–
At 31 December		**(349)**	(306)	**(72)**	(72)

The carrying amount of trade and other receivables approximates their fair values at the end of the reporting year. Further details regarding the exposure to foreign currency denominated trade and other receivables are disclosed in note 33 to the financial statements.

Analysis of trade receivables

Trade receivables are non-interest bearing and are generally on 7 to 120 days (2014: 7 to 120 days) credit terms. 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.

The Group's trade receivables that were impaired at the end of the reporting period and the allowance for doubtful receivables are disclosed below:

	Group	
	2015 $'000	**2014 $'000**
Trade receivables, net		
Not past due and not impaired	**81,455**	40,603
Past due but not impaired(i)	**19,031**	11,323
	100,486	51,926
Impaired receivables – collectively assessed(ii)	**254**	219
Less: Allowance for doubtful receivables	**(254)**	(219)
	–	–
Impaired receivables – individually assessed		
Past due for more than 36 months or no response to repayment demands(ii)	**18**	9
Less: Allowance for doubtful receivables	**(18)**	(9)
	–	–
	100,486	51,926

Notes:

(i) Aging of trade receivables that were past due but not impaired:		
< 3 months	**10,854**	10,598
3 months to 6 months	**4,321**	442
6 months to 12 months	**3,513**	89
> 12 months	**343**	194
	19,031	11,323

(ii) The amounts stated were before deduction for impairment losses.

6 TRADE AND OTHER RECEIVABLES (CONT'D)

Analysis of trade receivables (cont'd)

The Group had trade receivables amounting to $19,031,000 (2014: $11,323,000) that were past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is disclosed in note (i) above.

Trade and other receivables that are individually assessed to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

Allowances for doubtful trade and other receivables are recognised for the estimated irrecoverable amounts from the sale of goods and services rendered. These allowances for doubtful trade and other receivables are determined by assessing the profile of debtors and after considering recovery prospects. Further details regarding the credit risk for trade and other receivables are disclosed in note 33(c) to the financial statements.

7 INVENTORIES

	Group		
	At cost $'000	At net realisable value $'000	Total $'000
2015			
Raw materials	**906**	**–**	**906**
Work-in-progress	**963**	**–**	**963**
Finished goods	**1,537**	**235**	**1,772**
	3,406	**235**	**3,641**
2014			
Raw materials	1,127	–	1,127
Work-in-progress	1,246	–	1,246
Finished goods	1,698	416	2,114
	4,071	416	4,487

The net realisable values of inventories were stated net of allowance of $196,000 (2014: $150,000).

During the year, an allowance for inventory obsolescence amounting to $89,000 (2014: $75,000) was recognised as "other operating expenses" in profit or loss [note 25].

Details of collateral

As at 31 December 2015, inventories amounting to $831,000 (2014: $786,000) 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 13 to the financial statements.

8 DEVELOPMENT PROPERTIES

	Group	
	2015 $'000	2014 $'000
Properties in the course of development	**303,680**	383,722
Land held for future development	**19,235**	26,242
	322,915	409,964
Completed properties held for sale	**13,217**	4,189
	336,132	414,153
Represented by:		
Properties in the course of development in Singapore	**303,680**	383,722
Land held for future development in China	**19,235**	26,242
Completed properties in Singapore	**8,945**	–
Completed properties in China	**4,272**	4,189
	336,132	414,153

8 DEVELOPMENT PROPERTIES (CONT'D)

Development properties comprise properties in the course of development and land held for future development, 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.

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

		Group	
	Note	**2015 $'000**	**2014 $'000**
Land cost		**341,639**	477,219
Development cost incurred to-date		**143,847**	124,022
Interest and others		**21,088**	23,513
		506,574	624,754
Add: Attributable profit		**106,993**	79,851
Less: Progress billings received and receivable		**(281,773)**	(294,641)
Less: Allowance for diminution in value		**(8,879)**	–
		322,915	409,964
Allowance for diminution in value			
At 1 January		**–**	–
Exchange difference on consolidation		**56**	–
Allowance made	25	**(8,935)**	–
At 31 December		**(8,879)**	–

Interest costs capitalised during the year was $4,831,000 (2014: $4,948,000) at effective interest rate ranging from 1.7% to 2.6% per annum (2014: 1.1% to 1.4% per annum) [note 23].

The following table provides information on properties in the course of development of which revenue is recognised on transfer of significant risks and rewards of ownership at completion and as construction progresses respectively:

	Group	
	2015 $'000	**2014 $'000**
Transfer of significant risks and rewards of ownership at completion:		
Land cost	**25,357**	24,875
Development cost incurred to-date	**818**	802
Interest and others	**739**	565
Less: Allowance for diminution in value	**(7,679)**	–
	19,235	26,242
Continuous transfer of significant risks and rewards of ownership as construction progresses:		
Cost incurred plus attributable profit	**586,653**	678,363
Progress billings received and receivable	**(281,773)**	(294,641)
Less: Allowance for diminution in value	**(1,200)**	–
	303,680	383,722
	322,915	409,964

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 the 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, an allowance for diminution in value for development properties of $8,935,000 (2014: $Nil) is recognised as "other operating expenses" in profit or loss [note 25].

8 **DEVELOPMENT PROPERTIES (CONT'D)**

Details of collateral

As at 31 December 2015, development properties amounting to $312,625,000 (2014: $383,722,000) 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 13 to the financial statements.

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

Included in the development properties was a carrying amount of $7,679,000 (2014: $15,053,000) 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 $7,679,000 (2014: $Nil) was made based on management's best estimate on net realisable value of the development site.

List of development properties

As at 31 December 2015, 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							
Sennett Residence, Pheng Geck Avenue Singapore	Condominium/ townhouses of 332 units and 3 shop units (309 units 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 (24 units sold)	Shelford Properties Pte Ltd	Freehold	4,544	6,997	2016	100%
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%
Land adjacent to Huangjiahe Reservoir, Shandong Province, China	Mainly Residential	Qingdao Shenyang Property Co. Ltd.	70 years (residential)/ 40 years (commercial) from 2011/2013	119,244	**	**	100%
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%
Seletar Park Residence, Seletar Road Singapore	Condominium of 276 units (272 units booked/ sold)	Asplenium Land Pte Ltd	99 years from 2011	17,456	26,862	2015	100%

* Pending renewal of expired certificate for construction site planning

** Master plans are in progress

9 PROPERTY, PLANT AND EQUIPMENT

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost or valuation:						
At 1 January 2015		**366,170**	**4,953**	**35,658**	**1,276**	**408,057**
Exchange differences on consolidation		**(18,966)**	**(120)**	**(3,273)**	**(22)**	**(22,381)**
Additions		**–**	**4**	**3,035**	**280**	**3,319**
Disposals		**–**	**–**	**(568)**	**(158)**	**(726)**
Write-offs		**–**	**–**	**(3,349)**	**–**	**(3,349)**
Reclassification in between		**214**	**–**	**(214)**	**–**	**–**
Revaluation		**19,788**	**–**	**–**	**–**	**19,788**
At 31 December 2015		**367,206**	**4,837**	**31,289**	**1,376**	**404,708**
At 1 January 2014		498	10,733	7,987	869	20,087
Exchange differences on consolidation		(17,945)	56	(2,658)	(4)	(20,551)
Acquisition of subsidiary	29	383,617	–	30,423	–	414,040
Additions		–	6	606	219	831
Disposals		–	(5,264)	(32)	–	(5,296)
Write-offs		–	(245)	(809)	–	(1,054)
Reclassification in between		–	(333)	141	192	–
At 31 December 2014		366,170	4,953	35,658	1,276	408,057
Comprising						
At 31 December 2015:						
At cost		**498**	**4,837**	**31,289**	**1,376**	**38,000**
At valuation		**366,708**	**–**	**–**	**–**	**366,708**
		367,206	**4,837**	**31,289**	**1,376**	**404,708**
At 31 December 2014:						
At cost		498	4,953	35,658	1,276	42,385
At valuation		365,672	–	–	–	365,672
		366,170	4,953	35,658	1,276	408,057

9 PROPERTY, PLANT AND EQUIPMENT (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 2015		**298**	**906**	**4,976**	**893**	**7,073**
Exchange differences on consolidation		**(44)**	**(64)**	**(1,687)**	**(23)**	**(1,818)**
Depreciation	25	**2,405**	**74**	**5,085**	**137**	**7,701**
Disposals		**–**	**–**	**(398)**	**(149)**	**(547)**
Write-offs		**–**	**–**	**(3,349)**	**–**	**(3,349)**
Revaluation		**(2,659)**	**–**	**–**	**–**	**(2,659)**
At 31 December 2015		**–**	**916**	**4,627**	**858**	**6,401**
At 1 January 2014		–	1,414	6,320	570	8,304
Exchange differences on consolidation		–	52	(1,290)	(4)	(1,242)
Depreciation	25	298	20	643	117	1,078
Disposals		–	(2)	(29)	–	(31)
Write-offs		–	(245)	(791)	–	(1,036)
Reclassification in between		–	(333)	123	210	–
At 31 December 2014		298	906	4,976	893	7,073
Accumulated impairment:						
At 1 January 2015		**–**	**3,098**	**–**	**–**	**3,098**
Exchange differences on consolidation		**–**	**60**	**–**	**–**	**60**
At 31 December 2015		**–**	**3,158**	**–**	**–**	**3,158**
At 1 January 2014		–	8,279	–	–	8,279
Exchange differences on consolidation		–	81	–	–	81
Disposals		–	(5,262)	–	–	(5,262)
At 31 December 2014		–	3,098	–	–	3,098
Carrying amount:						
At 31 December 2015		**367,206**	**763**	**26,662**	**518**	**395,149**
At 31 December 2014		365,872	949	30,682	383	397,886

Included in building and freehold land is freehold land with a carrying amount of $198,022,000 (2014: $197,463,000) 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 impairment loss was made in 2015 and 2014 as a result of such assessment.

Details of collateral

As at 31 December 2015, property, plant and equipment amounting to $391,970,000 (2014: $394,414,000) 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 13 to the financial statements.

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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 a valuation carried out by 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 2015, 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 $22,447,000 (2014: share of revaluation gain of $2,173,000) was recognised in other comprehensive income [note 28].

There were no transfers between different levels in 2015 and 2014 during the year. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2015 and 2014 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2015			
Grand			
Hyatt Melbourne	Capitalisation Approach	Capitalisation rate(2)	6.75%
121-131 Collins Street	Discounted Cash Flow	Discount rate(2)	9.25% – 10.25%
Melbourne, Victoria	Approach	Terminal yield rate(2)	6.25% – 7.25%
Hyatt			
Regency Perth	Capitalisation Approach	Capitalisation rate(2)	7.25%
87-123 Adelaide Terrace	Discounted Cash Flow	Discount rate(2)	9.50% – 10.50%
East Perth	Approach	Terminal yield rate(2)	7.00% – 8.00%
Western Australia			
2014			
Grand	Direct Comparison Method	Per hotel room(1)	$515,000 – $537,000
Hyatt Melbourne			(A$479,000-A$500,000)
121-131 Collins Street	Capitalisation Approach	Capitalisation rate(2)	7.0%
Melbourne, Victoria	Discounted Cash Flow	Discount rate(2)	9.75% – 10.75%
	Approach	Terminal yield rate(2)	6.75% – 7.75%
Hyatt	Direct Comparison Method	Per hotel room(1)	$268,500 – $295,300
Regency Perth	Capitalisation Approach	Capitalisation rate(2)	8.5%
87-123 Adelaide Terrace	Discounted Cash Flow	Discount rate(2)	10.50% – 11.50%
East Perth	Approach	Terminal yield rate(2)	7.50% – 8.50%
Western Australia			

(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.

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

List of hotel properties

The carrying amount of the Group's hotel properties as at 31 December 2015 included in Property, plant and equipment are set out below. The non-hotel properties are accounted for under investment properties [note 10].

Name of property	Description	Tenure	Land area (sq. m)	Group's effective equity interest	2015 A$'000[1]	2014 A$'000[1]	2015 S$'000	2014 S$'000
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 10].	Freehold	5,776	100%	**300,405**	269,282	**305,872**	289,182
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 10].	Freehold	25,826	100%	**82,430**	95,810	**83,930**	102,890
					382,835	365,092	**389,802**	392,072

* Acquired on 2 December 2014 [note 29].

[1] Figures in A$ are for information.

10 INVESTMENT PROPERTIES

	Note	Completed investment properties $'000	Investment properties under redevelopment $'000	Total $'000
Group				
At 1 January 2015		**725,920**	**357,012**	**1,082,932**
Exchange differences on consolidation		**(12,246)**	**–**	**(12,246)**
Development costs		**218**	**13,934**	**14,152**
Net loss from fair value adjustments	24	**(8,648)**	**719**	**(7,929)**
At 31 December 2015		**705,244**	**371,665**	**1,076,909**
At 1 January 2014		479,773	344,352	824,125
Exchange differences on consolidation		(11,786)	–	(11,786)
Acquisition of subsidiary	29	253,329	–	253,329
Development costs		1,460	12,540	14,000
Net gain from fair value adjustments	24	3,144	120	3,264
At 31 December 2014		725,920	357,012	1,082,932
Company				
At 31 December 2015		**498**	**–**	**498**
At 31 December 2014		498	–	498

10 INVESTMENT PROPERTIES (CONT'D)

	Group 2015 $'000	Group 2014 $'000
Represented by:		
Completed investment properties in Singapore	**478,450**	477,950
Completed investment properties in Australia	**220,176**	241,483
Completed investment properties in China	**6,618**	6,487
Investment properties under development in Singapore	**371,665**	357,012
	1,076,909	1,082,932

Fair value adjustment

The Group's investment properties are stated at fair value as at 31 December 2015, 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, fair value loss amounting to $7,929,000 (2014: fair value gain of $3,264,000) was recognised in profit or loss [note 24].

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 2015, 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 in 2015 and 2014.

Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2015 and 31 December 2014 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2015			
Singapore			
Robinson Point 39 Robinson Road Singapore	Direct Comparison Method Investment Method	Price per square metre of lettable area(1) Net income margin*(1) Capitalisation rate(2)	$22,600 – $37,700 75% – 85% 2.0% – 3.75%
The Oxley 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Direct Comparison Method	Price per square metre of strata floor area(1)	$26,500 – $29,100
Century Warehouse 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)	$7,000 – $12,700
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area(1)	$5,800 – $7,900 $6,000 – $8,700 (ground floor)
Far East Finance Building #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area(1)	$26,300 – $35,000

10 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustment (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Singapore (cont'd)			
Robinson Tower redevelopment site	Residual Land Value Method	Gross development value per square metre[1]	Office: \$25,300 – \$39,000 Retail: \$64,700 – \$130,000
		Developer profit[2]	10%
	Direct Comparison Method	Land sale per square metre per plot ratio[1]	\$9,800 – \$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]#	\$10,000
		Remaining construction period[2]	2.5 years
Australia			
Fortescue Centre & Carpark (being part of the Hyatt Regency complex)	Capitalisation Method	Capitalisation rate[2]	8.25%
	Discounted Cash Flow Method	Discount rate[2]	8.75% – 9.25%
		Terminal yield rate[2]	8.25% – 8.75%
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex	Capitalisation Method	Capitalisation rate[2]	Retail: 5.50%
	Discounted Cash Flow Method	Discount rate[2]	Retail: 7.25% – 7.75% Carpark: 8.00% – 8.50%
		Terminal yield rate[2]	Retail: 5.50% – 6.00% Carpark: 6.50% – 7.00%
China			
No. 2950 ChunShen Road Shanghai, China	Direct Comparison Method	Price per square metre of gross floor area[1]	\$3,700 – \$5,000

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2014			
Singapore			
Robinson Point 39 Robinson Road Singapore	Direct Comparison Method	Price per square metre of net lettable area[1]	\$23,400 – \$30,500
	Investment Method	Net income margin*[1]	75% – 84%
		Capitalisation rate[2]	3.0% – 3.75%
The Oxley 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	\$21,300 – \$32,300
Century Warehouse 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]	\$6,800 – \$10,500
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	\$6,400 – \$6,700 \$6,700 – \$11,000 (ground floor)

10 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustment (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Singapore (cont'd)			
Far East Finance Building #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area(1)	\$25,300 – \$35,300
Robinson Tower redevelopment site	Residual Land Value Method	Gross development value per square metre(1)	Office: \$23,400 – \$35,300 Retail: \$64,700 – \$68,900
		Developer profit(2)	10%
		Land sale per square metre per plot ratio(1)	\$9,600 – \$12,000
		Construction cost per square metre of gross floor area(2)	\$5,800
		Total development cost (exclude land cost) per square metre of gross floor area(2)#	\$8,700
		Remaining construction period(2)	2.5 years
Australia			
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex	Direct Comparison Method	Price per bay(1)	Carpark: \$26,600 - \$105,700
	Capitalisation Method	Capitalisation rate(2)	Retail: 5.75% – 6.75%
	Discounted Cash Flow Method	Discount rate(2)	Retail: 8.00% – 8.50% Carpark: 8.25% – 8.75%
		Terminal yield rate(2)	Retail: 6.25% – 6.75% Carpark: 7.25% – 7.75%
Fortescue Centre & Carpark (being part of the Perth Hyatt Regency complex)	Direct Comparison Method	Price per square metre of net lettable area(1)	\$5,500 – \$7,700
	Capitalisation Method	Capitalisation rate(2)	8.5% – 9.5%
	Discounted Cash Flow Method	Discount rate(2)	9.0% – 9.5%
		Terminal yield rate(2)	9.0% – 9.5%
China			
No. 2950 ChunShen Road Shanghai, China	Direct Comparison Method	Price per square metre of gross floor area(1)	\$1,800 – \$4,700

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

Generally, a change in the assumption made for the estimated net income margin (per square metre per annum) is accompanied by a similar change in the income growth per annum and capitalisation rate.

10 INVESTMENT PROPERTIES (CONT'D)

Operating lease disclosure

Rental income from the Group's investment properties which were all leased under operating leases amounted to $33,916,000 (2014: $17,102,000) [note 21]. Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $7,003,000 (2014: $4,279,000). Information on operating lease commitments is disclosed in note 31 to the financial statements.

Details of collateral

As at 31 December 2015, investment properties amounting to $1,070,291,000 (2014: $1,076,445,000) 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 13 to the financial statements.

List of completed investment properties

The carrying amounts of completed investment properties held by the Group as at 31 December 2015 are as follows:

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	2015 $'000	2014 $'000
Singapore						
Robinson Point 39 Robinson Road Singapore	A 21-storey commercial building with 3 levels of carpark	Freehold	15,724^	100%	**352,000**	351,500
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%	**63,300**	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
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%	**13,450**	13,450
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%	**9,300**	9,300
					478,450	477,950

10 INVESTMENT PROPERTIES (CONT'D)

List of completed investment properties (cont'd)

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	2015 A$'000[1]	2014 A$'000[1]	2015 S$'000	2014 S$'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%	**118,000**	107,855	**120,148**	115,826
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%	**98,240**	117,010	**100,028**	125,657
					216,240	224,865	**220,176**	241,483

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	2015 RMB'000[1]	2014 RMB'000[1]	2015 S$'000	2014 S$'000
China								
No. 2950 ChunShen Road Shanghai, China	A 3-storey commercial building	58 years from 2008	2,170	100%	**30,500**	30,500	**6,619**	6,487

^ Gross floor area

* Acquired on 2 December 2014 [note 29]

1 Figures in A$ and RMB are for information.

List of investment property under redevelopment

The carrying amount of investment property under redevelopment as at 31 December 2015 is as follows:

Name of property	Description	Tenure	Planned gross floor area (sq. m)	Group's effective equity interest	2015 $'000	2014 $'000
Singapore						
Robinson Tower redevelopment site	Proposed 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%	**371,665**	357,012

The Group is in the course of redeveloping the site where the previous Robinson Towers, its annex and the immediately adjacent International Factors Building were as a single commercial development as indicated above.

Interest costs capitalised during the year was $3,811,000 (2014: $2,932,000) at effective interest rate of 2.5% per annum (2014: 1.9% per annum) [note 23].

11 INVESTMENTS IN SUBSIDIARIES

	Company	
	2015	**2014**
	$'000	**$'000**
Quoted shares, at cost	**115,976**	115,976
Unquoted shares, at cost	**557,540**	548,917
Loan to a subsidiary	**79,404**	–
Deemed investment arising from financial guarantees	**46,925**	46,176
	799,845	711,069
Less: Allowance for impairment loss	**(137,945)**	(136,767)
	661,900	574,302
Fair value of investment in a subsidiary for which there are published price quotations	**30,961**	28,146

Details of the Company's significant subsidiaries are disclosed in note 34 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 FRS 39 *Financial Instruments: Recognition and Measurement*. The deemed income is amortised over the period of the guarantees. The unamortised financial guarantee fee of $6,722,000 (2014: $13,492,000) is disclosed under the Company's non-trade payables in note 14 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.

Analysis of allowance for impairment

	Company	
	2015	**2014**
	$'000	**$'000**
Allowance for impairment loss		
At 1 January	**(136,767)**	(125,527)
Allowance for impairment loss	**(1,178)**	(16,518)
Reversal of impairment	**–**	5,278
	(1,178)	(11,240)
At 31 December	**(137,945)**	(136,767)

During the year, impairment loss amounting to $1,178,000 (2014: $16,518,000) 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. The impairment loss of $9,400,000 in 2014 was made in respect of a subsidiary that was liquidated in 2015. In addition, there was a reversal of impairment amounting to $Nil (2014: $5,278,000) 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 at rates ranging from 4.5% to 6.5% per annum.

11 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the Group as at 31 December 2015 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiaries 2015	2014
Development of properties for sale, property investment and provision of property management services.	Singapore and China	**26**	27
Investment in hotels in Australia through Grand Hotel Group ("GHG").	Australia	**4**	4
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	**5**	5
		35	36

Non-wholly owned subsidiaries

Information about the composition of non-wholly owned subsidiaries of the Group as at 31 December 2015 is as follows:

Principal activity	Country of incorporation and operation	Number of non-wholly owned subsidiaries 2015	2014
Trading and marketing of selected industrial commodities, distribution of tyres and re-treading of tyres	Singapore, Malaysia	**9**	10
Property development	Singapore	**1**	1
Manufacture and sale of polypropylene woven bags	Malaysia	**1**	1
		11	12

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

Name of subsidiary	Country of incorporation and principal place of business	Effective equity interest & voting power held by non-controlling interests 2015	2014	Profit/(loss) allocated to non-controlling interests 2015 $'000	2014 $'000	Accumulated non-controlling interests 2015 $'000	2014 $'000
SP Corporation Limited and subsidiaries	Various	**19.8%**	19.8%	**290**	422	**9,977**	9,425
Individually immaterial subsidiary with non-controlling interests	Malaysia	**2.1%**	2.1%	**(4)**	(5)	**675**	704
				286	417	**10,652**	10,129

11 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Non-wholly owned subsidiaries (cont'd)

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

	2015 $'000	2014 $'000
Current assets	**76,193**	68,446
Non-current assets	**530**	305
Current liabilities	**(26,335)**	(21,127)
Non-current liabilities	**(24)**	(26)
Equity attributable to owners	**50,364**	47,598
Revenue for the year	**119,675**	131,913
Net profit for the year	**1,466**	2,131

12 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

	Group	
	2015 $'000	2014 $'000
Unquoted equity shares, at cost	**72,240**	72,240
Exchange differences on consolidation	**5,212**	771
Share of post-acquisition results and reserves, net of dividends and distributions received	**(5,941)**	(10,030)
	71,511	62,981

Equity accounted investees

The Group equity accounted for Gul Technologies Singapore Pte Ltd ("GulTech") and Pan-West (Private) Limited. Details of the Group's significant associates as at 31 December 2015 are disclosed in note 35 to the financial statements.

The Group's share of net assets and total comprehensive income of equity accounted investees are set out below:

		Group	
	Note	2015 $'000	2014 $'000
Share of net assets			
At 1 January		**62,981**	208,159
Exchange differences on consolidation		**4,557**	3,073
Change in interest in a joint venture	29	**–**	(167,297)
Share of total comprehensive income (refer to below)		**6,683**	27,852
Adjustment arising from selective capital reduction of an associate	25	**–**	(136)
Reclassification		**5,853**	–
Distributions		**(8,563)**	(8,670)
At 31 December		**71,511**	62,981
Share of total comprehensive income			
Share of results before fair value adjustments		**6,803**	19,985
Share of fair value gain on investment properties	24	**–**	3,076
Share of fair value gain on financial instruments	24	**(120)**	129
		(120)	3,205
Share of net profit		**6,683**	23,190
Share of asset revaluation reserve	28	**–**	2,173
Share of cash flow hedging account	28	**–**	2,489
Share of other comprehensive income		**–**	4,662
Share of total comprehensive income for the year		**6,683**	27,852

12 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (CONT'D)

Equity accounted investees (cont'd)

Details of asset revaluation reserve and cash flow hedging account are disclosed in note 19 to the financial statements. Share of capital commitments of equity accounted investees are disclosed in note 31 to the financial statements.

GulTech

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

	2015 US$'000[1]	2014 US$'000[1]	2015 S$'000	2014 S$'000
Current assets	**171,874**	186,085	**241,620**	246,277
Non-current assets	**164,957**	165,216	**231,897**	218,614
Current liabilities	**(101,793)**	(121,455)	**(143,101)**	(160,708)
Non-current liabilities	**(59,381)**	(30,140)	**(83,477)**	(39,881)
Non-controlling interests	**(61,295)**	(82,752)	**(86,169)**	(109,497)
Equity attributable to owners	**114,362**	116,954	**160,770**	154,755
Revenue for the year	**242,946**	275,198	**334,294**	347,354
Net profit for the year	**10,918**	20,668	**15,023**	26,087

[1] Figures in US$ are for information.

Pan-West

The Group had recognised its share of losses of $5,853,000 being the corporate guarantees given to certain banks in exchange for bank balances drawn by Pan-West and its subsidiary. Other than the afore-mentioned corporate guarantees, the Group had no other commitments in relation to Pan-West. Accordingly, its share of accumulated losses of Pan-West amounting to $4,078,000 (2014: $2,687,000) as at the end of the year is not recognised.

13 LOANS AND BORROWINGS

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Short-term borrowings				
Bank loans	**428,924**	195,347	**–**	–
Long-term borrowings				
Bank loans	**598,006**	1,070,250	**–**	–
Notes issued under MTN Programme	**79,404**	79,275	**79,404**	79,275
	677,410	1,149,525	**79,404**	79,275
Total borrowings	**1,106,334**	1,344,872	**79,404**	79,275
Represented by:				
Interest-bearing liabilities	**1,108,370**	1,348,039	**80,000**	80,000
Capitalised interest costs	**(2,036)**	(3,167)	**(596)**	(725)
	1,106,334	1,344,872	**79,404**	79,275

13 LOANS AND BORROWINGS (CONT'D)

Security profile

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Secured borrowings				
Current	**428,924**	195,347	**–**	–
Non-current	**598,006**	1,070,250	**–**	–
	1,026,930	1,265,597	**–**	–
Unsecured borrowings				
Non-current	**79,404**	79,275	**79,404**	79,275
	1,106,334	1,344,872	**79,404**	79,275

The Group had a loan of $198,110,000 due in March 2016. At the end of the reporting period, the Group refinanced the loan with the maturity date extended to November 2018. The required approval for the re-financing was obtained prior to the reporting date. The signed letter of refinancing was obtained on January 5, 2016.

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.

Notes issued under the MTN Programme comprise of fixed rate notes (the "Note") amounting to S$80,000,000 which will mature on 14 October 2019. The Notes are unsecured, bear a fixed interest rate of 4.50% per annum payable semi-annually in arrear. At the end of the reporting period, the fair value of the Note approximates its carrying amount.

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 7], development properties [note 8], property, plant and equipment [note 9], investment properties [note 10] and covered by corporate guarantees [note 32].

Interest rate profile

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Loans and borrowings				
Fixed rate	**79,404**	79,275	**79,404**	79,275
Variable rate	**1,026,930**	1,265,597	**–**	–
	1,106,334	1,344,872	**79,404**	79,275

The Group's exposure to fair value interest rate risk is disclosed in note 33(b) to the financial statements as at 31 December 2015.

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 note 33(a) and 33(d) respectively to the financial statements.

Loan maturity profile

The non-current borrowings are generally repayable from 30 November 2018 to 11 September 2026 (2014: 8 February 2016 to 11 September 2026). Information relating to the maturity profile of the Group's loans and borrowings is disclosed in note 33(d) to the financial statements.

14 TRADE AND OTHER PAYABLES

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Trade					
Trade payables		**46,750**	37,776	**88**	228
Amounts due to related parties	16	**4,113**	5,485	**–**	–
		50,863	43,261	**88**	228
Non-trade					
Other creditors		**16,749**	23,003	**139**	277
Other provisions		**4,990**	5,995	**–**	–
Less: non-current portion		**(362)**	(423)	**–**	–
		4,628	5,572	**–**	–
Advanced billings		**11,673**	4,676	**–**	–
Accrued operating expenses		**29,427**	27,777	**2,921**	907
Accrued interest expenses		**3,312**	2,499	**779**	779
Financial guarantees to subsidiaries	11	**–**	–	**6,722**	13,492
Amounts due to related parties	16	**562**	346	**12**	10
		66,351	63,873	**10,573**	15,465
		117,214	107,134	**10,661**	15,693

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 120 days (2014: 7 to 120 days) credit terms. The Group manages liquidity risk of trade payables primarily by maintaining sufficient cash and credit facilities [note 33].

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 33 to the financial statements.

15 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company 2015 $'000	Company 2014 $'000
Amounts due from subsidiaries – non-trade	**307,918**	386,963
Less: Allowance for impairment	**(22,170)**	(20,650)
	285,748	366,313
Amounts due to subsidiaries – non-trade	**(292,716)**	(322,278)

Analysis of allowance for impairment

	Company 2015 $'000	Company 2014 $'000
Allowance for impairment		
At 1 January	**(20,650)**	(11)
Allowance made	**(1,520)**	(20,642)
Write back of allowance	**–**	3
	(1,520)	(20,639)
At 31 December	**(22,170)**	(20,650)

15 AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONT'D)

Analysis of allowance for impairment (cont'd)

Advances from and to subsidiaries are unsecured and are repayable on demand. Interest is charged at rate ranging from 1.08% to 3.0% per annum on interest-bearing advances.

During the year, allowance for impairment of $1,520,000 (2014: $20,642,000) and a reversal of allowance for impairment loss of $Nil (2014: $3,000) was made for amounts due from subsidiaries. The above assessment is after taking into account the current financial position of the subsidiaries. The allowance for impairment of $1,520,000 (2014: $20,642,000) was made for a subsidiary due to decrease in net asset value of underlying interest at the reporting date.

16 AMOUNTS DUE FROM/(TO) RELATED PARTIES

		Group		Company	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Amounts due from:					
Other related parties					
Other related parties, trade		**5,805**	4,001	**–**	–
Other related parties, non-trade		**5,178**	384	**–**	–
Refundable deposits with other related parties		**8,435**	7,939	**–**	–
		19,418	12,324	**–**	–
Total		**19,418**	12,324	**–**	–
Presented as:					
Amounts due from related parties, trade	6	**5,805**	4,001	**–**	–
Amounts due from related parties, non-trade	6	**13,613**	8,323	**–**	–
		19,418	12,324	**–**	–
Amounts due to:					
Associates					
Associates, trade		**(3)**	(3)	**–**	–
Associates, non-trade		**(10)**	(10)	**(10)**	(10)
		(13)	(13)	**(10)**	(10)
Other related parties					
Other related parties, trade		**(4,110)**	(5,482)	**–**	–
Other related parties, non-trade		**(552)**	(336)	**(2)**	–
		(4,662)	(5,818)	**(2)**	–
Total		**(4,675)**	(5,831)	**(12)**	(10)
Presented as:					
Amounts due to related parties, trade	14	**(4,113)**	(5,485)	**–**	–
Amounts due to related parties, non-trade	14	**(562)**	(346)	**(12)**	(10)
		(4,675)	(5,831)	**(12)**	(10)

The Company's major shareholder is Nuri Holdings (S) Pte Ltd ("Nuri"), incorporated in Singapore. Related companies are the companies in which the shareholders of Nuri and their family members have a controlling interest in. Related parties include 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 30 to the financial statements.

Amounts due from/(to) other related parties

Included in the non-trade amounts due from related parties is a refundable deposit of US$6,000,000 or equivalent to $8,435,000 (2014: $7,939,000) placed by SP Corp, a listed subsidiary of the Group to secure coal supply allocation with a coal mine which is a related company as defined above.

16 AMOUNTS DUE FROM/(TO) RELATED PARTIES (CONT'D)

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

The deposit is subject to yearly renewal by mutual agreement between the two parties. It is secured by a corporate guarantee issued by the holding company of the related company and bears an effective interest of 4.8% (2014: 4.6%) per annum. The deposit has been assessed as having been placed with a counterparty that is creditworthy and accordingly no allowance for potential non-recovery of this deposit is required.

Included in the other related parties, non-trade was an amount of $4,897,000 (2014: $Nil) which is an advance to a related party for coal order placement. The remaining trade and non-trade amounts due from/(to) other related parties were unsecured, interest-free, and repayable within normal trade terms.

17 DEFERRED TAX ASSETS AND LIABILITIES

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

	Group	
	2015 $'000	**2014 $'000**
Deferred tax assets and liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**278**	395
Profit recognised on percentage of completion of development properties for sale	**13,542**	7,619
Revaluation of property	**1,450**	1,421
Foreign income not remitted and which will be subject to tax if remitted in the future	**23,838**	23,430
Unutilised tax losses	**1,826**	(348)
Others	**(1,659)**	(1,680)
	39,275	30,837
Represented by:		
Deferred tax assets	**(3,045)**	(4,179)
Deferred tax liabilities	**42,320**	35,016
	39,275	30,837

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 follows:

	Note	Accelerated tax depreciation $'000	Deferred development costs $'000	Revaluation of property $'000	Foreign income not remitted $'000	Unutilised tax losses $'000	Others $'000	Total $'000
Group								
At 1 January 2015		**395**	**7,619**	**1,421**	**23,430**	**(348)**	**(1,680)**	**30,837**
Exchange differences on consolidation		**(31)**	**–**	**29**	**(1,267)**	**(14)**	**113**	**(1,170)**
Transfer to income tax payable upon completion of development property		**–**	**(2,486)**	**–**	**–**	**–**	**–**	**(2.486)**
Charged to profit or loss	26	**(86)**	**8,409**	**–**	**(4,773)**	**2,188**	**(92)**	**5,646**
Charged to other comprehensive income	28	**–**	**–**	**–**	**6,448**	**–**	**–**	**6,448**
At 31 December 2015		**278**	**13,542**	**1,450**	**23,838**	**1,826**	**(1,659)**	**39,275**

17 DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

	Note	Accelerated tax depreciation $'000	Deferred development costs $'000	Revaluation of property $'000	Foreign income not remitted $'000	Unutilised tax losses $'000	Others $'000	Total $'000
At 1 January 2014		463	1,613	1,407	22,444	(2,331)	(105)	23,491
Exchange differences on consolidation		(6)	–	14	(1,201)	(5)	(50)	(1,248)
Acquisition of subsidiary	29	–	–	–	–	–	(2,091)#	(2,091)
Charged to profit or loss	26	(62)	6,006	–	1,595	1,988	566	10,093
Charged to other comprehensive income	28	–	–	–	592	–	–	592
At 31 December 2014		395	7,619	1,421	23,430	(348)	(1,680)	30,837

\# Acquired on 2 December 2014 [note 29]. Amount relates to deferred tax assets arising from employee benefits.

Deferred tax liabilities relating to equity interest in GHG
Deferred tax liabilities include an amount of $27,969,000 (2014: $25,576,000) 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 $244,000 (2014: $236,000). 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 $36,926,000 (2014: $47,824,000) which were available for carry forward and set-off against future taxable income. A deferred tax asset had been recognised on tax losses of $11,358,000 (2014: $12,663,000), whereas no deferred tax asset had been recognised in respect of the remaining tax losses of $25,568,000 (2014: $35,161,000) due to the unpredictability of the relevant future profit streams.

At the end of the reporting year, the Group had, subject to the agreement by the tax authorities, capital allowances of $2,401,000 (2014: $2,196,000) which were available for carry forward and set-off against future taxable income. Future tax benefits arising from these unutilised capital allowances had not been recognised in the financial statements as there was no reasonable certainty of their recovery in the future years.

18 SHARE CAPITAL

	Group and Company			
	2015	2014	2015	2014
	Number of ordinary shares ('000)		$'000	$'000
Issued and paid up:				
At 1 January	**1,176,156**	1,172,740	**169,260**	168,190
Shares issued under Scrip Dividend Scheme	**2,669**	3,416	**970**	1,070
At 31 December	**1,178,825**	1,176,156	**170,230**	169,260

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 2,669,072 (2014: 3,416,310) ordinary shares at an issue price of 36.3 cents (2014: 31.3 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 0.5 cent per share for the financial year ended 31 December 2014.

19 RESERVES

	Group		Company	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Asset revaluation reserve	**94,534**	78,806	**–**	–
Foreign currency translation account	**(23,722)**	(18,592)	**–**	–
Other capital reserves:				
– Non-distributable capital reserves	**117,692**	111,052	**101,264**	101,264
– Cash flow hedging account	**(1,350)**	(717)	**–**	–
	116,342	110,335	**101,264**	101,264
Revenue reserve	**519,421**	463,109	**294,427**	253,759
	706,575	633,658	**395,691**	355,023

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; 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 capital reduction reserve of the Company and share of enterprise expansion fund reserve of an associate, GulTech.

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.

20 DIVIDEND

	Group and Company	
	2015	2014
	$'000	$'000
Tax-exempt one-tier first and final dividend paid in respect of the previous year		
Cash	**4,911**	4,794
Share	**970**	1,070
	5,881	5,864

The directors proposed a tax-exempt one-tier first and final dividend of 0.6 cent per share (2014: 0.5 cent per share) amounting to $7,073,000 (2014: $5,881,000), 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 2015. The Tuan Sing Scrip Dividend Scheme will be applicable to this proposed dividend.

21 REVENUE

	Note	Group 2015 $'000	Group 2014 $'000
Sale of products		**125,749**	137,517
Sale of development properties		**384,658**	184,075
Rental income of investment properties	10	**33,916**	17,102
Hotel operations and related income		**126,788**	10,271
Services rendered		**5,547**	5,287
Others		**464**	513
		677,122	354,765

Revenue represents the invoiced value of goods and services supplied. Intra-group revenue is eliminated on consolidation and is excluded from Group revenue. During the year, $384,658,000 (2014: $177,546,000) was recognised as revenue based on the percentage of completion method.

22 FINANCE INCOME

	Group 2015 $'000	Group 2014 $'000
Interest income on bank deposits	**3,198**	4,061
Interest income from debtors	**610**	319
Interest income from related parties	**450**	380
	4,258	4,760

23 FINANCE COSTS

	Note	Group 2015 $'000	Group 2014 $'000
Interest expense on loans and borrowings		**35,211**	16,598
Amortisation of capitalised finance costs		**960**	468
		36,171	17,066
Less: Amounts capitalised			
– Development properties	8	**(4,831)**	(4,948)
– Investment properties	10	**(3,811)**	(2,932)
		(8,642)	(7,880)
		27,529	9,186

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

24 FAIR VALUE ADJUSTMENTS

	Note	Group 2015 $'000	Group 2014 $'000
Fair value (loss)/gain from:			
Subsidiaries		**(7,929)**	3,264
Share of equity accounted investees	12	**(120)**	3,205
		(8,049)	6,469
Represented by:			
Fair value (loss)/gain in respect of:			
– investment properties		**(7,929)**	6,340
– financial instrument		**(120)**	129
		(8,049)	6,469

The fair value adjustment is analysed as follows:

	Note	Group Gross $'000	Group Deferred tax $'000	Group Net $'000
2015				
Fair value (loss)/gain on investment properties				
Subsidiaries	10	**(7,929)**	**2,723**	**(5,206)**
Fair value loss on financial instruments				
Share of equity accounted investees	12	**(120)**	**–**	**(120)**
		(8,049)	**2,723**	**(5,326)**
2014				
Fair value gain on investment properties				
Subsidiaries	10	3,264	–	3,264
Share of equity accounted investees	12	3,076	(876)	2,200
		6,340	(876)	5,464
Fair value gain on financial instruments				
Share of equity accounted investees	12	129	(174)	(45)
		6,469	(1,050)	5,419

25 PROFIT BEFORE TAX

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

	Group	
	2015	**2014**
	$'000	**$'000**
Depreciation of property, plant and equipment		
[included in cost of sales, distribution costs, administrative expenses]	**7,701**	1,078
Net (gain)/loss on disposal of property, plant and equipment		
[included in other operating income/(expenses)]	**(62)**	3
Plant and equipment written off		
[included in other operating expenses]	**–**	18
Allowance for diminution in value for development properties		
[included in other operating expenses]	**8,935**	–
Allowance/(write-back of allowance) for doubtful receivables, net		
[included in other operating income/(expenses)]	**197**	(1)
Allowance for inventory obsolescence, net		
[included in other operating income/(expenses)]	**89**	75
Adjustment arising from selective capital reduction of an associate		
[included in other operating expenses]	**–**	136
Negative goodwill on acquisition		
[included in other operating income]	**–**	(26,924)
Acquisition related expenses		
[included in other operating expenses]	**–**	17,759
Foreign exchange gain, net		
[included in other operating income/(expenses)]	**(168)**	(372)
Cost of inventories recognised as an expense	**122,232**	132,727
Auditors' remuneration		
Audit fees		
– Auditors of the Company	**322**	318
– Other auditors	**185**	207
Non-audit fees		
– Auditors of the Company	**67**	49
– Other auditors	**551**	143
Directors' remuneration		
Of the Company		
– Salaries and wages	**1,511**	1,459
Of the subsidiaries		
– Salaries and wages	**1,946**	2,189
– Defined contribution plans	**52**	55
	3,509	3,703
Employees benefit expenses (excluding directors' remuneration)		
– Salaries and wages	**12,652**	12,273
– Defined contribution plans	**940**	808
– Others	**28**	15
	13,620	13,096

Non-audit fees for 2015 relates mainly to tax compliance and tax consultancy services incurred in China, Indonesia and Australia of which $415,000 was for work performed in 2014. The Audit and Risk Committee had 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.

26 INCOME TAX EXPENSES

	Note	Group 2015 $'000	Group 2014 $'000
Current income tax			
– Singapore		**2,606**	1,285
– Foreign		**3,540**	279
– (Over)/Under provision in prior years		**(819)**	2,695
		5,327	4,259
Withholding tax expense		**562**	35
Deferred tax	17	**5,646**	10,093
		11,535	14,387

Singapore income tax is calculated at 17% (2014: 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 2015 $'000	Group 2014 $'000
Profit before income tax	**80,654**	75,973
Income tax calculated at 17% (2014: 17%)	**13,711**	12,915
Adjustments:		
Share of results of equity-accounted investees	**(1,136)**	(3,942)
Expenses not deductible for tax purposes	**2,282**	2,894
Tax losses not recognised as deferred tax assets	**602**	39
Tax losses not available for set-off against future income	**4**	13
Different tax rates of subsidiaries operating in other jurisdictions	**341**	8,040
Income that is not subject to tax	**(2,143)**	(3,030)
Utilisation of tax losses and capital allowance previously unrecognised	**(1,950)**	(4,949)
(Over)/Under provision in prior years	**(819)**	2,695
Withholding tax expense	**562**	35
Others	**81**	(323)
	11,535	14,387

27 EARNINGS PER SHARE

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

	Note	Group		
		Before fair value adjustments $'000	**Fair value adjustments $'000**	**After fair value adjustments $'000**
2015				
Profit before tax		**88,703**	**(8,049)**	**80,654**
Income tax expenses	26	**(14,258)**	**2,723**	**(11,535)**
Profit for the year		**74,445**	**(5,326)**	**69,119**
Less:				
Non-controlling interests		**(286)**	**–**	**(286)**
Profit attributable to owners of the Company		**74,159**	**(5,326)**	**68,833**
2014				
Profit before tax		69,504	6,469	75,973
Income tax expenses	26	(13,337)	(1,050)	(14,387)
Profit for the year		56,167	5,419	61,586
Less:				
Non-controlling interests		(417)	–	(417)
Profit attributable to owners of the Company		55,750	5,419	61,169

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	
	2015 $'000	**2014 $'000**
Profit attributable to owners of the Company		
Before fair value adjustments	**74,159**	55,750
Fair value adjustments	**(5,326)**	5,419
After fair value adjustments	**68,833**	61,169
Basic and diluted earnings per share (cents)		
Excluding fair value adjustments	**6.3**	4.7
Including fair value adjustments	**5.8**	5.2
Weighted average number of ordinary shares (in '000 shares) for the purpose of computation of basic and diluted earnings per share	**1,177,545**	1,174,518

There is no dilutive ordinary share in 2015 and 2014.

28 OTHER COMPREHENSIVE INCOME

		Group		
	Note	Before tax $'000	Deferred tax $'000	After tax $'000
2015				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of property	9	**22,447**	**(6,719)**	**15,728**
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**(4,893)**	**–**	**(4,893)**
Cash flow hedging account		**(904)**	**271**	**(633)**
		16,650	**(6,448)**	**10,202**
2014				
Other comprehensive loss				
Items that will not be reclassified subsequently to profit or loss				
Share of asset revaluation reserve of equity accounted investees	12	2,173	(276)	1,897
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(7,020)	–	(7,020)
Share of cash flow hedging account of equity accounted investees	12	2,489	(316)	2,173
		(2,358)	(592)	(2,950)

During the year, the Group entered into 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.

29 ACQUISITION OF SUBSIDIARY

Business combination in 2014

On 2 December 2014, the Group acquired the remaining 50% interest in Grand Hotel Group ("GHG") through its wholly-owned subsidiary, Tuan Sing Real Estate Pty Limited for a cash consideration of A$125,752,000 (equivalent to S$140,373,000). The Group previously held a 50% interest in GHG and had equity-accounted for the investment. GHG owns two hotel properties in Australia, namely, Grand Hyatt Melbourne and Hyatt Regency Perth. With this acquisition, GHG has since become wholly owned by the Group.

GHG comprises Grand Hotel Trust and its controlled entities (collectively known as "GHT") and Grand Hotel Company Limited and its controlled entities (collectively known as "GHC"). The units in GHT are stapled to the shares in GHC.

An amount of $26,924,000 was recognised as negative goodwill and included in other operating income in profit or loss, being the excess of the fair value of the net assets acquired over the purchase consideration [note 25].

Between 2 December 2014 and 31 December 2014, the acquired business contributed revenue of $12,023,000 and profit of $1,574,000 to the Group's results. Had the business combination taken place at the beginning of the year, the Group's revenue for the year would have increased by $145,436,000 and the Group's profit for the year would have increased by $11,833,000.

29 ACQUISITION OF SUBSIDIARY (CONT'D)

Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

	2014 $'000
Current assets	
Cash and bank balances	38,056
Trade and other receivables	13,941
Inventories	771
Non-current assets	
Property, plant and equipment	414,040
Investment properties	253,329
Deferred tax assets	2,206
Current liabilities	
Trade and other payables	(28,802)
Income tax payable	(173)
Non-current liabilities	
Long term borrowings	(358,259)
Deferred tax liabilities	(115)
Other non-current liabilities	(400)
Total net identified assets at fair value	334,594
Fair value of amount previously equity accounted for as a joint venture	(167,297)
Consideration paid	(140,373)
Negative goodwill	26,924

Acquisition-related costs

In 2014, acquisition-related costs of $17,759,000 had been excluded from the consideration paid and were recognised as "other operating expenses" in profit or loss [note 25]. Stamp duty formed the bulk of the acquisition-related costs in 2014.

Net cash outflow on acquisition of subsidiary

	2014 $'000
Consideration paid	140,373
Less: Cash and bank balances acquired	(38,056)
Net cash outflow on acquisition	102,317

30 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	
	2015 $'000	**2014 $'000**
Transactions with major shareholders		
Sale of products and services rendered	**4,763**	9,847
Sale of a development property	**952**	783
Rental income	**1,779**	1,344
Interest income	**450**	352
Purchase of products	**(37,285)**	(46,058)
Transactions with associates		
Management fee income	**180**	180
Rental income	**344**	344
Interest income	**–**	28
Purchase of products	**–**	(100)
Transactions with Directors of the Company and their associates		
Sale of development properties	**1,897**	1,035

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.

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 between 1 month and 26 months (2014: 1 to 25 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	
	2015 $'000	**2014 $'000**
Commitment with major shareholders		
Sale of development properties	**645**	3,494
Operating leases		
– Within one year	**2,758**	998
– After one year but not more than five years	**4,282**	1,572
– After five years	**2,822**	3,212
	9,862	5,782

Remuneration of directors and key management personnel

	Group	
	2015 $'000	**2014 $'000**
Short-term benefits and fees	**3,457**	3,648
Post-employment benefits (defined contribution plan)	**52**	55
	3,509	3,703

31 COMMITMENTS

Capital commitments

	Group	
	2015	**2014**
	$'000	**$'000**
Development and investment properties expenditure contracted for but not provided in the financial statements	**183,671**	165,804
Capital expenditure contracted for but not provided in the financial statements	**1,375**	1,676
Share of commitments of equity-accounted investees		
– Capital expenditure contracted for but not provided in the financial statements	**227**	1,890
– Acquisition of shares	**18,725**	–

Share of commitment on acquisition of shares

On 31 December 2015, the Company's 44.5%-owned associated company, Gul Technologies Singapore Ltd, has through its wholly-owned subsidiary, Gultech International Pte Ltd, entered into an agreement with a related company, Anhui Prime Cord Fabrics Company Ltd, to acquire the remaining 38.6% of the issued share capital of Gultech (Suzhou) Electronics Co., Ltd for a cash consideration of S$42,098,000 (RMB194,000,000). The Group's share of commitment in the acquisition is S$18,725,000 (RMB86,291,000).

Operating lease commitments – where the Group is a lessor

The Group entered 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 one and twelve years (2014: one and nine 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	
	2015	**2014**
	$'000	**$'000**
Within one year	**32,120**	29,928
After one year but not more than five years	**52,086**	69,503
After five years	**3,249**	7,378
	87,455	106,809

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 $343,000 (2014: $503,000).

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	
	2015	**2014**
	$'000	**$'000**
Within one year	**459**	750
After one year but not more than five years	**–**	423
	459	1,173

31 COMMITMENTS (CONT'D)

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	
	2015 $'000	2014 $'000
Foreign currency forward contracts	**18,900**	11,400

In 2015 and 2014, the change in the fair value of non-hedging currency derivative was insignificant and hence its amount was not charged to profit or loss.

32 CONTINGENT LIABILITIES

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	**–**	–	**637,928**	837,879

The Group recognised a financial guarantee of $5,853,000 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 12]. As the liabilities had been recognised, there were no contingent liabilities as at the reporting date.

33 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 – 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 note 33(a) and 33(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 note 33(a) and note 33(b) to the financial statements.

33 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments

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

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Financial assets				
Loans and receivables (including cash and bank balances)	**272,924**	336,336	**286,180**	366,670
Financial liabilities				
Loans and payables – amortised cost	**1,212,237**	1,447,754	**376,059**	403,754
Financial guarantee contracts	**–**	–	**6,722**	13,492
	1,212,237	1,447,754	**382,781**	417,246
Derivative financial instruments	**904**	–	**–**	–
	1,213,141	1,447,754	**382,781**	417,246

(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. 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 Corp, 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 31 to the financial statements.

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

33 **FINANCIAL RISK MANAGEMENT (CONT'D)**

(a) **Currency risk (cont'd)**

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 $'000	USD $'000	AUD $'000	Others $'000
Group				
At 31 December 2015				
Financial assets				
Cash and bank balances	**176**	**7,227**	**1**	**63**
Trade and other receivables	**74**	**620**	**–**	**90**
	250	**7,847**	**1**	**153**
Financial liabilities				
Trade and other payables	**(19,248)**	**(4,222)**	**–**	**–**
Net financial (liabilities)/assets	**(18,998)**	**3,625**	**1**	**153**
Less:				
Forward foreign exchange contracts	**18,900**	**–**	**–**	**–**
Net currency exposure	**(98)**	**3,625**	**1**	**153**
At 31 December 2014				
Financial assets				
Cash and bank balances	2,595	6,171	1,123	9
Trade and other receivables	72	1,562	–	85
	2,667	7,733	1,123	94
Financial liabilities				
Trade and other payables	(18,090)	(5,491)	–	–
Net financial (liabilities)/assets	(15,423)	2,242	1,123	94
Less:				
Forward foreign exchange contracts	11,400	–	–	–
Net currency exposure	(4,023)	2,242	1,123	94

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:

	2015		2014	
	AUD $'000	MYR $'000	AUD $'000	MYR $'000
Company				
Financial assets				
Amounts due from subsidiaries	**–**	**489**	–	434
Financial liabilities				
Amounts due to subsidiaries	**(228)**	**–**	(228)	–
Net currency exposure	**(228)**	**489**	(228)	434

33 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Currency risk (cont'd)

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		AUD		Others	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**
Group								
Profit or loss	**37**	402	**(363)**	(224)	**(1)**	(112)	**(15)**	(9)
Company								
Profit or loss	**–**	–	**–**	–	**23**	23	**(49)**	(43)

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) Cash flow and fair value interest rate risk

Cash flow 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. Fair value interest rate risk is the risk that the fair value of a financial instrument may fluctuate due to such changes.

The Group's exposure to cash flow 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 33(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 $9,610,000 (2014: decrease or increase by $12,438,000).

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.

33 **FINANCIAL RISK MANAGEMENT (CONT'D)**

(c) **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.

There was no significant concentration of credit risk with respect to trade receivables at the end of the reporting year because of the Group's large number of customers who are in turn geographically dispersed and from a fairly diverse spectrum of industries. 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 and the guarantees given by the Group to banks in respect of bank facilities utilised by an associate.

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

	Group	
	2015 **$'000**	**2014** **$'000**
By geographical area		
Singapore	**76,011**	26,762
Australia	**3,815**	4,827
China	**4,221**	4,230
Malaysia	**2,847**	1,943
Indonesia	**12,970**	12,789
USA	**238**	152
Other ASEAN countries	**53**	625
Others	**331**	598
	100,486	51,926
By type of customers		
Related parties	**5,805**	4,001
Non-related parties	**94,681**	47,925
	100,486	51,926
By industry sector		
Property	**49,586**	5,212
Hotel	**4,472**	6,247
Industrial services	**46,428**	40,467
	100,486	51,926

33 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) 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.

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 or less than 1 year $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Group							
31 December 2015							
Non-interest bearing	**–**	**105,541**	**362**	**–**	**–**	**–**	**105,903**
Fixed interest rate instruments	**4.5**	**3,600**	**3,600**	**86,420**	**–**	**(14,216)**	**79,404**
Variable interest rate instruments	**1.7-3.4**	**443,871**	**7,812**	**598,688**	**6,532**	**(29,973)**	**1,026,930**
		553,012	**11,774**	**685,108**	**6,532**	**(44,189)**	**1,212,237**
31 December 2014							
Non-interest bearing	–	102,458	423	–	–	–	102,881
Fixed interest rate instruments	4.5	3,600	3,600	90,021	–	(17,946)	79,275
Variable interest rate instruments	1.1-3.5	210,650	687,273	384,102	7,610	(24,037)	1,265,598
		316,708	691,296	474,123	7,610	(41,983)	1,447,754
Company							
31 December 2015							
Non-interest bearing	**–**	**296,655**	**–**	**–**	**–**	**–**	**296,655**
Fixed interest rate instruments	**4.5**	**3,600**	**3,600**	**86,420**	**–**	**(14,216)**	**79,404**
Financial guarantee contracts	**–**	**637,928**	**–**	**–**	**–**	**(631,206)**	**6,722**
		938,183	**3,600**	**86,420**	**–**	**(645,422)**	**382,781**
31 December 2014							
Non-interest bearing	–	324,479	–	–	–	–	324,479
Fixed interest rate instruments	4.5	3,600	3,600	90,021	–	(17,946)	79,275
Financial guarantee contracts	–	837,879	–	–	–	(824,387)	13,492
		1,165,958	3,600	90,021	–	(842,333)	417,246

33 **FINANCIAL RISK MANAGEMENT (CONT'D)**

(d) **Liquidity risk (cont'd)**

Analysis for liquidity and interest risk – non-derivative financial liabilities (cont'd)

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 were claimed by the counterparty to the various guarantees, was $637,928,000 (2014: $837,879,000). The earliest time that a guarantee could be called is as and when the guarantee is claimed by the counterparty.

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 $5,853,000 (2014: $5,853,000). 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 $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Group							
31 December 2015							
Non-interest bearing	**–**	**134,875**	**736**	**–**	**10**	**–**	**135,621**
Variable interest rate instruments	**0.1-0.3**	**65,946**	**–**	**–**	**–**	**(9)**	**65,937**
Fixed interest rate instruments	**0.3-4.8**	**39,064**	**–**	**32,550**	**–**	**(248)**	**71,366**
		239,885	**736**	**32,550**	**10**	**(257)**	**272,924**
31 December 2014							
Non-interest bearing	–	85,128	2,499	–	10	–	87,637
Variable interest rate instruments	0.2-1.3	27,916	–	–	–	(11)	27,905
Fixed interest rate instruments	0.3-4.7	221,156	–	–	–	(362)	220,794
		334,200	2,499	–	10	(373)	336,336
Company							
31 December 2015							
Non-interest bearing	**–**	**286,180**	**–**	**–**	**–**	**–**	**286,180**
31 December 2014							
Non-interest bearing	–	366,670	–	–	–	–	366,670

33 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

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 $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Group						
31 December 2015						
Gross settled:						
Foreign exchange forward contracts	**271**	**–**	**–**	**–**	**–**	**271**
31 December 2014						
Gross settled:						
Foreign exchange forward contracts	(106)	–	–	–	–	(106)

(e) 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.

(f) 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.

33 FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Capital risk (cont'd)

The capital structure of the Group consists of loans and borrowings disclosed in note 13, issued capital, reserves and retained earnings disclosed in notes 18 and 19 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 13, less cash and bank balances as disclosed in note 5 to the financial statements.

	Group	
	2015 $'000	**2014 $'000**
Total borrowings	**1,106,334**	1,344,872
Total equity	**887,457**	813,047
Gross gearing (times)	**1.25**	1.65
Net borrowings	**964,617**	1,092,602
Total equity	**887,457**	813,047
Net gearing (times)	**1.09**	1.34

34 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 2015 %	2014 %
Significant subsidiaries directly held by the Company					
Asiaview Properties Pte Ltd		Property investment	Singapore	**100**	100
Asplenium Land Pte. Ltd.		Property development	Singapore	**100**	100
Clerodendrum Land Pte. Ltd.		Property development	Singapore	**100**	100
Oxley Development Pte Ltd		Property investment	Singapore	**100**	100
SP Corporation Limited		Investment holding	Singapore	**80.2**	80.2
Superluck Properties Pte Ltd		Property investment	Singapore	**100**	100

34 LISTING OF SIGNIFICANT SUBSIDIARIES (CONT'D)

Name of company	Note	Principal activities	Country of incorporation/ establishment	Effective equity interest & voting power held by the Group 2015 %	2014 %
Significant subsidiaries indirectly held by the Company					
39 Robinson Road Pte. Ltd.		Property investment	Singapore	**100**	100
Globaltraco International Pte Ltd		Distribution of tyres	Singapore	**80.2**	80.2
Grand Hotel Group	(i)	Property investment	Australia	**100**	100
Habitat Properties (Shanghai) Ltd.	(ii)	Property development	China	**100**	100
Shelford Properties Pte Ltd		Property development	Singapore	**100**	100
SP Resources International Pte. Ltd.		Trading of industrial products	Singapore	**80.2**	80.2

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

Notes
(i) Audited by overseas practices of Deloitte Touche Tohmatsu Limited. On 2 December 2014, Grand Hotel Group became wholly-owned by the Group following its acquisition of the remaining 50% interest in GHG [note 29].
(ii) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

35 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 2015 %	2014 %
Gul Technologies Singapore Ltd	(i)	Manufacture of printed circuit boards	Singapore	**44.5**	44.5

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The information in this Appendix III has been reproduced from the statutory reports and accounts of Tuan Sing Holdings Limited and its subsidiaries for the financial year ended 31 December 2016 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

STATUTORY REPORTS AND ACCOUNTS

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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 2016.

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 114 to 190 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 2016, 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	(Chairman)
Mr William Nursalim alias William Liem	(Chief Executive Officer)
Mr Choo Teow Huat Albert	
Mr Chow Kok Kee	
Mr David Lee Kay Tuan	
Ms Michelle Liem Mei Fung	
Mr Neo Ban Chuan	(Appointed on 1 July 2016)

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:

	Shareholdings registered in name of Director		Shareholdings in which Director is deemed to have an interest	
Names of Directors and companies in which interests are held	**As at 1 January 2016**	**As at 31 December 2016**	**As at 1 January 2016**	**As at 31 December 2016**
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	–	–	546,383,829[1]	546,383,829[1]
Mr William Nursalim alias William Liem	–	–	546,383,829[1]	546,383,829[1]
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 2017.

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 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 Chow Kok Kee, 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 six times during the financial year ended 31 December 2016 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, the statement of financial position and statement of changes in equity 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

26 January 2017

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 2016, 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 114 to 190.

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 Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 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.

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

Revenue recognition from development properties in the course of construction, based on the percentage of completion ("POC") method, is a key revenue stream of the Group. The stage of completion is measured by reference to certification of the value of work performed to date by third party quantity surveyors or the total costs incurred to date as compared to the total budgeted costs of the development projects as approved by management.

Significant judgements are required to estimate the total budgeted contract costs which include estimation for variation works and any other claims from contractors. Any changes to the total budgeted contract costs will impact the percentage of completion, resulting in an impact to the revenue recognised.

Our audit performed and responses thereon

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 these development properties in the course of construction. We reviewed management's budgeted cost estimates for each of the development projects, and assessed the reasonableness of the assumptions and estimates applied by management which included key elements such as contractor costs, variation works, expected finance costs and property expenses, taking also into consideration the need by management to account for any effects of significant or unusual events that occurred during the year. In addition, we also used the value of the work performed to date, compared to the budget sheet (i.e. contract cost) and performed arithmetic computations of the POC and revenue to be recognised for the year.

We found management to have the relevant controls in place, and that the key assumptions applied by management to be reasonable based on supportable information available.

Further disclosures are made in Note 21 to the financial statements.

Valuation of completed properties held for sale

The Group has residential properties held for sale located mainly 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.

The weak demand of residential units and uncertain economic sentiments may impact and create downward pressure on the prices of these properties. There is therefore 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 challenged management on the basis used in their assessment in determining whether the Group's completed 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 its knowledge of the business in determining the estimated selling prices of the respective properties, where the management took into account the selling prices of past sales and 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 found the related disclosures to be appropriate.

Further disclosures are made in Note 8 to the financial statements.

Valuation of investment properties
The Group has investment 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 with reference to investment property under redevelopment, costs to complete and gross development value. A change in the key assumptions applied may have a significant impact to the valuation.

Our audit performed and responses thereon
We read the terms of engagement of the external valuers to consider the objectivity and independence of the external valuers, and also considered the qualification and competency of the external valuers engaged.

We considered the appropriateness of the valuation techniques used by the external valuers for the respective investment properties, taking into account the profile and type of the investment 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.

For the investment property under development, we also evaluated the Group's estimated cost of development and where relevant, agreed to third party contracts for work contracted or to supportable documents.

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 appropriate level of qualifications and experience. The valuation methodologies adopted were in line with generally accepted market practices. The key assumptions used were within reasonable range, taking into account historical rates and available industry data for comparable markets and properties. For investment property under development, the estimated total cost of development and cost of work performed were supported by third parties' construction certificates and other relevant documents. We also found that the related disclosures in the financial statements to be adequate.

Disclosures on key assumptions and valuation techniques of investment properties are found in Note 10 to the financial statements.

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, Sustainability Report, Corporate Governance and Shareholding Statistics reports, which are expected to be made available to us after that date.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

Our opinion on the financial statements does not cover the other information and we will 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 received the Directors' Statement and performed our work and 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. We have not performed our work at the date of this auditor's report.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

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.

Deloitte.

(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.

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

26 January 2017

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	Group		Company	
		2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
ASSETS					
Current assets					
Cash and bank balances	5	**163,688**	141,717	**301**	431
Trade and other receivables	6	**158,793**	134,390	**7,994**	142
Amounts due from subsidiaries	15	**–**	–	**255,467**	285,748
Inventories	7	**3,564**	3,641	**–**	–
Development properties	8	**183,232**	336,132	**–**	–
Total current assets		**509,277**	615,880	**263,762**	286,321
Non-current assets					
Property, plant and equipment	9	**419,278**	395,149	**–**	–
Investment properties	10	**1,108,652**	1,076,909	**498**	498
Investments in subsidiaries	11	**–**	–	**684,755**	661,900
Investments in equity-accounted investees	12	**83,579**	71,511	**–**	–
Deferred tax assets	17	**2,286**	3,045	**–**	–
Other non-current assets		**11**	11	**–**	–
Total non-current assets		**1,613,806**	1,546,625	**685,253**	662,398
Total assets		**2,123,083**	2,162,505	**949,015**	948,719
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	13	**3,406**	428,924	**–**	–
Trade and other payables	14	**112,333**	117,214	**20,096**	10,661
Amounts due to subsidiaries	15	**–**	–	**265,956**	292,716
Income tax payable		**22,290**	7,914	**52**	17
Total current liabilities		**138,029**	554,052	**286,104**	303,394
Non-current liabilities					
Loans and borrowings	13	**1,017,387**	677,410	**79,562**	79,404
Derivative financial instruments	28	**1,019**	904	**–**	–
Deferred tax liabilities	17	**35,730**	42,320	**–**	–
Other non-current liabilities	14	**462**	362	**–**	–
Total non-current liabilities		**1,054,598**	720,996	**79,562**	79,404
Capital, reserves and non-controlling interests					
Share capital	18	**171,306**	170,230	**171,306**	170,230
Reserves	19	**748,116**	706,575	**412,043**	395,691
Equity attributable to owners of the Company		**919,422**	876,805	**583,349**	565,921
Non-controlling interests		**11,034**	10,652	**–**	–
Total equity		**930,456**	887,457	**583,349**	565,921
Total liabilities and equity		**2,123,083**	2,162,505	**949,015**	948,719

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

STATUTORY REPORTS AND ACCOUNTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 $'000	Group 2015 $'000
Revenue	21	**404,018**	677,122
Cost of sales		**(319,634)**	(535,259)
Gross profit		**84,384**	141,863
Other operating income		**4,490**	3,420
Distribution costs		**(5,867)**	(4,355)
Administrative expenses		**(29,741)**	(25,672)
Other operating expenses		**(7,739)**	(10,085)
Share of results of an equity-accounted investee	12	**13,466**	6,803
Interest income	22	**4,465**	4,258
Finance costs	23	**(25,716)**	(27,529)
Profit before tax and fair value adjustments		**37,742**	88,703
Fair value adjustments	24	**2,336**	(8,049)
Profit before tax	25	**40,078**	80,654
Income tax expenses	26	**(6,272)**	(11,535)
Profit for the year		**33,806**	69,119
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties	28	**16,980**	22,447
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	28	**(5,094)**	(6,719)
		11,886	15,728
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	28	**4,903**	(9,450)
Share of other comprehensive income of an equity-accounted investee	28	**2,829**	4,557
Cash flow hedges	28	**(90)**	(904)
Income tax relating to components of other comprehensive income that may be reclassified subsequently	28	**27**	271
		7,669	(5,526)
Other comprehensive income for the year, net of tax	28	**19,555**	10,202
Total comprehensive income for the year		**53,361**	79,321
Profit attributable to:			
Owners of the Company		**33,585**	68,833
Non-controlling interests		**221**	286
		33,806	69,119
Total comprehensive income attributable to:			
Owners of the Company		**52,979**	78,798
Non-controlling interests		**382**	523
		53,361	79,321
Basic and diluted earnings per share (in cents)			
Including fair value adjustments	27	**2.8**	5.8
Excluding fair value adjustments	27	**2.7**	6.3

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

		Group	
	Note	2016 $'000	2015 $'000
Operating activities			
Profit before tax		**40,078**	80,654
Adjustments for:			
Fair value (gain)/loss	24	**(2,336)**	8,049
Share of results of an equity-accounted investee	12	**(13,466)**	(6,803)
Allowance for diminution in value for development properties	8	**3,649**	8,935
Depreciation of property, plant and equipment	9	**7,772**	7,701
Allowance for inventory obsolescence, net	7	**1**	89
Allowance for doubtful trade and other receivables, net	6	**52**	197
Write-back of recognised corporate guarantee no longer required	25	**(445)**	–
Net loss on liquidation of subsidiaries	25	**1,794**	–
Net loss/(gain) on disposal of property, plant and equipment	25	**5**	(62)
Interest income	22	**(4,465)**	(4,258)
Finance costs	23	**25,716**	27,529
Operating cash flows before movements in working capital		**58,355**	122,031
Development properties less progressive billings receivable		**149,759**	74,432
Inventories		**83**	362
Trade and other receivables		**(12,424)**	(51,004)
Trade and other payables		**(4,276)**	2,685
Cash generated from operations		**191,497**	148,506
Interest received		**2,129**	10,100
Income tax paid		**(3,523)**	(6,303)
Net cash from operating activities		**190,103**	152,303
Investing activities			
Purchase of property, plant and equipment	9	**(4,098)**	(3,319)
Proceeds on disposal of property, plant and equipment		**64**	241
Additions to investment properties		**(19,364)**	(10,341)
Deposit paid for acquisition of land in Batam	6	**(7,830)**	–
Dividends and distribution received from an equity-accounted investee	12	**–**	8,563
Net cash used in investing activities		**(31,228)**	(4,856)
Financing activities			
Proceeds from loans and borrowings		**98,166**	80,533
Repayment of loans and borrowings		**(192,611)**	(300,484)
Interest paid		**(34,161)**	(34,172)
Bank deposits pledged as securities for bank facilities		**(32,922)**	30,196
Dividend paid to shareholders		**(5,877)**	(4,911)
Shares bought back and cancelled	18	**(120)**	–
Net cash used in financing activities		**(167,525)**	(228,838)
Net decrease in cash and cash equivalents		**(8,650)**	(81,391)
Cash and cash equivalents at the beginning of the year		**105,675**	187,414
Foreign currency translation adjustments		**(1,129)**	(348)
Cash and cash equivalents at the end of the year	5	**95,896**	105,675

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

STATUTORY REPORTS AND ACCOUNTS

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Share capital $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total Equity $'000
Group									
At 1 January 2016		**170,230**	**(23,722)**	**94,534**	**116,342**	**519,421**	**876,805**	**10,652**	**887,457**
Total comprehensive income for the year									
Profit for the year		–	–	–	–	33,585	33,585	221	33,806
Exchange differences on translation of foreign operations	28	–	7,571	–	–	–	7,571	161	7,732
Revaluation of properties	28	–	–	16,980	–	–	16,980	–	16,980
Cash flow hedges	28	–	–	–	(90)	–	(90)	–	(90)
Income tax adjustments relating to other comprehensive income	28	–	–	(5,094)	27	–	(5,067)	–	(5,067)
Other comprehensive (loss)/ income for the year, net of tax		–	7,571	11,886	(63)	–	19,394	161	19,555
Total		–	7,571	11,886	(63)	33,585	52,979	382	53,361
Transactions with owners, recognised directly in equity									
Transfer from revenue reserve to other capital reserves		–	–	–	14,873	(14,873)	–	–	–
Issue of shares under the Scrip Dividend Scheme	18	1,196	–	–	–	–	1,196	–	1,196
Shares bought back and cancelled	18	(120)	–	–	–	–	(120)	–	(120)
Dividend paid to shareholders									
– Cash	20	–	–	–	–	(5,877)	(5,877)	–	(5,877)
– Share	20	–	–	–	–	(1,196)	(1,196)	–	(1,196)
Goodwill paid over acquiring additional shares in a member of associate	12	–	–	–	(4,365)	–	(4,365)	–	(4,365)
Total		1,076	–	–	10,508	(21,946)	(10,362)	–	(10,362)
At 31 December 2016		**171,306**	**(16,151)**	**106,420**	**126,787**	**531,060**	**919,422**	**11,034**	**930,456**

Details of "Other capital reserves" are disclosed in Note 19.

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Share capital $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total Equity $'000
Group									
At 1 January 2015		169,260	(18,592)	78,806	110,335	463,109	802,918	10,129	813,047
Total comprehensive income for the year									
Profit for the year		–	–	–	–	68,833	68,833	286	69,119
Exchange differences on translation of foreign operations	28	–	(5,130)	–	–	–	(5,130)	237	(4,893)
Revaluation of properties	28	–	–	22,447	–	–	22,447	–	22,447
Cash flow hedges	28	–	–	–	(904)	–	(904)	–	(904)
Income tax adjustments relating to other comprehensive income	28	–	–	(6,719)	271	–	(6,448)	–	(6,448)
Other comprehensive (loss)/ income for the year, net of tax		–	(5,130)	15,728	(633)	–	9,965	237	10,202
Total		–	(5,130)	15,728	(633)	68,833	78,798	523	79,321
Transactions with owners, recognised directly in equity									
Transfer from revenue reserve to other capital reserves		–	–	–	6,640	(6,640)	–	–	–
Issue of shares under the Scrip Dividend Scheme	18	970	–	–	–	–	970	–	970
Dividend paid to shareholders									
- Cash	20	–	–	–	–	(4,911)	(4,911)	–	(4,911)
- Share	20	–	–	–	–	(970)	(970)	–	(970)
Total		970	–	–	6,640	(12,521)	(4,911)	–	(4,911)
At 31 December 2015		170,230	(23,722)	94,534	116,342	519,421	876,805	10,652	887,457

Details of "Other capital reserves" are disclosed in Note 19.

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

	Note	Share capital $'000	Other capital reserve# $'000	Revenue reserve $'000	Total equity $'000
Company					
At 1 January 2016		**170,230**	**101,264**	**294,427**	**565,921**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**23,425**	**23,425**
Transactions with owners, recognised directly in equity					
Issue of shares under the Scrip Dividend Scheme	18	**1,196**	**–**	**–**	**1,196**
Dividend paid to shareholders					
– Cash	20	**–**	**–**	**(5,877)**	**(5,877)**
– Share	20	**–**	**–**	**(1,196)**	**(1,196)**
Shares bought back and cancelled	18	**(120)**	**–**	**–**	**(120)**
Total		**1,076**	**–**	**(7,073)**	**(5,997)**
At 31 December 2016		**171,306**	**101,264**	**310,779**	**583,349**
At 1 January 2015		169,260	101,264	253,759	524,283
Profit for the year, representing total comprehensive income for the year		–	–	46,549	46,549
Transactions with owners, recognised directly in equity					
Issue of shares under the Scrip Dividend Scheme	18	970	–	–	970
Dividend paid to shareholders					
– Cash	20	–	–	(4,911)	(4,911)
– Share	20	–	–	(970)	(970)
Total		970	–	(5,881)	(4,911)
At 31 December 2015		170,230	101,264	294,427	565,921

Details of "Other capital reserves" are disclosed in Note 19.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

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 Note 33 and Note 34 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 2016 were authorised for issue by the Board of Directors on 26 January 2017.

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 Financial Reporting Standards in Singapore ("FRSs").

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 FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the 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) Adoption of new and revised Standards

On 1 January 2016, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations.

The adoption of these new or revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

(c) Standards issued but not yet effective

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- FRS 109 *Financial Instruments*[2]
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)*[2]
- FRS 116 *Leases*[3]
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*[1]

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standards issued but not yet effective (cont'd)

- Amendments to FRS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*[1]

- Amendments to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]

1 Applies to annual periods beginning on or after 1 January 2017, with early application permitted.

2 Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

3 Applies to annual periods beginning on or after 1 January 2019, with earlier application permitted if FRS 115 is adopted.

4 Application has been deferred indefinitely, however, early application is still permitted.

Consequential amendments were also made to various standards as a result of these new or revised standards.

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption except for the following:

FRS 109 Financial Instruments

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments*: *Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Management anticipates that the initial application of the new FRS 109 will result in changes to the accounting policies relating to the impairment provisions of financial assets. Additional disclosures will also be made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 109.

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.

- Step 2: Identify the performance obligations in the contract.

- Step 3: Determine the transaction price.

- Step 4: Allocate the transaction price to the performance obligations in the contract.

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standards issued but not yet effective (cont'd)

FRS 115 Revenue from Contracts with Customers (cont'd)

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management anticipates that the initial application of the new FRS 115 will result in changes to the accounting policies relating to revenue recognition on sale of development properties. Additional disclosures will also be made with respect to the sale of development properties, completed property held for sale, trade receivables and revenue, including any significant judgement and estimation made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 115.

FRS 116 Leases

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance.

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 recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

Management is currently still assessing the possible impact of implementing FRS 116. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the above new FRS 116.

IFRS convergence in 2018

Singapore-incorporated companies listed on the SGX will be required to apply a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") for annual periods beginning on or after 1 January 2018. The Group will be adopting the new framework for the first time for financial year ending 31 December 2018.

Based on a preliminary assessment of the potential impact arising from IFRS 1 *First-time adoption of IFRS*, management does not expect significant changes to the Group's current accounting policies or material adjustments on transition to the new framework, other than those that may arise from implementing new/revised IFRSs as set out in the preceding paragraphs on the equivalent FRSs.

Management is currently performing a detailed analysis of the transition options and other requirements of IFRS 1. The preliminary assessment above may be subject to change arising from the detailed analysis.

(d) 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.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(d) **Basis of consolidation (cont'd)**

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 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 the 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 FRSs). 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 FRS 39 *Financial Instruments: Recognition and Measurement* 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

Business combinations (cont'd)

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 FRS 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 FRS 12 *Income Taxes* and FRS 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 FRS 102 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Asset 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 FRS.

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 and joint venture (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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

Associates and joint venture (equity-accounted investees) (cont'd)

The results of and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*.

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

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, 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(h)].

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 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 a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture 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 FRS 39. The difference between the carrying amount of the associate or joint venture 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 or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture 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 or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

Associates and joint venture (equity-accounted investees) (cont'd)

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

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

(e) 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 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(f)].

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Foreign currency transactions and translation (cont'd)

Foreign currency translation (cont'd)

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.

(f) 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 instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on 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 instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if (i) it has been acquired principally for the purpose of selling in the near future; or (ii) on initial recognition, it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or (ii) the financial asset 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 grouping is provided internally on that basis; or (iii) it forms part of a contract containing one or more embedded derivatives and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as FVTPL.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Financial assets at fair value through profit or loss (FVTPL) (cont'd)

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 32(e).

Held-to-maturity financial assets

Bonds with fixed or determinable payments and fixed maturity dates where the Group has a positive intent and ability to hold to maturity are classified as held-to-maturity financial assets. Subsequent to initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale financial assets

Certain shares and debt securities held by the Group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in Note 32(e). Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the available-for-sale monetary asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Derecognition of financial assets

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

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if (i) it has been incurred principally for the purpose of repurchasing in the near future; or (ii) it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Financial liabilities at fair value through profit or loss (FVTPL) (cont'd)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or (ii) on initial recognition, 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 grouping is provided internally on that basis; or (iii) it forms part of a contract containing one or more embedded derivatives, and FRS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other operating income and expenses' line in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 32(e).

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs [Note 2(y)].

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL, subsequently at the higher of the amount of obligation under the guarantee recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

Derivative financial instruments and hedge accounting

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. 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.

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Hedge accounting (cont'd)

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and 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 that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss for the period immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the statement of profit or loss and other comprehensive income relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedge

The effective portion of changes in the fair value of the derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other income and expenses.

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the period when the hedged item is recognised in profit or loss in same line item of the statement of profit or loss and other comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and when the forecast transaction is ultimately recognised in profit or loss, such gains and losses are recognised in profit or loss, or transferred from equity and included in the initial measurement of the cost of the asset or liability as described above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was accumulated in equity is recognised immediately in profit or loss.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation account. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "fair value adjustments" line of the statement of profit or loss and other comprehensive income.

Gains and losses previously recognised in other comprehensive income and accumulated in foreign currency translation account are reclassified in profit or loss in the same way as exchange differences relating to the foreign operation as described in the accounting policy for foreign currency transactions and translation as stated in Note 2(e) to these financial statements.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) 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 – 15 years
Motor vehicles	5 – 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.

(h) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Goodwill (cont'd)

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, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(k) Impairment of assets

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, objective evidence of impairment could include (i) significant financial difficulty of the issuer or counterparty; or (ii) default or delinquency in interest or principal payments; or (iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(k) Impairment of assets (cont'd)

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.

(m) 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(g)] up to the date of change in use.

(n) Development properties

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

Properties in the course of development are stated at cost plus attributable profits less progress billing. Progress billings received from customers prior to completion are presented as advance billings within "trade and other payables" and progress billings not yet paid by customers are presented within "trade and other receivables".

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Development properties (cont'd)

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, development costs and borrowing 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, including attributable borrowing costs [Note 2(y)].

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(w)].

(p) 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.

(q) 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.

(r) Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of reporting period, as measured by the proportion that contract cost incurred for work performed to date relative to the estimated total contract cost, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the periods in which they are incurred. When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense immediately.

(s) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Leases (cont'd)

The Group as lessor (cont'd)

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(y)]. 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.

(t) 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.

(w) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is reduced for goods and services tax, estimated customer returns, rebates and other similar allowances.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Revenue recognition (cont'd)

Sale of goods (cont'd)

- It is probable that the economic benefits associated with the transaction will flow to the entity; and

- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales of development properties

Revenue from completed properties is recognised when the risks and rewards of ownership have been transferred to the purchaser either through the transfer of legal title or equitable interest in a property.

Revenue recognition on partly completed properties held for sale is based on the following methods:

- For sale of partly completed development properties in Singapore under progressive payment scheme, profit is recognised upon the signing of sale contracts and payment of the first instalment which corresponds to 20% of the estimated profit attributable to the actual sale contracts signed. Subsequent recognition of profit is based on the percentage of completion method as construction progresses. The percentage of work completed is measured based on the construction and related costs incurred to date as a proportion of the estimated total construction and related costs;

- For sale of partly completed development properties in Singapore under deferred payment scheme and overseas development properties, profit is recognised only upon the transfer of significant risks and rewards of ownership of the properties to the purchasers.

In cases where transfer of significant risks and rewards of ownership coincides with the time the development units are delivered to the purchasers, revenue is recognised upon completion of construction; and when legal title passes to the buyer or when equitable interest in the property vests to the buyer upon release of the handover notice to the buyer, whichever is earlier.

Construction contracts

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts as disclosed in Note 2(r).

Revenue from hotel operations

Revenue is recognised when goods and services have been provided to the customer and the costs in relation to the goods and services can be reliably measured.

Services rendered

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period except that revenue from services of short duration are recognised on completion of services;

- Servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the services for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and

- Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Rental income

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

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investment is recognised when the shareholders' rights to receive payment have been established.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) 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.

(z) 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.

(aa) Employee benefits

Retirement benefit obligations

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.

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.

(ab) 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 utilize 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ab) Income tax (cont'd)

Deferred tax (cont'd)

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 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.

(ac) 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.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Critical judgements in applying the Group's accounting policies (cont'd)

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. As at 31 December 2016, the ensuing legal and arbitration proceedings were still on-going. After taking due legal advice, the Group is of the view that it has a reasonable chance of prevailing. Accordingly, no provision was made in relation to such termination. Legal and professional expenses of $6,472,000 (2015: $2,487,000) however have been recorded in the profit or loss for the year ended 31 December 2016.

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 uses the stage of completion method to account for its contract revenue [Note 21] and contract costs arising from the sale of development properties in Singapore under progressive payment scheme that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 – Agreement for the Construction of Real Estate [Note 2(w)].

The stage of completion is measured by reference to certification of value of work performed to date. Where there is no certification of value available, the stage of completion is based on the respective costs incurred to date as compared to the total budgeted costs of the development as approved by management.

Significant judgements are required to estimate the total contract 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 development properties and revenue recognised based on the percentage of completion are disclosed in Note 8 and Note 21 to the financial statements respectively.

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, an allowance for diminution in value of $3,649,000 (2015: $1,200,000) was made on Singapore development properties, taking into account and with reference to past sales, comparable properties, location and market conditions.

The carrying amount of development properties are disclosed in Note 8. Allowance for diminution in value is recognised as "other operating expenses" in profit or loss and disclosed in Note 25 to the financial statements.

Fair value measurement and valuation processes

The Group carries its hotel properties [Note 9] and investment properties [Note 10] at fair value based on independent professional valuations or internal valuations.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

Fair value measurement and valuation processes (cont'd)

In determining fair values, the valuers have used valuation techniques (including direct comparison method, income method, capitalisation method, discounted cash flow method and residual land value method) which involve certain estimates and significant unobservable inputs which are disclosed in Notes 9 and 10. 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 the residual land value method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of the property under development. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. 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 9 and 10 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$32,509,000 (2015: A$27,469,000) or equivalent to $34,034,000 (2015: $27,969,000) [Note 17]. 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.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

Recoverability of investments in and amounts due from subsidiaries in the Company's financial statements

Investments in subsidiaries and amounts due from subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets have been subsequently determined based on fair value less costs to sell. A dormant subsidiary had been put to members' voluntary liquidation as a result of which, the Company recognised an impairment loss of $6,132,000 for the investment but a gain of $7,782,000 under the inter-company balance waived by the subsidiary. The Company made a write-back on impairment loss made in prior years of $7,337,000 (2015: impairment loss of $1,178,000) for investments in subsidiaries, and an impairment loss of $1,509,000 (2015: $1,520,000) for amount due from subsidiaries in 2016. The carrying amounts of investments in subsidiaries and amounts due from subsidiaries are disclosed in Notes 11 and 15 to the financial statements respectively.

Allowance for doubtful receivables and refundable deposit

Allowance for doubtful receivables and refundable 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 and ongoing dealings with them. 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 FRS 108 are as follows:

Segment	**Principal activities**
Property	Development of properties for sale, property investment and provision of property management services.
Hotels Investment	Investment in hotels in Australia.
Industrial Services	Trading and marketing of industrial commodities, distribution of tyres and re-treading of tyres, as well as manufacturing of polypropylene woven bags.
Other Investments	Investments in GulTech, a printed circuit boards manufacturer with operations in Singapore and China.
Corporate and Others	Provision of corporate-level services.

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. Corporate and Others are managed on a group basis and are not allocated to operating segments. 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

4 SEGMENT INFORMATION (CONT'D)

Segment revenues and results

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others[2] $'000	Inter-Segment Eliminations $'000	Total Consolidated $'000
2016							
Revenue							
External revenue	129,084	140,606	134,148	–	180	–	404,018
Inter-segment revenue	923	–	–	–	18,070	(18,993)	–
	130,007	140,606	134,148	–	18,250	(18,993)	404,018
Results							
Gross profit	33,193	41,818	5,643	–	10,782	(7,052)	84,384
Other operating income	1,637	1,411	963	445	22,816	(22,782)	4,490
Distribution costs	(3,362)	–	(2,505)	–	–	–	(5,867)
Administrative expenses	(10,620)	(11,197)	(3,678)	1	(2,300)	(1,947)	(29,741)
Other operating expenses	(12,031)	(1,641)	(49)	(1,794)	(7,918)	15,694	(7,739)
Share of results of an equity-accounted investee	–	–	–	13,466	–	–	13,466
Interest income	4,113	27	1,840	–	5,214	(6,729)	4,465
Finance costs	(8,808)	(18,503)	(9)	–	(5,125)	6,729	(25,716)
Profit before tax and fair value adjustments	4,122	11,915	2,205	12,118	23,469	(16,087)	37,742
Fair value adjustments	1,910	288	–	138	–	–	2,336
Profit before tax	6,032	12,203	2,205	12,256	23,469	(16,087)	40,078
Income tax expenses	(2,989)	(2,702)	(537)	–	(44)	–	(6,272)
Profit for the year	3,043	9,501	1,668	12,256	23,425	(16,087)	33,806
Profit attributable to							
Owners of the Company	3,159	9,501	1,331	12,256	23,425	(16,087)	33,585
Non-controlling interests	(116)	–	337	–	–	–	221
Profit for the year	3,043	9,501	1,668	12,256	23,425	(16,087)	33,806

Notes:

1. No revenue is reported under "Other Investments" as the Group equity accounts for its investment in GulTech.
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.

4 SEGMENT INFORMATION (CONT'D)

Segment revenues and results (cont'd)

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others[2] $'000	Inter-Segment Eliminations $'000	Total Consolidated $'000
2015							
Revenue							
External revenue	403,121	145,479	128,342	–	180	–	677,122
Inter-segment revenue	904	–	–	–	51,066	(51,970)	–
	404,025	145,479	128,342	–	51,246	(51,970)	677,122
Results							
Gross profit	80,534	44,349	6,108	–	43,896	(33,024)	141,863
Other operating income	2,375	309	722	–	7,557	(7,543)	3,420
Distribution costs	(1,758)	–	(2,597)	–	–	–	(4,355)
Administrative expenses	(6,744)	(9,772)	(3,690)	(3)	(2,277)	(3,186)	(25,672)
Other operating expenses	(9,343)	(574)	(157)	–	(2,709)	2,698	(10,085)
Share of results of an equity-accounted investee	–	–	–	6,803	–	–	6,803
Interest income	4,851	85	983	–	3,974	(5,635)	4,258
Finance costs	(9,556)	(19,679)	(24)	–	(3,877)	5,607	(27,529)
Profit before tax and fair value adjustments	60,359	14,718	1,345	6,800	46,564	(41,083)	88,703
Fair value adjustments	1,167	(9,096)	–	(120)	–	–	(8,049)
Profit before tax	61,526	5,622	1,345	6,680	46,564	(41,083)	80,654
Income tax expenses	(11,087)	(373)	(59)	–	(16)	–	(11,535)
Profit for the year	50,439	5,249	1,286	6,680	46,548	(41,083)	69,119
Profit attributable to							
Owners of the Company	50,440	5,249	999	6,680	46,548	(41,083)	68,833
Non-controlling interests	(1)	–	287	–	–	–	286
Profit for the year	50,439	5,249	1,286	6,680	46,548	(41,083)	69,119

Notes:

1. No revenue is reported under "Other Investments" as the Group equity accounts for its investment in GulTech.
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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

4 SEGMENT INFORMATION (CONT'D)

Segment assets, liabilities and other segment information

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others $'000	Total Consolidated $'000
2016						
Assets						
Segment assets	**1,281,248**	**665,025**	**84,515**	**–**	**8,716**	**2,039,504**
Investments in equity-accounted investees	**–**	**–**	**–**	**83,579**	**–**	**83,579**
Total assets	**1,281,248**	**665,025**	**84,515**	**83,579**	**8,716**	**2,123,083**
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	**631,714**	**236,704**	**58,649**	**78,147**	**(74,758)**	**930,456**
Other information						
Capital expenditure	**59**	**4,012**	**27**	**–**	**–**	**4,098**
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	**1,910**	**288**	**–**	**–**	**–**	**2,198**
Fair value gain on financial instruments	**–**	**–**	**–**	**138**	**–**	**138**
2015						
Assets						
Segment assets	1,430,010	638,507	83,549	14	(61,086)	2,090,994
Investments in equity-accounted investees	–	–	–	71,511	–	71,511
Total assets	1,430,010	638,507	83,549	71,525	(61,086)	2,162,505
Liabilities						
Segment liabilities	(58,176)	(23,572)	(26,970)	(5,909)	(3,853)	(118,480)
Loans and borrowings	(667,137)	(359,793)	–	–	(79,404)	(1,106,334)
Income tax payable and deferred tax liabilities	(20,072)	(29,746)	(288)	(24)	(104)	(50,234)
Total liabilities	(745,385)	(413,111)	(27,258)	(5,933)	(83,361)	(1,275,048)
Net assets	684,625	225,396	56,291	65,592	(144,447)	887,457
Other information						
Capital expenditure	184	2,723	412	–	–	3,319
Depreciation of property, plant and equipment	148	7,108	445	–	–	7,701
Allowance for diminution in value for development properties	8,935	–	–	–	–	8,935
Revaluation gain of properties	–	22,447	–	–	–	22,447
Fair value (gain)/loss on investment properties	(1,167)	9,096	–	–	–	7,929
Fair value loss on financial instruments	–	–	–	120	–	120

Note:

1. No capital expenditure and depreciation are reported under "Other Investments" as the Group equity accounts for its investment in GulTech.

4 SEGMENT INFORMATION (CONT'D)

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 are based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2016 $'000	2015 $'000	**2016 $'000**	2015 $'000
Singapore	**202,779**	469,237	**959,520**	923,595
Australia	**140,606**	145,479	**646,300**	614,430
China	**26,401**	16,586	**6,447**	6,811
Malaysia	**16,520**	16,863	**1,539**	1,789
Indonesia	**9,254**	13,453	**–**	–
Europe	**–**	7,452	**–**	–
Other ASEAN countries[1]	**7,350**	6,811	**–**	–
Others	**1,108**	1,241	**–**	–
	404,018	677,122	**1,613,806**	1,546,625

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 $404.0 million (2015: $677.1 million) were sales of approximately $44.7 million (2015: $45.5 million) to the Group's one major customer that contributed 10% or more to the Group's revenue.

5 CASH AND BANK BALANCES

	Group		Company	
	2016 $'000	2015 $'000	**2016 $'000**	2015 $'000
Cash at banks and on hand	**39,271**	80,102	**301**	431
Fixed deposits	**117,323**	37,365	**–**	–
Amounts held under the Housing Developers (Project Account) Rules	**7,094**	24,250	**–**	–
	163,688	141,717	**301**	431

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 0.1% to 3.4% per annum (2015: 0.1% to 4.3% per annum) and for tenures ranging from 7 days to 3 years (2015: 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 32 to the financial statements.

5 CASH AND BANK BALANCES (CONT'D)

Cash and cash equivalents

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

	Group	
	2016 $'000	**2015 $'000**
Cash and cash equivalents per consolidated statement of cash flows		
Cash and bank balances (as per statements of financial position)	**163,688**	141,717
Encumbered fixed deposits and bank balances	**(67,792)**	(36,042)
	95,896	105,675

As at 31 December 2016, the Group had cash and cash equivalents placed with banks in China amounting to $80,344,000 (2015: $82,777,000), the repatriation of which into Singapore is subject to the Foreign Exchange Control Regulations in China. Of which amount, $65,052,000 (2015: $32,550,000) were fixed deposits for tenures ranging from 1 to 3 years (2015: 1 to 3 years) but were classified as current on the basis that they were pledged to secure a facility in Singapore which could be cancelled at short notice by the borrower and the sum of deposits released without significant penalty and changes in value.

As at 31 December 2016, cash and bank balances amounting to $77,703,000 (2015: $51,762,000) was pledged to banks to secure credit facilities and designated for specific operations. Information relating to the Group's loans and borrowings is disclosed in Note 13 to the financial statements.

	Group	
	2016 $'000	**2015 $'000**
Encumbered fixed deposits and bank balances	**67,792**	36,042
Cash and bank balances designated for specific operations	**9,911**	15,720
	77,703	51,762

6 TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**
Trade					
Trade debtors		**108,216**	92,990	**–**	–
Less: Allowance for doubtful receivables		**(179)**	(272)	**–**	–
		108,037	92,718	**–**	–
Amounts due from related parties	16	**12,209**	7,768	**–**	–
		120,246	100,486	**–**	–
Non-trade					
Deposits		**13,219**	6,099	**7,903**	73
Prepayments		**3,567**	3,183	**131**	141
Interest receivables		**2,338**	30	**–**	–
Sundry debtors		**6,922**	6,995	**32**	–
Advances to suppliers		**103**	3,936	**–**	–
Tax recoverable		**110**	125	**–**	–
		26,259	20,368	**8,066**	214
Less: Allowance for doubtful receivables		**(124)**	(77)	**(72)**	(72)
		26,135	20,291	**7,994**	142
Amount due from related parties	16	**12,412**	13,613	**–**	–
		38,547	33,904	**7,994**	142
		158,793	134,390	**7,994**	142

6 TRADE AND OTHER RECEIVABLES (CONT'D)

Trade Debtors

Included in the trade debtors were unbilled receivables of $64,547,000 (2015: $44,929,000) related to the remaining sales consideration on completed development properties for sale.

An amount of $1,963,000 in previous year's financial statements has been reclassified from "Trade receivables" to "Amounts due from related parties – trade" following a corporate transaction in December 2015 involving a director and his associated companies [Note 16].

Deposits in respect of acquisition of lands

Included in the carrying amount of deposits as at 31 December 2016 were deposits amounting to:

(a) $7,830,000 (2015: $Nil) paid to a related party for the purchase of shares in two Singapore-incorporated companies whose subsidiary is the beneficial owner of four plots of land in Batam, Indonesia. The acquisition has not been completed at the end of the reporting period; and

(b) $4,983,000 (2015: $5,186,000) relating to land acquisition Jiaozhou, China. This includes a plot of land of approximately 60,200 square metres (2015: 60,200 square metres) which had been secured by the Group pending the issuance of the land title deeds.

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

Amounts due from related parties – trade

Included in the carrying amount as at 31 December 2016 were unbilled rent revenue of $221,000 (2015: $221,000) relating to rent-free period given to related party lessees [Note 16].

Details of collateral

As at 31 December 2016, trade and other receivables amounting to $10,530,000 (2015: $10,736,000) 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 13 to the financial statements.

Analysis of allowance for doubtful receivables:

		Group		Company	
	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Allowance for doubtful receivables					
Trade		**(179)**	(272)	**–**	–
Non-trade		**(124)**	(77)	**(72)**	(72)
		(303)	(349)	**(72)**	(72)
Movements in allowance for doubtful receivables					
At 1 January		**(349)**	(306)	**(72)**	(72)
Exchange differences on consolidation		**8**	2	**–**	–
Amounts written off		**90**	152	**–**	–
Allowance made	25	**(52)**	(197)	**–**	–
At 31 December		**(303)**	(349)	**(72)**	(72)

The carrying amount of trade and other receivables approximates their fair values at the end of the reporting year. Further details regarding the exposure to foreign currency denominated trade and other receivables are disclosed in Note 32 to the financial statements.

Analysis of trade receivables

Trade receivables are non-interest bearing and are generally on 7 to 120 days (2015: 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

6 TRADE AND OTHER RECEIVABLES (CONT'D)

Analysis of trade receivables (cont'd)

The Group's trade receivables that were impaired at the end of the reporting period and the allowance for doubtful receivables are disclosed below:

	Group	
	2016 $'000	**2015 $'000**
Trade receivables, net		
Not past due and not impaired	**102,961**	81,455
Past due but not impaired[(i)]	**17,285**	19,031
	120,246	100,486
Impaired receivables – collectively assessed[(ii)]	**160**	254
Less: Allowance for doubtful receivables	**(160)**	(254)
	–	–
Impaired receivables – individually assessed		
Past due for more than 36 months or no response to repayment demands[(ii)]	**19**	18
Less: Allowance for doubtful receivables	**(19)**	(18)
	–	–
	120,246	100,486

Notes:

(i) Aging of trade receivables that were past due but not impaired:

< 3 months	**11,108**	10,854
3 months to 6 months	**2,533**	4,321
6 months to 12 months	**3,442**	3,513
> 12 months	**202**	343
	17,285	19,031

(ii) The amounts stated were before deduction for impairment losses.

The Group had trade receivables amounting to $17,285,000 (2015: $19,031,000) that were past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is disclosed in Note (i) above.

Trade and other receivables that are individually assessed to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

Allowances for doubtful trade and other receivables are recognised for the estimated irrecoverable amounts from the sale of goods and services rendered. These allowances for doubtful trade and other receivables are determined by assessing the profile of debtors and after considering recovery prospects. Further details regarding the credit risk for trade and other receivables are disclosed in Note 32(c) to the financial statements.

7 INVENTORIES

	Group		
	At cost $'000	At net realisable value $'000	Total $'000
2016			
Raw materials	**988**	**–**	**988**
Work-in-progress	**977**	**–**	**977**
Finished goods	**1,557**	**42**	**1,599**
	3,522	**42**	**3,564**
2015			
Raw materials	906	–	906
Work-in-progress	963	–	963
Finished goods	1,537	235	1,772
	3,406	235	3,641

The net realisable values of inventories were stated net of allowance of $43,000 (2015: $196,000).

During the year, an allowance for inventory obsolescence amounting to $1,000 (2015: $89,000) was recognised as "other operating expenses" in profit or loss [Note 25].

Details of collateral
As at 31 December 2016, inventories amounting to $748,000 (2015: $831,000) 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 13 to the financial statements.

8 DEVELOPMENT PROPERTIES

	Group	
	2016 $'000	2015 $'000
Properties in the course of development	**56,166**	303,680
Land held for future development	**18,647**	19,235
	74,813	322,915
Completed properties held for sale	**108,419**	13,217
	183,232	336,132
Represented by:		
Properties in the course of development in Singapore	**56,166**	303,680
Land held for future development in China	**18,647**	19,235
Completed properties held for sale in Singapore	**104,310**	8,945
Completed properties held for sale in China	**4,109**	4,272
	183,232	336,132

Development properties comprise properties in the course of development, land held for future development, 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.

8 DEVELOPMENT PROPERTIES (CONT'D)

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

	Group 2016 $'000	Group 2015 $'000
Land cost	**79,728**	341,639
Development cost incurred to-date	**979**	143,847
Interest and others	**1,484**	21,088
	82,191	506,574
Add: Attributable profit	**–**	106,993
Less: Progress billings received and receivable	**–**	(281,773)
Less: Allowance for diminution in value	**(7,378)**	(8,879)
	74,813	322,915

Completed properties held for sale

	Note	Group 2016 $'000	Group 2015 $'000
Completed properties, at cost		**113,105**	13,217
Less: Allowance for diminution in value		**(4,686)**	–
		108,419	13,217
Movements in allowance for diminution in value			
At 1 January		**(8,879)**	–
Exchange difference on consolidation		**301**	56
Allowance made during the year	25	**(3,649)**	(8,935)
Utilisation during the year		**163**	–
At 31 December		**(12,064)**	(8,879)

Interest costs capitalised during the year was $1,641,000 (2015: $4,831,000) at effective interest rate ranging from 1.9% to 2.0% per annum (2015: 1.7% to 2.6% per annum) [Note 23].

8 DEVELOPMENT PROPERTIES (CONT'D)

Completed properties held for sale (cont'd)

The following table provides information on properties in the course of development and land held for future development of which revenue is recognised on (i) transfer of significant risks and rewards of ownership at completion, and (ii) as construction progresses:

	Group	
	2016 $'000	**2015 $'000**
Transfer of significant risks and rewards of ownership at completion:		
Land cost	**24,405**	25,357
Development cost incurred to-date	**786**	818
Interest and others	**834**	739
Less: Allowance for diminution in value	**(7,378)**	(7,679)
	18,647	19,235
Continuous transfer of significant risks and rewards of ownership as construction progresses:		
Cost incurred plus attributable profit	**56,166**	586,653
Progress billings received and receivable	**–**	(281,773)
Less: Allowance for diminution in value	**–**	(1,200)
	56,166	303,680
	74,813	322,915

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, an allowance for diminution in value for development properties of $3,649,000 (2015: $8,935,000) is recognised as "other operating expenses" in profit or loss [Note 25].

Details of collateral

As at 31 December 2016, development properties amounting to $126,615,000 (2015: $312,625,000) 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 13 to the financial statements.

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

Included in the development properties was a carrying amount of $7,378,000 (2015: $7,679,000) 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 $7,378,000 (2015: $7,679,000) was made based on management's best estimate on net realisable value of the development site.

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. As at 31 December 2016, the ensuing legal and arbitration proceedings were still on-going.

8 DEVELOPMENT PROPERTIES (CONT'D)

List of development properties

As at 31 December 2016, 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	Dillenia Land Pte Ltd	99 years from 2016	7,046	10,850	2019	100%
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%
Land adjacent to Huangjiahe Reservoir, Shandong Province, China	Mainly Residential	Qingdao Shenyang Property Co., Ltd.	70 years (residential) 40 years (commercial) from 2011/2013	119,244	**	**	100%
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%
Seletar Park Residence, Seletar Road Singapore	Condominium of 276 units (273 units booked/sold)	Asplenium Land Pte Ltd	99 years from 2011	17,456	26,862	2015	100%
Sennett Residence, Pheng Geck Avenue Singapore	Condominium townhouses of 332 units and three shop units (320 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 (32 units booked/sold)	Shelford Properties Pte Ltd	Freehold	4,544	6,997	2016	100%

* Pending renewal of expired certificate for construction site planning

** Master plans are in progress

9 PROPERTY, PLANT AND EQUIPMENT

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost or valuation:						
At 1 January 2016		**367,206**	**4,837**	**31,289**	**1,376**	**404,708**
Exchange differences on consolidation		**10,336**	**(148)**	**1,291**	**(5)**	**11,474**
Additions		**40**	**2**	**4,056**	**–**	**4,098**
Disposals		**–**	**–**	**(109)**	**–**	**(109)**
Write-offs		**–**	**–**	**(2,448)**	**–**	**(2,448)**
Reclassification		**319**	**–**	**(319)**	**–**	**–**
Revaluation		**14,089**	**–**	**–**	**–**	**14,089**
At 31 December 2016		**391,990**	**4,691**	**33,760**	**1,371**	**431,812**
At 1 January 2015		366,170	4,953	35,658	1,276	408,057
Exchange differences on consolidation		(18,966)	(120)	(3,273)	(22)	(22,381)
Additions		–	4	3,035	280	3,319
Disposals		–	–	(568)	(158)	(726)
Write-offs		–	–	(3,349)	–	(3,349)
Reclassification		214	–	(214)	–	–
Revaluation		19,788	–	–	–	19,788
At 31 December 2015		367,206	4,837	31,289	1,376	404,708
Comprising						
At 31 December 2016:						
At cost		**498**	**4,691**	**33,760**	**1,371**	**40,320**
At valuation		**391,492**	**–**	**–**	**–**	**391,492**
		391,990	**4,691**	**33,760**	**1,371**	**431,812**
At 31 December 2015:						
At cost		498	4,837	31,289	1,376	38,000
At valuation		366,708	–	–	–	366,708
		367,206	4,837	31,289	1,376	404,708

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YEAR ENDED 31 DECEMBER 2016

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group						
Accumulated depreciation:						
At 1 January 2016		**–**	**916**	**4,627**	**858**	**6,401**
Exchange differences on consolidation		**55**	**(25)**	**672**	**(3)**	**699**
Depreciation	25	**2,836**	**69**	**4,752**	**115**	**7,772**
Disposals		**–**	**–**	**(40)**	**–**	**(40)**
Write-offs		**–**	**–**	**(2,448)**	**–**	**(2,448)**
Revaluation		**(2,891)**	**–**	**–**	**–**	**(2,891)**
At 31 December 2016		**–**	**960**	**7,563**	**970**	**9,493**
At 1 January 2015		298	906	4,976	893	7,073
Exchange differences on consolidation		(44)	(64)	(1,687)	(23)	(1,818)
Depreciation	25	2,405	74	5,085	137	7,701
Disposals		–	–	(398)	(149)	(547)
Write-offs		–	–	(3,349)	–	(3,349)
Revaluation		(2,659)	–	–	–	(2,659)
At 31 December 2015		–	916	4,627	858	6,401
Accumulated impairment:						
At 1 January 2016		**–**	**3,158**	**–**	**–**	**3,158**
Exchange differences on consolidation		**–**	**(117)**	**–**	**–**	**(117)**
At 31 December 2016		**–**	**3,041**	**–**	**–**	**3,041**
At 1 January 2015		–	3,098	–	–	3,098
Exchange differences on consolidation		–	60	–	–	60
At 31 December 2015		–	3,158	–	–	3,158
Carrying amount:						
At 31 December 2016		**391,990**	**690**	**26,197**	**401**	**419,278**
At 31 December 2015		367,206	763	26,662	518	395,149

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in building and freehold land is freehold land with a carrying amount of $211,406,000 (2015: $198,022,000) which is not subject to depreciation.

As at 31 December 2016, a leasehold land and building with a carrying amount of $539,000 (MYR1,667,000) was stated at cost less accumulated depreciation. For information only, its fair value was $3,881,000 (MYR12,000,000) as at the same date and as determined by an independent valuer who have appropriate qualification and recent experience in the fair value measurement of the properties in the relevant location.

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 impairment loss was made in 2016 and 2015 as a result of such assessment.

Details of collateral

As at 31 December 2016, property, plant and equipment amounting to $416,706,000 (2015: $391,970,000) 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 13 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 an valuation carried out by 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 2016, 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 $16,980,000 (2015: $22,447,000) was recognised in other comprehensive income [Note 28].

As at 31 December 2016, had freehold land and building been carried at historical cost, their aggregate carrying amount would have been approximately $350,209,000 (2015: $343,460,000) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Fair value measurement of hotel properties (cont'd)

There were no transfers between different levels in 2016 and 2015 during the year. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2016 and 2015 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2016			
Grand			
Hyatt Melbourne	Stabilised Earnings Method	Capitalisation rate(1)	6.25%
121-131 Collins Street	Discounted Cash Flow Method	Discount rate(1)	7.50% – 9.00%
Melbourne, Victoria(a)		Terminal yield rate(1)	6.00% – 6.50%
Hyatt			
Regency Perth	Stabilised Earnings Method	Capitalisation rate(1)	6.50%
87-123 Adelaide Terrace	Discounted Cash Flow Method	Discount rate(1)	7.75% – 9.25%
East Perth		Terminal yield rate(1)	6.25% – 6.75%
Western Australia(a)			
2015			
Grand			
Hyatt Melbourne	Capitalisation Approach	Capitalisation rate(1)	6.75%
121-131 Collins Street	Discounted Cash Flow Approach	Discount rate(1)	9.25% – 10.25%
Melbourne, Victoria(b)		Terminal yield rate(1)	6.25% – 7.25%
Hyatt			
Regency Perth	Capitalisation Approach	Capitalisation rate(1)	7.25%
87-123 Adelaide Terrace	Discounted Cash Flow Approach	Discount rate(1)	9.50% – 10.50%
East Perth		Terminal yield rate(1)	7.00% – 8.00%
Western Australia(b)			

(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 Knight Frank Valuations on 30 November 2016, an independent valuer.

(b) The property valuation was performed by JLL Hotels & Hospitality Group on 30 November 2015, an independent valuer.

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

List of hotel properties

The carrying amount of the Group's hotel properties as at 31 December 2016 included in property, plant and equipment are set out below. The non-hotel properties within the complexes are accounted for under investment properties [Note 10].

Name of property	Description	Tenure	Land area (sq. m)	Group's effective equity interest	2016 A$'000[1]	2015 A$'000[1]	2016 S$'000	2015 S$'000
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 10].	Freehold	5,776	100%	**334,871**	300,405	**350,576**	305,872
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 10].	Freehold	25,826	100%	**61,090**	82,430	**63,955**	83,930
					395,961	382,835	**414,531**	389,802

1 Figures in A$ are for information.

10 INVESTMENT PROPERTIES

	Note	Completed investment properties $'000	Investment properties under redevelopment $'000	Total $'000
Group				
At 1 January 2016		**705,244**	**371,665**	**1,076,909**
Exchange differences on consolidation		**5,952**	**–**	**5,952**
Development costs		**633**	**22,960**	**23,593**
Net (loss)/gain from fair value adjustments	24	**(131)**	**2,329**	**2,198**
At 31 December 2016		**711,698**	**396,954**	**1,108,652**
At 1 January 2015		725,920	357,012	1,082,932
Exchange differences on consolidation		(12,246)	–	(12,246)
Development costs		218	13,934	14,152
Net (loss)/gain from fair value adjustments	24	(8,648)	719	(7,929)
At 31 December 2015		705,244	371,665	1,076,909
Company				
At 31 December 2016		**498**	**–**	**498**
At 31 December 2015		498	–	498

	Group 2016 $'000	Group 2015 $'000
Represented by:		
Completed investment properties in Singapore	**478,030**	478,450
Completed investment properties in Australia	**227,309**	220,176
Completed investment properties in China	**6,359**	6,618
Investment property under development in Singapore	**396,954**	371,665
	1,108,652	1,076,909

Fair value adjustments

The Group's investment properties are stated at fair value as at 31 December 2016, 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 $2,198,000 (2015: net fair value loss amounting to $7,929,000) was recognised in profit or loss [Note 24].

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 2016, 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 in 2016 and 2015.

10 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustments (cont'd)

Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2016 and 31 December 2015 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2016			
Singapore			
Robinson Point[(a)] 39 Robinson Road Singapore	Comparison Method Income Method	Price per square metre of lettable area[(1)] Net income margin*[(1)] Capitalisation rate[(2)]	$19,400 – $38,000 75% – 85% 2.8% to 4.0%
The Oxley[(a)] 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Comparison Method Income Method	Price per square metre of strata floor area[(1)] Net income margin*[(1)] Capitalisation rate[(2)]	$18,300 – $30,800 80% – 90% 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
Robinson Tower redevelopment site[(c)]	Residual Land Value Method Direct Comparison Method	Gross development value per square metre[(1)] Developer's profit[(2)] Land sale per square metre per plot ratio[(1)] Construction cost per square metre of gross floor area[(2)] Total development cost (exclude land cost) per square metre of gross floor area[(2)#] Remaining construction period[(2)]	Office: $29,300 – $38,000 Retail: $51,700 – $52,800 10% $9,700 – $12,000 $7,200 $9,700 2 years
Australia			
Fortescue Centre & Carpark (being part of the Hyatt Regency complex)[(d)]	Capitalisation Method Discounted Cash Flow Method	Capitalisation rate[(2)] Discount rate[(2)] Terminal yield rate[(2)]	9.25% – 9.75% 8.50% – 9.50% 9.25% – 9.75%
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex[(d)]	Capitalisation Method Discounted Cash Flow Method	Capitalisation rate[(2)] Discount rate[(2)] Terminal yield rate[(2)]	Retail: 5.80% 7.25% – 7.75% 6.00% – 6.50%
China			
No. 2950 ChunShen Road Shanghai, China	Direct Comparison Method	Price per square metre of gross floor area[(1)]	$4,000 – $5,500

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10 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2015			
Singapore			
Robinson Point[(a)] 39 Robinson Road Singapore	Comparison Method Income Method	Price per square metre of lettable area[(1)] Net income margin*[(1)] Capitalisation rate[(2)]	$22,600 – $37,700 75% – 85% 2.0% – 3.75%
The Oxley[(a)] 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Comparison Method	Price per square metre of strata floor area[(1)]	$26,500 – $29,100
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)]	$7,000 – $12,700
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)]	$5,800 – $7,900 $6,000 – $8,700 (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)]	$26,300 – $35,000
Robinson Tower redevelopment site[(c)]	Residual Land Value Method Direct Comparison Method	Gross development value per square metre[(1)] Developer's profit[(2)] Land sale per square metre per plot ratio[(1)] Construction cost per square metre of gross floor area[(2)] Total development cost (exclude land cost) per square metre of gross floor area[(2)#] Remaining construction period[(2)]	Office: $25,300 – $39,000 Retail: $64,700-$75,500 10% $9,800 – $12,000 $7,200 $10,000 2.5 years
Australia			
Fortescue Centre & Carpark (being part of the Hyatt Regency complex)[(e)]	Capitalisation Method Discounted Cash Flow Method	Capitalisation rate[(2)] Discount rate[(2)] Terminal yield rate[(2)]	8.25% 8.75% – 9.25% 8.25% – 8.75%
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex[(e)]	Capitalisation Method Discounted Cash Flow Method	Capitalisation rate[(2)] Discount rate[(2)] Terminal yield rate[(2)]	Retail: 5.50% Retail: 7.25% – 7.75% Carpark: 8.00% – 8.50% Retail: 5.50% – 6.00% Carpark: 6.50% – 7.00%
China			
No. 2950 ChunShen Road Shanghai, China	Direct Comparison Method	Price per square metre of gross floor area[(1)]	$3,700 – $5,000

10 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustments (cont'd)

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 both years

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

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

(d) The property valuation was performed by Knight Frank Valuations on 30 November 2016, an independent valuer

(e) The property valuation was performed by JLL Hotels & Hospitality Group on 30 November 2015, an independent valuer

Operating lease disclosure

Rental income from the Group's investment properties which were all leased under operating leases amounted to $34,844,000 (2015: $33,916,000) [Note 21]. Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $7,052,000 (2015: $7,003,000). Information on operating lease commitments is disclosed in Note 30 to the financial statements.

Details of collateral

As at 31 December 2016, investment properties amounting to $1,102,293,000 (2015: $1,070,291,000) 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 13 to the financial statements.

List of completed investment properties

The carrying amounts of completed investment properties held by the Group as at 31 December 2016 are as follows:

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	2016 $'000	2015 $'000
Singapore						
Robinson Point 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	15,724^	100%	**352,000**	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%	**63,300**	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
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%	**13,030**	13,450
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%	**9,300**	9,300
					478,030	478,450

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10 INVESTMENT PROPERTIES (CONT'D)

List of completed investment properties (cont'd)

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	2016 A$'000[1]	2015 A$'000[1]	2016 S$'000	2015 S$'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%	**130,000**	118,000	**136,097**	120,148
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%	**87,125**	98,240	**91,212**	100,028
					217,125	216,240	**227,309**	220,176
					2016 RMB'000[1]	**2015 RMB'000[1]**	**2016 S$'000**	**2015 S$'000**
China								
No. 2950 ChunShen Road Shanghai, China	A 3-storey commercial building	58 years from 2008	2,170	100%	**30,500**	30,500	**6,359**	6,618

^ Gross floor area

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

List of investment property under redevelopment

The carrying amount of investment property under redevelopment as at 31 December 2016 is as follows:

Name of property	Description	Tenure	Planned Gross Floor Area (sq. m)	Group's effective equity interest	2016 $'000	2015 $'000
Singapore						
Robinson Tower redevelopment site	Proposed 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%	**396,954**	371,665

The Group is in the course of redeveloping the site where the previous Robinson Towers, its annex and the immediately adjacent International Factors Building were as a single commercial development as indicated above.

Interest costs capitalised during the year was $4,229,000 (2015: $3,811,000) at effective interest rate of 2.4% per annum (2015: 2.5% per annum) [Note 23].

11 INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	**2015**
	$'000	**$'000**
Quoted shares, at cost	**115,976**	115,976
Unquoted shares, at cost	**548,418**	557,540
Loan to a subsidiary	**79,562**	79,404
Deemed investment arising from financial guarantees	**63,809**	46,925
	807,765	799,845
Less: Allowance for impairment	**(123,010)**	(137,945)
	684,755	661,900
Fair value of investment in a subsidiary for which there are published price quotations	**13,792**	30,961

Details of the Company's significant subsidiaries are disclosed in Note 33 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 FRS 39 *Financial Instruments: Recognition and Measurement*. The deemed income is amortised over the period of the guarantees. The unamortised financial guarantee fee of $16,236,000 (2015: $6,722,000) is disclosed under the Company's non-trade payables in Note 14 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	
	2016	**2015**
	$'000	**$'000**
Allowance for impairment		
At 1 January	**(137,945)**	(136,767)
Allowance for impairment	**(6,404)**	(1,178)
Reversal of impairment	**7,609**	–
	1,205	(1,178)
Reversal upon liquidation of subsidiaries	**13,730**	–
At 31 December	**(123,010)**	(137,945)

During the year, impairment loss amounting to $6,404,000 (2015: $1,178,000) 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 $7,609,000 (2015: $Nil) 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 (2015: rates ranging from 4.5% to 6.5% per annum).

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11 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the Group as at 31 December 2016 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned Subsidiaries 2016	2015
Development of properties for sale, property investment and provision of property management services	Singapore, China and Australia	**27**	26
Investment in hotels in Australia	Australia	**4**	4
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**	5
		34	35

Non-wholly owned subsidiaries

Information about the composition of non-wholly owned subsidiaries of the Group as at 31 December 2016 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned Subsidiaries 2016	2015
Trading and marketing of selected industrial commodities, distribution of tyres and re-treading of tyres	Singapore and Malaysia	**9**	9
Property development	Singapore	**1**	1
Manufacture and sale of polypropylene woven bags	Malaysia	**1**	1
		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	
		2016	2015	2016 $'000	2015 $'000	2016 $'000	2015 $'000
SP Corporation Limited and its subsidiaries	Various	**19.8%**	19.8%	**337**	290	**10,476**	9,977

11 INVESTMENTS IN SUBSIDIARIES(CONT'D)

Non-wholly owned subsidiaries (cont'd)

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

	2016 $'000	2015 $'000
Current assets	**77,596**	76,193
Non-current assets	**375**	530
Current liabilities	**(24,933)**	(26,335)
Non-current liabilities	**(54)**	(24)
Equity attributable to owners	**52,984**	50,364
Revenue for the year	**125,640**	119,675
Net profit for the year	**1,802**	1,466

12 INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

	Group	
	2016 $'000	2015 $'000
Unquoted equity shares, at cost	**72,240**	72,240
Exchange differences on consolidation	**8,040**	5,212
Share of post-acquisition results and reserves, net of dividends and distributions received	**3,299**	(5,941)
	83,579	71,511

Equity-accounted investees

The Group equity-accounted for Gul Technologies Singapore Pte Ltd ("GulTech") and Pan-West (Private) Limited ("Pan-West"). In February 2016, GulTech increased its equity stake in Gultech (Suzhou) Electronics Co., Ltd from 61.4% to 100%. Details of the Group's significant associates as at 31 December 2016 are disclosed in Note 34 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. Included in the share of post-acquisition results and reserves comprise $4,365,000 relating to the goodwill paid over acquiring additional shares in a member of associate.

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

		Group	
	Note	2016 $'000	2015 $'000
Share of net assets			
At 1 January		**71,511**	62,981
Exchange differences on consolidation		**2,829**	4,557
Goodwill paid over acquiring additional shares		**(4,365)**	–
Share of total comprehensive income (refer to below)		**13,604**	6,683
Reclassification		**–**	5,853
Distributions		**–**	(8,563)
At 31 December		**83,579**	71,511
Share of total comprehensive income			
Share of results before fair value adjustments		**13,466**	6,803
Share of fair value gain/(loss) on financial instruments	24	**138**	(120)
Share of total comprehensive income for the year		**13,604**	6,683

Details of asset revaluation reserve and cash flow hedging account are disclosed in Note 19 to the financial statements. Share of capital commitments of GulTech, an equity-accounted investee is disclosed in Note 30 to the financial statements.

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12 INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES (CONT'D)

GulTech

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

	2016 US$'000[1]	2015 US$'000[1]	2016 S$'000	2015 S$'000
Current assets	**154,955**	171,874	**224,405**	241,620
Non-current assets	**149,887**	164,957	**217,066**	231,897
Current liabilities	**(93,769)**	(101,792)	**(135,796)**	(143,101)
Non-current liabilities	**(37,421)**	(59,380)	**(54,194)**	(83,477)
Non-controlling interests	**(43,902)**	(61,295)	**(63,579)**	(86,169)
Equity attributable to owners	**129,750**	114,364	**187,902**	160,770
Revenue for the year	**244,340**	242,946	**337,214**	334,294
Net profit for the year	**22,162**	10,918	**30,586**	15,023

1 Figures in US$ are for information.

Pan-West

In the prior year, the Group had recognised its share of losses of $5,853,000 being the corporate guarantees given to certain banks in exchange for bank facilities granted to Pan-West and its subsidiary. Out of which amount, $445,000 had been reversed in the current year as amount is no longer required resulting in the remaining recognised share of losses being $5,408,000 [Note 14] as at 31 December 2016. 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 $5,939,000 (2015: $4,078,000) as at the end of the year was not recognised.

13 LOANS AND BORROWINGS

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Short-term borrowings				
Bank loans	**3,406**	428,924	**–**	–
Long-term borrowings				
Bank loans	**937,825**	598,006	**–**	–
Notes issued under MTN Programme	**79,562**	79,404	**79,562**	79,404
	1,017,387	677,410	**79,562**	79,404
Total borrowings	**1,020,793**	1,106,334	**79,562**	79,404
Represented by:				
Interest-bearing liabilities	**1,024,085**	1,108,370	**80,000**	80,000
Capitalised interest costs	**(3,292)**	(2,036)	**(438)**	(596)
	1,020,793	1,106,334	**79,562**	79,404

13 LOANS AND BORROWINGS (CONT'D)

Security profile

	Group		Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Secured borrowings				
Current	**3,406**	428,924	**–**	–
Non-current	**937,825**	598,006	**–**	–
	941,231	1,026,930	**–**	–
Unsecured borrowings				
Non-current	**79,562**	79,404	**79,562**	79,404
	1,020,793	1,106,334	**79,562**	79,404

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.

Notes issued under the MTN Programme comprise of fixed rate notes (the "Note") amounting to S$80,000,000 which will mature on 14 October 2019. The Notes are unsecured, bear a fixed interest rate of 4.50% per annum payable semi-annually in arrear. At the end of the reporting period, the fair value of the Note approximates its carrying amount.

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 7], development properties [Note 8], property, plant and equipment [Note 9], investment properties [Note 10] and covered by corporate guarantees [Note 31].

Interest rate profile

	Group		Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Loans and borrowings				
Fixed rate	**79,562**	79,404	**79,562**	79,404
Variable rate	**941,231**	1,026,930	**–**	–
	1,020,793	1,106,334	**79,562**	79,404

The Group's exposure to fair value interest rate risk is disclosed in Note 32(b) to the financial statements as at 31 December 2016.

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 Note 32(a) and 32(d) respectively to the financial statements.

Loan maturity profile
The non-current borrowings are generally repayable from 2 January 2018 to 11 September 2026 (2015: 30 November 2018 to 11 September 2026). Information relating to the maturity profile of the Group's loans and borrowings is disclosed in Note 32(d) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

14 TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade					
Trade payables		**46,846**	46,750	**95**	88
Amounts due to related parties	16	**4,143**	4,113	**–**	–
		50,989	50,863	**95**	88
Non-trade					
Other creditors		**19,315**	16,749	**212**	139
Other provisions		**5,156**	4,990	**–**	–
Advanced billings		**6,692**	11,673	**–**	–
Accrued operating expenses		**28,185**	29,427	**2,774**	2,921
Accrued interest expenses		**2,028**	3,312	**779**	779
Financial guarantees to subsidiaries	11	**–**	–	**16,236**	6,722
Amounts due to related parties	16	**430**	562	**–**	12
		112,795	117,576	**20,096**	10,661
Less: Non-current portion		**(462)**	(362)	**–**	–
Current portion		**112,333**	117,214	**20,096**	10,661

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 120 days (2015: 7 to 120 days) credit term. The Group manages liquidity risk of trade payables primarily by maintaining sufficient cash and credit facilities [Note 32(d)].

Included in other creditors is a financial guarantee of $5,408,000 (2015: $5,853,000) 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.

15 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	2016 $'000	2015 $'000
Amounts due from subsidiaries – non-trade	**279,146**	**307,918**
Less: Allowance for impairment	**(23,679)**	**(22,170)**
	255,467	**285,748**
Amounts due to subsidiaries – non-trade	**(265,956)**	**(292,716)**

Movements in allowance for impairment

	Company	
	2016 $'000	2015 $'000
Movements in allowance for impairment		
At 1 January	**(22,170)**	(20,650)
Allowance made	**(1,509)**	(1,520)
At 31 December	**(23,679)**	(22,170)

15 AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONT'D)

Advances from and to subsidiaries are unsecured and are repayable on demand. Interest is charged at 2.4% (2015: rate ranging from 1.08% to 3.0%) per annum on interest-bearing advances.

During the year, allowance for impairment of $1,509,000 (2015: $1,520,000) was made for amounts due from subsidiaries. The above assessment is after taking into account the current financial position of the subsidiaries. The allowance for impairment of $1,509,000 (2015: $1,520,000) was made for a subsidiary due to decrease in net asset value of underlying interest at the reporting date.

16 AMOUNTS DUE FROM/(TO) RELATED PARTIES

		Group		Company	
	Note	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**
Amounts due from:					
Other related parties					
Other related parties, trade		**12,209**	7,768	**–**	–
Other related parties, non-trade		**3,723**	5,178	**–**	–
Refundable deposits with other related parties		**8,689**	8,435	**–**	–
		24,621	21,381	**–**	–
Total		**24,621**	21,381	**–**	–
Presented as:					
Amounts due from related parties, trade	6	**12,209**	7,768	**–**	–
Amounts due from related parties, non-trade	6	**12,412**	13,613	**–**	–
		24,621	21,381	**–**	–
Amounts due to:					
Associates					
Associates, trade		**–**	(3)	**–**	–
Associates, non-trade		**–**	(10)	**–**	(10)
		–	(13)	**–**	(10)
Other related parties					
Other related parties, trade		**(4,143)**	(4,110)	**–**	–
Other related parties, non-trade		**(430)**	(552)	**–**	(2)
		(4,573)	(4,662)	**–**	(2)
Total		**(4,573)**	(4,675)	**–**	(12)
Presented as:					
Amounts due to related parties, trade	14	**(4,143)**	(4,113)	**–**	–
Amounts due to related parties, non-trade	14	**(430)**	(562)	**–**	(12)
		(4,573)	(4,675)	**–**	(12)

The Company's major shareholder is Nuri Holdings (S) Pte Ltd ("Nuri"), incorporated in Singapore. Related companies are the companies in which the shareholders of Nuri and their family members have a controlling interest in. Related parties include 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 29 to the financial statements.

Amounts due from/(to) other related parties

Included in the non-trade amounts due from related parties is a refundable deposit of US$6,000,000 or equivalent to $8,689,000 (2015: $8,435,000) placed by SP Corporation Limited ("SP Corp"), a listed subsidiary of the Group to secure coal supply allocation with a coal mine which is a related company as defined above.

The deposit is subject to yearly renewal by mutual agreement between the two parties. It is secured by a corporate guarantee issued by the holding company of the related company and bears an effective interest of 5.4% (2015: 4.8%) per annum. The deposit has been assessed as having been placed with a counterparty that is creditworthy and accordingly no allowance for potential non-recovery of this deposit is required.

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16 AMOUNTS DUE FROM/(TO) RELATED PARTIES (CONT'D)

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

Included in the other related parties, non-trade was an amount of $3,476,000 (2015: $4,897,000) which is an advance to a related party for coal order placement. The remaining trade and non-trade amounts due from/(to) other related parties were unsecured, interest-free, and repayable within normal trade terms.

An amount of $1,963,000 in previous year's financial statements has been reclassified from "Trade receivables" to "Amounts due from related parties – trade" following a corporate transaction in December 2015 involving a director and his associated companies [Note 6].

17 DEFERRED TAX ASSETS AND LIABILITIES

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

	Group	
	2016 $'000	**2015 $'000**
Deferred tax assets and liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**254**	278
Profit recognised on percentage of completion of development properties for sale	**–**	13,542
Revaluation of properties	**1,393**	1,450
Foreign income not remitted and which will be subject to tax if remitted in the future	**33,475**	23,838
Unutilised tax losses	**–**	1,826
Others	**(1,678)**	(1,659)
	33,444	39,275
Represented by:		
Deferred tax assets	**(2,286)**	(3,045)
Deferred tax liabilities	**35,730**	42,320
	33,444	39,275

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 $'000	Deferred development costs $'000	Revaluation of properties $'000	Foreign income not remitted $'000	Unutilised tax losses $'000	Others $'000	Total $'000
Group								
At 1 January 2016		**278**	**13,542**	**1,450**	**23,838**	**1,826**	**(1,659)**	**39,275**
Exchange differences on consolidation		**(1)**	**–**	**(57)**	**780**	**14**	**(59)**	**677**
Transfer to income tax payable upon completion of development properties		**–**	**(12,602)**	**–**	**–**	**–**	**–**	**(12,602)**
Charged to profit or loss	26	**(23)**	**(940)**	**–**	**3,790**	**(1,840)**	**40**	**1,027**
Charged to other comprehensive income	28	**–**	**–**	**–**	**5,067**	**–**	**–**	**5,067**
At 31 December 2016		**254**	**–**	**1,393**	**33,475**	**–**	**(1,678)**	**33,444**

17 DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

	Note	Accelerated tax depreciation $'000	Deferred development costs $'000	Revaluation of properties $'000	Foreign income not remitted $'000	Unutilised tax losses $'000	Others $'000	Total $'000
Group								
At 1 January 2015		395	7,619	1,421	23,430	(348)	(1,680)	30,837
Exchange differences on consolidation		(31)	–	29	(1,267)	(14)	113	(1,170)
Transfer to income tax payable upon completion of development properties		–	(2,486)	–	–	–	–	(2,486)
Charged to profit or loss	26	(86)	8,409	–	(4,773)	2,188	(92)	5,646
Charged to other comprehensive income	28	–	–	–	6,448	–	–	6,448
At 31 December 2015		278	13,542	1,450	23,838	1,826	(1,659)	39,275

Deferred tax liabilities relating to equity interest in GHG

Deferred tax liabilities included an amount of $34,034,000 (2015: $27,969,000) 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 $263,000 (2015: $244,000). 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 $29,692,000 (2015: $36,926,000) which were available for carry forward and set-off against future taxable income. No deferred tax asset (2015: $11,358,000) had been recognised in respect of the tax losses of $29,640,000 (2015: $25,568,000) due to the unpredictability of the relevant future profit streams.

At the end of the reporting year, the Group had, subject to the agreement by the tax authorities, capital allowances of $2,263,000 (2015: $2,401,000) which were available for carry forward and set-off against future taxable income. Future tax benefits arising from these unutilised capital allowances had not been recognised in the financial statements as there was no reasonable certainty of their recovery in the future years.

18 SHARE CAPITAL

	Group and Company			
	2016	2015	2016	2015
	Number of ordinary shares ('000)		$'000	$'000
Issued and paid up:				
At 1 January	**1,178,825**	1,176,156	**170,230**	169,260
Issued under Scrip Dividend Scheme	**4,432**	2,669	**1,196**	970
Shares bought back and cancelled	**(415)**	–	**(120)**	–
At 31 December	**1,182,842**	1,178,825	**171,306**	170,230

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18 SHARE CAPITAL (CONT'D)

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 4,431,667 (2015: 2,669,072) ordinary shares at an issue price of 27.0 cents (2015: 36.3 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 2015.

Purchase and cancellation of shares

During the year, the Company acquired 415,000 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.

19 RESERVES

	Group		Company	
	2016 **$'000**	**2015** **$'000**	**2016** **$'000**	**2015** **$'000**
Asset revaluation reserve	**106,420**	94,534	**–**	–
Foreign currency translation account	**(16,151)**	(23,722)	**–**	–
Other capital reserves:				
– Non-distributable capital reserves	**128,200**	117,692	**101,264**	101,264
– Cash flow hedging account	**(1,413)**	(1,350)	**–**	–
	126,787	116,342	**101,264**	101,264
Revenue reserve	**531,060**	519,421	**310,779**	294,427
	748,116	706,575	**412,043**	395,691

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 or 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.

20 DIVIDEND

	Group and Company	
	2016	**2015**
	$'000	**$'000**
Tax-exempt one-tier first and final dividend paid in respect of the previous year		
Cash	**5,877**	4,911
Share	**1,196**	970
	7,073	5,881

The Directors proposed a tax exempt one-tier first and final dividend of 0.6 cent per share (2015: 0.6 cent per share) amounting to $7,097,000 (2015: $7,073,000), 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 2016. The Tuan Sing Scrip Dividend Scheme will be applicable to this proposed dividend.

21 REVENUE

		Group	
		2016	**2015**
	Note	**$'000**	**$'000**
Sale of products		**132,003**	125,749
Sale of development properties		**110,066**	384,658
Rental income of investment properties	10	**34,844**	33,916
Hotel operations and related income		**121,748**	126,788
Services rendered		**4,816**	5,547
Others		**541**	464
		404,018	677,122

Revenue represents the invoiced value of goods and services supplied. Included in the Group's revenue from sale of development properties is revenue recognised based on the percentage of completion method amounting to $81,552,000 (2015: $381,548,000).

22 INTEREST INCOME

	Group	
	2016	**2015**
	$'000	**$'000**
Interest income on bank deposits	**2,634**	3,198
Interest income from debtors	**292**	610
Interest income from related parties	**1,539**	450
	4,465	4,258

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23 FINANCE COSTS

	Note	Group 2016 $'000	Group 2015 $'000
Interest expense on loans and borrowings		**30,283**	35,211
Amortisation of capitalised finance costs		**1,303**	960
		31,586	36,171
Less: Amounts capitalised			
– Development properties	8	**(1,641)**	(4,831)
– Investment properties	10	**(4,229)**	(3,811)
		(5,870)	(8,642)
		25,716	27,529

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

24 FAIR VALUE ADJUSTMENTS

	Note	Group 2016 $'000	Group 2015 $'000
Fair value gain/(loss) from:			
Subsidiaries		**2,198**	(7,929)
Share of an equity-accounted investee	12	**138**	(120)
		2,336	(8,049)
Represented by:			
Fair value gain/(loss) in respect of:			
– investment properties		**2,198**	(7,929)
– financial instruments	12	**138**	(120)
		2,336	(8,049)

The fair value adjustment is analysed as follows:

	Note	Group Gross $'000	Group Deferred tax $'000	Group Net $'000
2016				
Fair value gain on investment properties				
Subsidiaries	10	**2,198**	**(87)**	**2,111**
Fair value gain on financial instruments				
Share of an equity-accounted investee	12	**138**	**–**	**138**
		2,336	**(87)**	**2,249**
2015				
Fair value loss on investment properties				
Subsidiaries	10	(7,929)	2,723	(5,206)
Fair value loss on financial instruments				
Share of an equity-accounted investee	12	(120)	–	(120)
		(8,049)	2,723	(5,326)

25 PROFIT BEFORE TAX

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

	Group 2016 $'000	Group 2015 $'000
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]	**7,772**	7,701
Net loss/(gain) on disposal of property, plant and equipment [included in other operating income/(expenses)]	**5**	(62)
Allowance for diminution in value for development properties [included in other operating expenses]	**3,649**	8,935
Allowance for doubtful receivables, net [included in other operating income/(expenses)]	**52**	197
Allowance for inventory obsolescence, net [included in other operating income/(expenses)]	**1**	89
Foreign exchange gain, net [included in other operating income/(expenses)]	**(352)**	(168)
Write-back of recognised corporate guarantee no longer required [included in other operating income]	**(445)**	–
Cost of inventories recognised as an expense	**128,479**	122,232
Net loss on liquidation of subsidiaries [included in other operating expenses]	**1,794**	–
Auditors' remuneration		
Audit fees		
– Auditors of the Company	**326**	322
– Other auditors	**173**	185
Non-audit fees		
– Auditors of the Company	**52**	67
– Other auditors	**32**	551
Directors' remuneration		
Of the Company		
– Salaries and wages	**1,554**	1,511
Of the subsidiaries		
– Salaries and wages	**1,951**	1,946
– Defined contribution plans	**56**	52
	3,561	3,509
Employees benefit expenses (excluding Directors' remuneration)		
– Salaries and wages	**12,274**	12,652
– Defined contribution plans	**1,007**	940
– Others	**86**	28
	13,367	13,620

The Audit and Risk Committee had 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.

26 INCOME TAX EXPENSES

	Note	Group 2016 $'000	Group 2015 $'000
Current income tax			
– Singapore		**1,970**	2,606
– Foreign		**3,146**	3,540
– Over provision in prior years		**(10)**	(819)
		5,106	5,327
Withholding tax expense		**139**	562
Deferred tax	17	**1,027**	5,646
		6,272	11,535

Singapore income tax is calculated at 17% (2015: 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 2016 $'000	Group 2015 $'000
Profit before income tax	**40,078**	80,654
Income tax calculated at 17% (2015: 17%)	**6,814**	13,711
Adjustments:		
Share of results of an equity-accounted investee	**(2,313)**	(1,136)
Expenses not deductible for tax purposes	**3,231**	2,282
Tax losses not recognised as deferred tax assets	**178**	602
Tax losses not available for set-off against future income	**7**	4
Different tax rates of subsidiaries operating in other jurisdictions	**1,872**	341
Income that is not subject to tax	**(3,705)**	(2,143)
Utilisation of tax losses and capital allowance previously unrecognised	**(102)**	(1,950)
Over provision in prior years	**(10)**	(819)
Withholding tax expense	**139**	562
Others	**161**	81
	6,272	11,535

27 EARNINGS PER SHARE

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

	Note	Group		
		Before fair value adjustments $'000	**Fair value adjustments $'000**	**After fair value adjustments $'000**
2016				
Profit before tax		**37,742**	**2,336**	**40,078**
Income tax expenses	26	**(6,185)**	**(87)**	**(6,272)**
Profit for the year		**31,557**	**2,249**	**33,806**
Less:				
Non-controlling interests		**(221)**	**–**	**(221)**
Profit attributable to owners of the Company		**31,336**	**2,249**	**33,585**
2015				
Profit before tax		88,703	(8,049)	80,654
Income tax expenses	26	(14,258)	2,723	(11,535)
Profit for the year		74,445	(5,326)	69,119
Less:				
Non-controlling interests		(286)	–	(286)
Profit attributable to owners of the Company		74,159	(5,326)	68,833

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	
	2016 $'000	**2015 $'000**
Profit attributable to owners of the Company		
Before fair value adjustments	**31,336**	74,159
Fair value adjustments	**2,249**	(5,326)
After fair value adjustments	**33,585**	68,833
Basic and diluted earnings per share (cents)		
Including fair value adjustments	**2.8**	5.8
Excluding fair value adjustments	**2.7**	6.3
Weighted average number of ordinary shares (in '000 shares) for the purpose of computation of basic and diluted earnings per share	**1,181,005**	1,177,545

There is no dilutive ordinary share in 2016 and 2015.

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28 OTHER COMPREHENSIVE INCOME

		Group		
	Note	Before tax $'000	Deferred tax $'000	After tax $'000
2016				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	9	**16,980**	**(5,094)**	**11,886**
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**4,903**	**–**	**4,903**
Share of other comprehensive income of an equity-accounted investee		**2,829**	**–**	**2,829**
Cash flow hedges		**(90)**	**27**	**(63)**
		24,622	**(5,067)**	**19,555**
2015				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	9	22,447	(6,719)	15,728
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(9,450)	–	(9,450)
Share of other comprehensive income of an equity-accounted investee		4,557	–	4,557
Cash flow hedges		(904)	271	(633)
		16,650	(6,448)	10,202

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	
	2016 $'000	2015 $'000
Derivatives that are designated and effective as hedging	**1,019**	904

The Group uses 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 or equivalent to $185 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.

All of the Group's interest rate swaps are designated and effective as cash flow hedges and the fair value of these interest rate swaps, amounting to $90,000 (2015: $904,000) has been recognised in other comprehensive income during the year.

28 OTHER COMPREHENSIVE INCOME (CONT'D)

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	
	2016 per annum	**2015 per annum**	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**
Group						
1 to 2 years	**2.254%**	2.254%	**185,301**	180,221	**1,019**	904

29 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	
	2016 $'000	**2015 $'000**
Transactions with major shareholders		
Sale of products and services rendered	**14,336**	4,763
Sale of a development property	**645**	952
Rental income	**1,887**	1,779
Interest income	**827**	450
Purchase of products	**(46,747)**	(37,285)
Transactions with associates		
Management fee income	**180**	180
Rental income	**173**	344
Interest income	**713**	–
Transactions with Directors of the Company and their associates		
Sale of development properties	**–**	1,897

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.

Commitment with related parties

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 between 1 month and 14 months (2015: 1 to 26 months). Future minimum lease receivables under these leases not recognised as receivables at the end of each reporting period were as follows:

	Group	
	2016 $'000	**2015 $'000**
Commitment with major shareholders		
Sale of development properties	**–**	645
Operating leases		
– Within one year	**2,385**	2,758
– After one year but not more than five years	**2,100**	4,282
– After five years	**2,299**	2,822
	6,784	9,862

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29 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Remuneration of Directors and key management personnel

	Group	
	2016 $'000	2015 $'000
Short-term benefits and fees	**3,505**	3,457
Post-employment benefits (defined contribution plan)	**56**	52
	3,561	3,509

30 COMMITMENTS

Capital commitments

	Group	
	2016 $'000	2015 $'000
Development and investment properties expenditure contracted for but not provided in the financial statements	**143,287**	183,671
Capital expenditure approved by Directors but not contracted for in the financial statements	**5,143**	1,375
Share of commitments of equity-accounted investees		
– Capital expenditure contracted for but not provided in the financial statements	**1,703**	2,074
– Acquisition of shares	**–**	18,725

Share of commitment on acquisition of shares

On 31 December 2015, the Company's 44.5%-owned associated company, Gul Technologies Singapore Ltd ("GulTech"), has through its wholly-owned subsidiary, Gultech International Pte Ltd, entered into an agreement with a related company, Anhui Prime Cord Fabrics Company Ltd, to acquire the remaining 38.6% of the issued share capital of Gultech (Suzhou) Electronics Co., Ltd ("GulSuzhou") that it did not already owned for a cash consideration of S$42,098,000 (RMB194,000,000). The Group's share of commitment in the acquisition was S$18,725,000 (RMB86,291,000). The acquisition was completed in February 2016 and GulSuzhou had as from the same date became wholly owned by GulTech.

Operating lease commitments – where the Group is a lessor

The Group entered 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 one and eleven years (2015: one and twelve 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	
	2016 $'000	2015 $'000
Within one year	**29,649**	32,120
After one year but not more than five years	**42,007**	52,086
After five years	**2,561**	3,249
	74,217	87,455

30 COMMITMENTS (CONT'D)

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 $360,000 (2015: $343,000).

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	
	2016 **$'000**	**2015** **$'000**
Within one year	**368**	459
After one year but not more than five years	**100**	–
	468	459

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	
	2016 **$'000**	**2015** **$'000**
Foreign currency forward contracts	**15,000**	18,900

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

31 CONTINGENT LIABILITIES

	Group		Company	
	2016 **$'000**	**2015** **$'000**	**2016** **$'000**	**2015** **$'000**
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	**–**	–	**513,482**	637,928

As at 31 December 2016, the Group recognised a financial guarantee of $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 12]. As the liabilities had been recognised, there were no contingent liabilities as at the reporting date.

32 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 Note 32(a) and 32(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 Note 32(a) and Note 32(b) to the financial statements.

Classification of financial instruments

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

	Group		Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Financial assets				
Loans and receivables (including cash and bank balances)	**318,914**	272,924	**263,631**	286,180
Financial liabilities				
Loans and payables – amortised cost	**1,126,896**	1,212,237	**349,377**	376,059
Financial guarantee contracts	**–**	–	**16,236**	6,722
	1,126,896	1,212,237	**365,613**	382,781
Derivative financial instruments	**1,019**	904	**–**	–
	1,127,915	1,213,141	**365,613**	382,781

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments

(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. 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 Corp, 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 30 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 $'000	USD $'000	AUD $'000	Others $'000
Group				
At 31 December 2016				
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)**	**(828)**	**–**	**(120)**
Net financial (liabilities)/assets	**(18,956)**	**5,531**	**1**	**(7)**
Less:				
Forward foreign exchange contracts	**15,328**	**–**	**–**	**–**
Net currency exposure	**(3,628)**	**5,531**	**1**	**(7)**
At 31 December 2015				
Financial assets				
Cash and bank balances	176	7,227	1	63
Trade and other receivables	74	620	–	90
	250	7,847	1	153
Financial liabilities				
Trade and other payables	(19,248)	(4,222)	–	–
Net financial (liabilities)/assets	(18,998)	3,625	1	153
Less:				
Forward foreign exchange contracts	18,900	–	–	–
Net currency exposure	(98)	3,625	1	153

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (cont'd)

(a) *Currency risk (cont'd)*

Currency risk exposure (cont'd)

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:

	2016		2015	
	AUD $'000	**MYR $'000**	**AUD $'000**	**MYR $'000**
Company				
Financial assets				
Amounts due from subsidiaries	**–**	**131**	–	489
Financial liabilities				
Amounts due to subsidiaries	**(228)**	**–**	(228)	–
Net currency exposure	**(228)**	**131**	(228)	489

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		AUD		Others	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**
Group								
Profit or loss	**363**	37	**(553)**	(363)	**–**	(1)	**1**	(15)
Company								
Profit or loss	**–**	–	**–**	–	**23**	23	**(13)**	(49)

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) *Cash flow and fair value interest rate risk*

Cash flow 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. Fair value interest rate risk is the risk that the fair value of a financial instrument may fluctuate due to such changes.

The Group's exposure to cash flow 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 32(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.

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (cont'd)

(b) *Cash flow and fair value interest rate risk (cont'd)*

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 $9,178,000 (2015: decrease or increase by $9,610,000).

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) *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.

There was no significant concentration of credit risk with respect to trade receivables at the end of the reporting year because of the Group's large number of customers who are in turn geographically dispersed and from a fairly diverse spectrum of industries. 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 and the guarantees given by the Group to banks in respect of bank facilities utilised by an associate.

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

	Group	
	2016 $'000	**2015 $'000**
By geographical area		
Singapore	**100,126**	76,011
Australia	**4,821**	3,815
China	**3,903**	4,221
Malaysia	**2,330**	2,847
Indonesia	**8,323**	12,970
USA	**126**	238
Other ASEAN countries	**1**	53
Others	**616**	331
	120,246	100,486
By type of customers		
Related parties	**12,209**	7,768
Non-related parties	**108,037**	92,718
	120,246	100,486
By industry sector		
Property	**73,863**	49,586
Hotel	**5,236**	4,472
Industrial services	**41,147**	46,428
	120,246	100,486

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (cont'd)

(d) *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.

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 or less than 1 year $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Group							
31 December 2016							
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**
31 December 2015							
Non-interest bearing	–	105,541	362	–	–	–	105,903
Fixed interest rate instruments	4.5	3,600	3,600	86,420	–	(14,216)	79,404
Variable interest rate instruments	1.7-3.4	443,871	7,812	598,688	6,532	(29,973)	1,026,930
		553,012	11,774	685,108	6,532	(44,189)	1,212,237
Company							
31 December 2016							
Non-interest bearing	**–**	**269,815**	**–**	**–**	**–**	**–**	**269,815**
Fixed interest rate instruments	**4.5**	**3,600**	**86,420**	**–**	**–**	**(10,458)**	**79,562**
Financial guarantee contracts	**–**	**513,482**	**–**	**–**	**–**	**(497,246)**	**16,236**
		786,897	**86,420**	**–**	**–**	**(507,704)**	**365,613**
31 December 2015							
Non-interest bearing	–	296,655	–	–	–	–	296,655
Fixed interest rate instruments	4.5	3,600	3,600	86,420	–	(14,216)	79,404
Financial guarantee contracts	–	637,928	–	–	–	(631,206)	6,722
		938,183	3,600	86,420	–	(645,422)	382,781

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (cont'd)

(d) *Liquidity risk (cont'd)*

Analysis for liquidity and interest risk – non-derivative financial liabilities (cont'd)

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 were claimed by the counterparty to the various guarantees, was $513,482,000 (2015: $637,928,000). The earliest time that a guarantee could be called is as and when the guarantee is claimed by the counterparty.

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 $5,408,000 (2015: $5,853,000). 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 $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Group							
31 December 2016							
Non-interest bearing	**–**	**156,214**	**113**	**2,901**	**9**	**–**	**159,237**
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**
		253,692	**31,388**	**34,176**	**9**	**(351)**	**318,914**
31 December 2015							
Non-interest bearing	–	134,875	736	–	10	–	135,621
Variable interest rate instruments	0.1-0.3	65,946	–	–	–	(9)	65,937
Fixed interest rate instruments	0.3-4.8	39,064	–	32,550	–	(248)	71,366
		239,885	736	32,550	10	(257)	272,924
Company							
31 December 2016							
Non-interest bearing		**263,631**	**–**	**–**	**–**	**–**	**263,631**
31 December 2015							
Non-interest bearing	–	286,180	–	–	–	–	286,180

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (cont'd)

(d) *Liquidity risk (cont'd)*

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 $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Group						
31 December 2016						
Gross settled:						
Foreign exchange forward contracts	**(327)**	**–**	**–**	**–**	**–**	**(327)**
31 December 2015						
Gross settled:						
Foreign exchange forward contracts	271	–	–	–	–	271

(e) *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.

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (cont'd)

(f) 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 13, issued capital, reserves and retained earnings disclosed in Notes 18 and 19 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 13, less cash and bank balances as disclosed in Note 5 to the financial statements.

	Group	
	2016 $'000	**2015 $'000**
Total borrowings	**1,020,793**	1,106,334
Total equity	**930,456**	887,457
Gross gearing (times)	**1.10**	1.25
Net borrowings	**857,105**	964,617
Total equity	**930,456**	887,457
Net gearing (times)	**0.92**	1.09

33 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 2016 %	2015 %
Significant subsidiaries directly held by the Company					
Asiaview Properties Pte Ltd		Property investment	Singapore	**100**	100
Asplenium Land Pte. Ltd.		Property development	Singapore	**100**	100
Clerodendrum Land Pte. Ltd.		Property development	Singapore	**100**	100
Dillenia Land Pte. Ltd.		Property development	Singapore	**100**	100
Oxley Development Pte Ltd		Property investment	Singapore	**100**	100
SP Corporation Limited		Investment holding	Singapore	**80.2**	80.2
Superluck Properties Pte Ltd		Property investment	Singapore	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

33 LISTING OF SIGNIFICANT SUBSIDIARIES (CONT'D)

Name of company	Note	Principal activities	Country of incorporation/ establishment	Effective equity interest & voting power held by the Group 2016 %	2015 %
Significant subsidiaries indirectly held by the Company					
39 Robinson Road Pte. Ltd.		Property investment	Singapore	**100**	100
Grand Hotel Group	(i)	Property investment	Australia	**100**	100
Habitat Properties (Shanghai) Ltd.	(i)	Property development	China	**100**	100
Shelford Properties Pte Ltd		Property development	Singapore	**100**	100
SP Resources International Pte. Ltd.		Trading of industrial products	Singapore	**80.2**	80.2

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

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

34 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 2016 %	2015 %
Gul Technologies Singapore Pte. Ltd.	(i)	Manufacture of printed circuit boards	Singapore	**44.5**	44.5

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

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FIRST QUARTER ENDED 31 MARCH 2017

The information set forth in this Appendix IV has been extracted and reproduced from the unaudited results for the first quarter financial statements announcement of Tuan Sing Holdings Limited and its subsidiaries for the financial period ended 31 March 2017 and has not been specifically prepared for inclusion in this Information Memorandum.

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UNAUDITED RESULTS FOR THE FIRST QUARTER 31 MARCH 2017

Singapore, 27 April 2017 - The Directors of Tuan Sing Holdings Limited ("the Company") announce the following unaudited results of the Group for the first quarter ended 31 March 2017.

This announcement and the accompanying PowerPoint presentation slides are also available at the Company's website: *http://www.tuansing.com.*

If you require any clarification on this announcement, please contact Chong Chou Yuen, Group CFO, at e-mail address*: chong_chouyuen@tuansing.com.*

Important Notes on Forward-Looking Statements:

This announcement may contain forward-looking statements. Words such as 'expects', 'anticipates', 'intends' or the negative use of these terms and other similar expressions of future performance or results and their negatives are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance or events.

These forward-looking statements involve assumptions, risks and uncertainties. The actual future performance or results may differ materially from those expressed or implied by these forward looking statements as a result of various important factors. These factors include but are not limited to, economic, political and social conditions in the geographic markets where the Group operates, interest rate and foreign currency exchange rate movements, cost of capital and availability of capital, competition from other companies and venues for sales / manufacturing / distribution of goods and services, shift in demands, customers and partners, and changes in operating costs. Further details of potential risks and uncertainties affecting the Group are discussed in the "BUSINESS DYNAMIC AND RISK FACTORS STATEMENT" section of this announcement. Unpredictable or unknown factors not discussed in this announcement could also have material adverse effects on forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revision to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group First Quarter 31.03.17 $'000	Group First Quarter 31.03.16 $'000	+/(-) %
Revenue	(a)	**74,797**	105,462	(29)
Cost of sales		**(59,377)**	(81,582)	(27)
Gross profit		**15,420**	23,880	(35)
Other operating income	(b)	**511**	739	(31)
Distribution costs	(c)	**(1,227)**	(986)	24
Administrative expenses	(d)	**(5,654)**	(7,085)	(20)
Other operating expenses	(b)	**(1,232)**	(582)	112
Share of results of an equity accounted investee	(e)	**3,603**	1,740	107
Interest income	(f)	**1,031**	1,028	nm
Finance costs	(g)	**(6,102)**	(6,735)	(9)
Profit before tax and fair value adjustments		**6,350**	11,999	(47)
Fair value adjustments	(h)	**15**	96	(84)
Profit before tax		**6,365**	12,095	(47)
Income tax expenses	(j)	**(1,044)**	(2,476)	(58)
Profit for the period		**5,321**	9,619	(45)
OTHER COMPREHENSIVE LOSS				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	(k)	**1,338**	(5,811)	nm
Share of other comprehensive (loss) / income of an equity accounted investee	(k)	**(2,851)**	4,442	nm
Cash flow hedges	(k)	**130**	(146)	nm
Income tax relating to components of other comprehensive income / (loss) that may be reclassified subsequently		**(39)**	44	nm
Other comprehensive loss, net of tax		**(1,422)**	(1,471)	(3)
Total comprehensive income for the period		**3,899**	8,148	(52)
Profit attributable to:				
Owners of the Company		**5,385**	9,562	(44)
Non-controlling interests		**(64)**	57	nm
		5,321	9,619	(45)
Total comprehensive income attributable to:				
Owners of the Company		**4,184**	8,218	(49)
Non-controlling interests		**(285)**	(70)	307
		3,899	8,148	(52)
Basic and diluted earnings per share (in cents)				
Excluding fair value adjustments	(m)	**0.5**	0.8	
Including fair value adjustments	(m)	**0.5**	0.8	
Return on shareholders' funds ^		**2.3%**	4.3%	

nm: not meaningful

^ Return on shareholders' funds = net profit attributable to shareholders / average shareholders' funds over the year

Profit has been arrived at after crediting / (charging) the following:

		Group First Quarter	
	Note	**31.03.17 $'000**	**31.03.16 $'000**
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]		**(2,171)**	(2,068)
Loss on disposal of property, plant and equipment, net [included in other operating (expenses) / income]		**-**	(4)
Allowance for doubtful trade and other receivables, net [included in other operating income / (expenses)]		**(17)**	(9)
Allowance for inventory obsolescence, net [included in other operating income / (expenses)]		**-**	(30)
Foreign exchange loss, net [included in other operating (expenses) /income]	(b)	**(557)**	(78)
Allowance for diminution in value for development properties [included in other operating expenses]	(b)	**(361)**	-

Explanatory notes

(a) Group's revenue in 1Q2017 was $74.8 million, down by 29% as compared to the corresponding period last year. The decrease was mainly due to lower revenue from development properties. In 1Q2017, $10.1 million was recognised as revenue from development properties as compared to $36.1 million in 1Q2016.

Revenues of Gul Technologies Singapore Pte. Ltd. ("GulTech") and Pan-West (Private) Limited ("Pan-West") are not included as their results are equity accounted for. Had their revenues been included, the Group's total revenue would have been $169.7 million for 1Q2017 as compared to $186.4 million in 1Q2016.

Detailed analysis of Group revenue is set out in Items 14 and 15.

(b) Other operating income in the current quarter was lower than the corresponding period last year as a result of lower foreign currency exchange gain arising from the appreciation of Australian Dollar ("AUD"). Other operating expenses comprised mainly allowance for diminution in value for one unit each in Cluny Park Residence and Sennett Residence, foreign currency exchange losses mainly arising from the depreciation of United States Dollar ("USD"). In comparison, other operating expenses for 1Q2016 comprised mainly foreign currency exchange loss arising from the depreciation USD.

(c) The increase in distribution costs for the first quarter was largely due to higher promotion and commission expenses incurred in relation to the residential projects.

(d) The decrease in administrative expenses was due to lower legal fees incurred in relation to the termination of the previous Seletar Park Residence main contractor.

(e) The Group's share of results of an equity accounted investee reflected solely share of results of the 44.5%-owned GulTech. 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 there.

(f) Interest income was comparable with that of 1Q2016.

(g) Borrowing costs capitalised as cost of "properties under development" relate to borrowings taken up to finance the various projects. Amount capitalised and overall finance costs reduced in the quarter mainly because of lower interest rates secured for loans on certain investment properties.

	Group First Quarter	
	31.03.17	**31.03.16**
	$'000	**$'000**
Finance costs		
Interest expense on loans and borrowings	**6,986**	8,375
Amortisation of capitalised finance costs	**322**	319
	7,308	8,694
Less: Amounts capitalised as cost of properties	**(1,206)**	(1,959)
	6,102	6,735

(h) Fair value gain in 1Q2016 and 1Q2017 arose solely from GulTech's foreign exchange forward contracts. These mark-to-market fair value adjustments are unrealised and may not necessarily recur in the future. Hence they are separately disclosed so as to provide a better understanding of the underlying profit attributable to shareholders.

(j) Taxation charges were arrived at based on the statutory tax rates of the respective countries in which the Group operates and took into account non-deductible expenses and temporary differences. Included therein was deferred tax provision arising from a change in the fair value of net assets of Grand Hotel Group ("GHG") as compared to the tax-cost base of the securities in GHG. Overall, income tax decreased for both current periods as lower profit was generated from Property and Hotels Investment segments.

	Group First Quarter	
	31.03.17	**31.03.16**
	$'000	**$'000**
Income tax expenses		
Current income tax		
- Singapore	**(57)**	72
- Foreign	**413**	447
- Over provision in prior years	**(55)**	(2)
	301	517
Withholding tax expense	**10**	4
Deferred tax	**733**	1,955
	1,044	2,476

(k) Other comprehensive loss in the current quarter relates mainly to:

(i) Foreign currency translation gain of $1.3 million was mainly attributable to the appreciation of Australian Dollar ("AUD") in translating the financial statements of the Australian operations,

(ii) The share of foreign currency translation loss of $2.9 million in GulTech because of the depreciation of USD; and

(iii) Cash flow hedges represented the effective portion of changes in the fair value of AUD interest rate swap contracts. These contracts had an effective date from 30 April 2015. The balance was a non-current liability of $0.9 million at 31 March 2017 [refer to Item 2, line "Derivative financial instruments"].

(m) Analysis of the Group's profit before and after fair value adjustments is shown below:

	Group First Quarter 2017			Group First Quarter 2016		
	Before Fair Value Adjustments	**Fair Value Adjustments**	**After Fair Value Adjustments**	**Before Fair Value Adjustments**	**Fair Value Adjustments**	**After Fair Value Adjustments**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Profit before tax	**6,350**	**15**	**6,365**	11,999	96	12,095
Income tax expenses	**(1,044)**	**-**	**(1,044)**	(2,476)	-	(2,476)
Profit after tax	**5,306**	**15**	**5,321**	9,523	96	9,619
Less:						
Non-controlling interests	**64**	**-**	**64**	(57)	-	(57)
Profit attributable to owners of the Company	**5,370**	**15**	**5,385**	9,466	96	9,562
Basic and diluted earnings per share (in cents)	**0.5**	@	**0.5**	0.8	@	0.8

@ Less than 0.1 cent

2. STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		31.03.17	31.12.16	31.03.17	31.12.16
	Note	$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and bank balances	(n)	**138,741**	163,688	**539**	301
Trade and other receivables	(p)	**161,890**	158,793	**7,963**	7,994
Amounts due from subsidiaries	(aa)	**-**	-	**257,115**	255,467
Inventories	(q)	**3,742**	3,564	**-**	-
Development properties	(r)	**173,790**	183,232	**-**	-
Total current assets		**478,163**	509,277	**265,617**	263,762
Non-current assets					
Property, plant and equipment	(s)	**427,509**	419,278	**-**	-
Investment properties	(t)	**1,124,207**	1,108,652	**498**	498
Investments in subsidiaries	(aa)	**-**	-	**684,794**	684,755
Investments in equity accounted investees	(u)	**84,346**	83,579	**-**	-
Deferred tax assets	(z)	**2,334**	2,286	**-**	-
Other non-current assets		**11**	11	**-**	-
Total non-current assets		**1,638,407**	1,613,806	**685,292**	685,253
Total assets		**2,116,570**	2,123,083	**950,909**	949,015
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	(w)	**394,658**	3,406	**-**	-
Trade and other payables	(y)	**99,423**	112,333	**19,761**	20,096
Amounts due to subsidiaries		**-**	-	**268,115**	265,956
Income tax payable		**21,402**	22,290	**55**	52
Total current liabilities		**515,483**	138,029	**287,931**	286,104
Non-current liabilities					
Loans and borrowings	(w)	**628,173**	1,017,387	**79,601**	79,562
Derivative financial instruments	(k)	**910**	1,019	**-**	-
Deferred tax liabilities	(z)	**37,177**	35,730	**-**	-
Other non-current liabilities		**472**	462	**-**	-
Total non-current liabilities		**666,732**	1,054,598	**79,601**	79,562
Capital, reserves and non-controlling interests					
Share capital		**171,306**	171,306	**171,306**	171,306
Reserves	(ab)	**752,300**	748,116	**412,071**	412,043
Equity attributable to owners of the Company		**923,606**	919,422	**583,377**	583,349
Non-controlling interests		**10,749**	11,034	**-**	-
Total equity		**934,355**	930,456	**583,377**	583,349
Total liabilities and equity		**2,116,570**	2,123,083	**950,909**	949,015
Working capital #		**(37,320)**	371,248		
Total borrowings	(w)	**1,022,831**	1,020,793		
Gross gearing (times) ^		**1.09**	1.10		
Net borrowings ^^		**884,090**	857,105		
Net gearing (times) ^		**0.95**	0.92		
Net asset value per share (in cents)		**78.1**	77.7		

 # Working capital = total current assets - total current liabilities
^ Gross gearing = total borrowings / total equity; Net gearing = net borrowings / total equity
^^ Net borrowings = total borrowings - cash and bank balances

Explanatory notes

(n) Cash and bank balances held by the Group were $138.7 million (31 December 2016: $163.7 million). Included therein were amounts held under project accounts of development properties for which withdrawals 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. Certain bank balances and fixed deposits were held by banks as security for credit facilities [refer to Item 4 note (ac)].

	Group		Company	
	31.03.17 $'000	31.12.16 $'000	31.03.17 $'000	31.12.16 $'000
Cash and bank balances				
Cash at banks and on hand	**33,241**	39,271	**539**	301
Fixed deposits	**101,376**	117,323	**-**	-
Amounts held under the Housing Developers (Project Account) Rules	**4,124**	7,094	**-**	-
	138,741	163,688	**539**	301

(p) Included in the carrying amounts as at 31 March 2017 were mainly receivables of $62.4 million (31 December 2016: $64.5 million) relating to the remaining sales consideration on completed development properties sold, option fee of $1.0 million for land acquisition for 1 Jalan Remaja ("Remaja Project"), land acquisition deposit of $7.8 million (31 December 2016: $7.8 million) for land in Batam, Indonesia and of $4.9 million (31 December 2016: $5.0 million) for land in Jiaozhou, China.

(q) The balance of inventories, from the Industrial Services segment, were comparable with that of last year.

(r) Development properties comprise properties in the course of development, land held for future development and completed properties held for sale, as detailed in the table below.

	Group	
	31.03.17 $'000	31.12.16 $'000
Development properties		
Land cost	**79,135**	79,728
Development costs incurred	**1,087**	979
Interest and others	**1,803**	1,484
	82,025	82,191
Less: Allowance for diminution in value	**(7,190)**	(7,378)
Properties in the course of development	**74,835**	74,813
Completed properties held for sale	**104,002**	113,105
Less: Allowance for diminution in value	**(5,047)**	(4,686)
Completed properties held for sale	**98,955**	108,419
Total Development Properties	**173,790**	183,232
Represented by:		
Properties in the course of development in Singapore	**56,613**	56,166
Land held for future development in China	**18,222**	18,647
Completed properties held for sale in Singapore	**94,947**	104,310
Completed properties held for sale in China	**4,008**	4,109
	173,790	183,232

(s) Property, plant and equipment comprise mainly hotel properties in Australia. The increase was attributable mainly to foreign currency translation gain as a result of the appreciation of AUD.

(t) The increase in investment properties was primarily because of development costs and interest expenses capitalised under the Robinson Tower redevelopment as well as the foreign currency translation gain relating to investment properties in Australia as a result of the appreciation of AUD. There was no fair value adjustment for this quarter as the Group's practice is to revalue investment properties on an annual basis at year-end.

	Group	
	31.03.17	**31.12.16**
	$'000	**$'000**
Investment properties		
Completed investment properties	**716,442**	711,698
Investment property under redevelopment	**407,765**	396,954
	1,124,207	1,108,652
Represented by:		
Singapore, completed investment properties	**478,030**	478,030
Australia, completed investment properties	**232,215**	227,309
China, completed investment properties	**6,197**	6,359
Singapore, investment property under redevelopment	**407,765**	396,954
	1,124,207	1,108,652

(u) The Group's equity-accounted investments consist of 44.5% interest in GulTech and 49% interest in Pan-West. The decrease was due to foreign currency translation loss as a result of the depreciation of USD which is the reporting currency of GulTech. The decrease was mitigated by the Group's share of GulTech's profit and fair value gain totalling $3.6 million in the current period.

(w) The Group's loans and borrowings net of capitalised finance costs, stood at $1,022.8 million (31 December 2016: $1,020.8 million). The increase was mainly due to a higher carrying value of AUD-denominated borrowing as a result of the appreciation of AUD. In the current quarter, AUD-denominated borrowing amounting to $378.2 million has been reclassified as current as it is maturing in January 2018.

	Group		Company	
	31.03.17	**31.12.16**	**31.03.17**	**31.12.16**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Bank loans	**394,658**	3,406	**-**	-
Non-current				
Bank loans	**548,572**	937,825	**-**	-
Notes issued under MTN Programme	**79,601**	79,562	**79,601**	79,562
	628,173	1,017,387	**79,601**	79,562
	1,022,831	1,020,793	**79,601**	79,562
Represented by:				
Interest-bearing liabilities	**1,025,900**	1,024,085	**80,000**	80,000
Capitalised finance costs	**(3,069)**	(3,292)	**(399)**	(438)
	1,022,831	1,020,793	**79,601**	79,562

(y) The decrease in trade and other payables was in line with the lower level of activities for development properties and in Industrial Services segment.

(z) 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 authority. Deferred tax liabilities arose largely from the recognition the Group's deferred tax liabilities arising from its interest in GHG.

(aa) Investments in subsidiaries and amounts due from subsidiaries shown under the Company's statement of financial position are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired or any indication that the previously impaired amounts had decreased or no longer exist. No impairment loss or write-back was recognised in profit or loss as a result of above assessment for the current quarter.

(ab) Composition of reserves

	Group		Company	
	31.03.17	**31.12.16**	**31.03.17**	**31.12.16**
	$'000	**$'000**	**$'000**	**$'000**
Reserves				
Foreign currency translation account	**(17,443)**	(16,151)	**-**	-
Asset revaluation reserve	**106,420**	106,420	**-**	-
Other capital reserves:				
- Non-distributable capital reserves	**128,909**	128,200	**101,264**	101,264
- Cash flow hedging account	**(1,322)**	(1,413)	**-**	-
	127,587	126,787	**101,264**	101,264
Revenue reserve	**535,736**	531,060	**310,807**	310,779
	752,300	748,116	**412,071**	412,043

Foreign currency translation account (balance sheet) 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 Group, 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.

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.

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.

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

Movement in the Group's and the Company's reserves are set out in Item 5.

3. GROUP'S BORROWINGS AND DEBT SECURITIES

	Group		Company	
	31.03.17	**31.12.16**	**31.03.17**	**31.12.16**
	$'000	**$'000**	**$'000**	**$'000**
Secured borrowings				
Amount repayable in one year or less, or on demand	**394,658**	3,406	**-**	-
Amount repayable after one year	**548,572**	937,825	**-**	-
	943,230	941,231	**-**	-
Unsecured borrowings				
Amount repayable after one year	**79,601**	79,562	**79,601**	79,562
	1,022,831	1,020,793	**79,601**	79,562

The Group's borrowings are secured except for the notes issued under the MTN Programme [refer to below]. These secured borrowings are mainly for financing development and investment properties in Singapore, and hotel and investment properties in Australia.

Approximately 92% (31 December 2016: 92%) of the Group's borrowings were on floating rates with various tenures, while the remaining 8% (31 December 2016: 8%) were on fixed rates. Singapore Dollar denominated borrowings represented approximately 63% (31 December 2016: 64%) of total borrowings; while the remaining were in AUD.

Multicurrency Medium Term Note Programme ("MTN Programme")

The Company has in place a S$900 million MTN Programme under which it can issue notes in series or tranches and may be denominated in Singapore Dollar or other currency deemed appropriate at the time.

Fixed rate notes of S$80 million (the "Notes") were issued under the MTN Programme on 14 October 2014. The Notes are unsecured, bear a fixed interest rate of 4.50% per annum payable semi-annually in arrears and will mature on 14 October 2019.

Details of any collateral

As at 31 March 2017, the net book value of assets pledged or mortgaged to banks and a financial institution was $1,750.3 million (31 December 2016: $1,736.9 million).

4. CONSOLIDATED STATEMENT OF CASH FLOWS

		Group	
		First Quarter	
	Note	31.03.17 $'000	31.03.16 $'000
OPERATING ACTIVITIES			
Profit before tax		**6,365**	12,095
Adjustments for:			
Fair value gain		**(15)**	(96)
Share of results of an equity accounted investee		**(3,603)**	(1,740)
Allowance for diminution in value for development properties		**361**	-
Depreciation of property, plant and equipment		**2,171**	2,068
Allowance for inventory obsolescence, net		**-**	30
Allowance for doubtful trade and other receivables, net		**17**	9
Net loss on disposal of property, plant and equipment		**-**	4
Interest income		**(1,031)**	(1,028)
Finance costs		**6,102**	6,735
Operating cash flows before movements in working capital		**10,367**	18,077
Development properties less progressive billings receivable		**8,585**	(9,318)
Inventories		**(210)**	375
Trade and other receivables		**(3,343)**	37,152
Trade and other payables		**(12,433)**	(12,950)
Cash generated from operations		**2,966**	33,336
Interest received		**523**	373
Income tax paid		**(1,186)**	(444)
Net cash from operating activities		**2,303**	33,265
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(1,675)**	(972)
Proceeds on disposal of property, plant and equipment		**-**	62
Additions to investment properties		**(9,947)**	(1,687)
Option fee paid for purchase of land		**(1,000)**	-
Net cash used in investing activities		**(12,622)**	(2,597)
FINANCING ACTIVITIES			
Proceeds from loans and borrowings		**5,968**	30,900
Repayment of loans and borrowings		**(11,940)**	(62,149)
Interest paid		**(6,226)**	(10,342)
Bank deposits pledged as securities for bank facilities		**1,698**	(30,193)
Net cash used in financing activities		**(10,500)**	(71,784)
Net decrease in cash and cash equivalents		**(20,819)**	(41,116)
Cash and cash equivalents:			
At the beginning of the period		**95,896**	105,675
Foreign currency translation adjustments		**(687)**	(1,201)
At the end of the period	(ac)	**74,390**	63,358

Explanatory notes

(ac) Cash and cash equivalents

Encumbered fixed deposits and bank balances held by banks as security for credit facilities were excluded from the cash and cash equivalents:

	Group First Quarter	
	31.03.17 $'000	**31.03.16 $'000**
Cash and bank balances	**138,741**	128,508
Less:		
Encumbered fixed deposits and bank balances	**(64,351)**	(65,150)
Cash and cash equivalents per consolidated statement of cash flows	**74,390**	63,358

As at 31 March 2017, the Group had cash placed with banks in China amounting to $77.6 million (31 March 2016: $80.4 million). The repatriation of these cash into Singapore is subject to the Foreign Exchange Control Regulations in China. Out of which, $63.4 million (31 March 2016: $63.1 million) was pledged to a bank as security for banking facilities.

(ad) Free cash flow

	Group First Quarter	
	31.03.17 $'000	**31.03.16 $'000**
Net cash from operating activities	**2,303**	33,265
Net cash used in investing activities	**(12,622)**	(2,597)
Free cash (out)/inflow for the period ^	**(10,319)**	30,668

^ Free cashflow = operating cash flow + investing cash flow

Detailed analysis of Group's cash flow is set out in Item 14.

5. STATEMENTS OF CHANGES IN EQUITY

The Group

	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
2017								
At 1 January 2017	**171,306**	**(16,151)**	**106,420**	**126,787**	**531,060**	**919,422**	**11,034**	**930,456**
Total comprehensive income								
Profit for the year	**-**	**-**	**-**	**-**	**5,385**	**5,385**	**(64)**	**5,321**
Other comprehensive income / (loss), net of tax	**-**	**(1,292)**	**-**	**91**	**-**	**(1,201)**	**(221)**	**(1,422)**
Total	**-**	**(1,292)**	**-**	**91**	**5,385**	**4,184**	**(285)**	**3,899**
Transaction with owners, recognised directly in equity								
Transfer from revenue reserve to other capital reserves	**-**	**-**	**-**	**709**	**(709)**	**-**	**-**	**-**
At 31 March 2017	**171,306**	**(17,443)**	**106,420**	**127,587**	**535,736**	**923,606**	**10,749**	**934,355**
2016								
At 1 January 2016	170,230	(23,722)	94,534	116,342	519,421	876,805	10,652	887,457
Total comprehensive income								
Profit for the period	-	-	-	-	9,562	9,562	57	9,619
Other comprehensive loss, net of tax	-	(1,242)	-	(102)	-	(1,344)	(127)	(1,471)
Total	-	(1,242)	-	(102)	9,562	8,218	(70)	8,148
Transaction with owners, recognised directly in equity								
Transfer from revenue reserve to other capital reserves	-	-	-	1,328	(1,328)	-	-	-
At 31 March 2016	170,230	(24,964)	94,534	117,568	527,655	885,023	10,582	895,605

The Company

	Share capital	Other capital reserve	Revenue reserve	Total equity
	$'000	$'000	$'000	$'000
2017				
At 1 January 2017	**171,306**	**101,264**	**310,779**	**583,349**
Profit, representing total comprehensive income for the year	**-**	**-**	**28**	**28**
At 31 March 2017	**171,306**	**101,264**	**310,807**	**583,377**
2016				
At 1 January 2016	170,230	101,264	294,427	565,921
Profit, representing total comprehensive income for the year	-	-	50	50
At 31 March 2016	170,230	101,264	294,477	565,971

6. SHARE CAPITAL

Share Capital

The Company's issued shares as at 31 March 2017 comprised 1,182,842,055 ordinary shares (31 December 2016: 1,182,842,055 ordinary shares). There has been no change in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since 31 December 2016, being the end of the preceding period reported on. There were also no outstanding convertible securities for which shares may be issued.

Treasury Shares

The Company did not hold any treasury shares as at 31 March 2017 or as at 31 December 2016. There were also no sales, transfers, disposals, cancellation and / or use of treasury shares during 1Q2017 and FY2016.

7. AUDIT

The financial statements have not been audited or reviewed by the Company's external auditors.

8. AUDITORS' REPORT

Not applicable.

9. BASIS OF PREPARATION

The financial statements are prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

10. ACCOUNTING POLICIES

Except as disclosed in Item 11 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial periods as compared with those of the audited financial statements for the financial year ended 31 December 2016.

11. CHANGES IN ACCOUNTING POLICIES

On 1 January 2017, the Group adopted all the new and revised Financial Reporting Standards ("FRSs") and interpretations of FRS ("INT FRS") that are effective as from that date and are relevant to its operations. The adoption of these new or revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the accounts reported for the current or prior financial periods or financial years.

12. EARNINGS PER ORDINARY SHARE

	Group First Quarter	
	31.03.17	**31.03.16**
(a) Earnings per ordinary share based on the weighted average number of ordinary shares in issue (in cents):		
Excluding fair value adjustments	**0.5**	0.8
Including fair value adjustments	**0.5**	0.8
Weighted average number of ordinary shares in issue (in millions)	**1,182.8**	1,178.8
(b) Earnings per ordinary share based on fully diluted basis (in cents)		
Excluding fair value adjustments	**0.5**	0.8
Including fair value adjustments	**0.5**	0.8
Adjusted weighted average number of ordinary shares (in millions)	**1,182.8**	1,178.8

Earnings per ordinary share = Profit attributable to owners of the Company / Weighted average number of shares

There was no outstanding dilutive potential ordinary share. Hence diluted earnings per ordinary share were the same as the earnings per ordinary share for the respective periods.

13. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31.03.17	**31.12.16**	**31.03.17**	**31.12.16**
Net asset value per ordinary share (in cents)	**78.1**	77.7	**49.3**	49.3
Total number of issued shares (in millions)	**1,182.8**	1,182.8	**1,182.8**	1,182.8

Net asset value per ordinary share = Equity attributable to owners of the Company / Total number of issued shares

14. REVIEW OF GROUP PERFORMANCE

Overview

For the first quarter, the Group reported revenue of $74.8 million, a drop of 29% as compared to same quarter last year of $105.5 million. Accordingly, net profit attributable to shareholders fell 44% to $5.4 million as compared to the same quarter last year. Earnings per share stood at 0.5 cent for the first quarter, down from 0.8 cent a year earlier. Lower revenue and profit were due to the Group having sold most of the units of its residential development projects which were completed last year.

Net asset value per share rose to 78.1 cents at 31 March 2017, up from 77.7 cents at 31 December 2016.

Financial Performance

Lower revenue in the quarter resulted in lower gross profit of $15.4 million as compared to $23.9 million in the corresponding quarter in 2016. Distribution costs increased largely on account of higher promotion and commission expenses in relation to residential projects. Lower administrative expenses reflected lower legal fees incurred in relation to the termination of the previous main contractor at Seletar Park Residence.

In the first quarter, other operating income was lower than the corresponding period last year, reflected mainly a lower foreign currency exchange gains arising from the appreciation of Australian Dollar ("AUD"). Other operating expenses comprised mainly $0.4 million allowance for diminution in value for one unit each in Cluny Park Residence and Sennett Residence, foreign currency exchange losses mainly from the depreciation of United States Dollar ("USD").

GulTech, an equity-accounted investee, contributed a profit of $3.6 million in first quarter 2017, an increase of 107% over the same quarter last year of $1.7 million.

Overall, the Group's profit after tax (inclusive of fair value adjustments) for the first quarter was $5.3 million, down 45% from $9.6 million in the same quarter last year.

Financial Position

As at 31 March 2017, the Group had total assets amounting to $2,116.6 million, a small decrease of $6.5 million as compared to $2,123.1 million at the previous year-end. There were lower cash and bank balances and lower value of development properties but higher balances in trade and other receivables, investment properties and property, plant and equipment.

The capitalised cost for the Robinson Tower redevelopment, while it is in progress, caused an increase in investment properties. The increase in property, plant and equipment was mainly attributable to foreign currency translation gain as a result of the appreciation of AUD for the assets in Australia.

Corresponding to the drop in the Group's total assets, total liabilities of $1,182.2 million represented a marginal 0.9% decrease from the previous year-end.

Shareholders' fund grew 0.5% or $4.2 million during the current quarter to $923.6 million. Total equity (i.e. including non-controlling interests) increased to $934.4 million as at 31 March 2017, from $930.5 million at the previous year-end. These increases reflect mainly profit made during the first quarter, offset by loss on foreign currency translation.

The negative working capital as at 31 March 2017 was due solely to the reclassification to current liability of a bank loan amounting to $378.2 million maturing in January 2018. The Group plans to rollover the loan before the end of the year.

Cash Flow (refer to Item 4 for details)

During the quarter, net cash generated from operating activities was $2.3 million as compared to $33.3 million in the same period last year. The decrease was due mainly to lower sales from the completed development properties as most of the units had been sold.

Net cash used in investing activities in the current quarter was $12.6 million as compared to $2.6 million in the corresponding period a year ago. The increase was mainly for the redevelopment of Robinson Tower ($9.8 million), capital expenditure for the two hotels ($1.6 million) and option fee paid ($1.0 million) for the land purchase at 1 Jalan Remaja.

As net cash generated from operating activities was lower than the net cash used in investing activities, there was a free cash outflow of $10.3 million during the quarter, as opposed to free cash inflow of $30.7 million in the same period last year [refer to Item 4, note (ad)].

Net cash used in financing activities was $10.5 million, reflecting mainly a net loan repayment of $6.0 million and interest payment of $6.2 million. For the corresponding period last year, net cash of $71.8 million was used for a net loan repayment of $31.2 million, interest of $10.3 million and an additional bank deposit of $30.2 million pledged for certain bank facilities.

Overall, cash and cash equivalents stood at $74.4 million at 31 March 2017, a decrease from $95.9 million as at 31 December 2016.

15. REVIEW OF SEGMENT PERFORMANCE

Property

For the first quarter, property revenue decreased to $22.7 million from $48.9 million in the same period last year. Profit after tax was $2.0 million, down from $7.1 million a year ago. New sales recognition for units sold at the Cluny Park Residence formed the bulk of the revenue in the current quarter.

Including rental income from investment properties, Property segment contributed 30% of the Group's total revenue in the first quarter of 2017.

Hotels Investment

For the first quarter, Hotels Investment segment recorded A$28.0 million of revenue as compared to A$29.8 million in the same period last year. There was a marginal 2.5% drop in RevPAR ("Revenue Per Available Room") from the two hotels and lower intake from the food and beverage business as compared to the same period a year ago. Consequently and after deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment segment contributed a lower profit after tax of $0.7 million as compared to $0.8 million last year.

Industrial Services

For the first quarter, Industrial Services segment recorded lower revenue of $26.0 million as compared to $30.0 million the same period a year ago. Accordingly, Industrial Services segment reported loss after tax of $0.3 million as opposed to profit after tax of $0.3 million same period last year.

Other Investment

For the first quarter, GulTech reported revenue of US$65.2 million and profit after tax of US$7.6 million, an increase of 17% and 66% respectively from the previous corresponding quarter. The increase was mainly attributable to improved performance from all its three plants.

Consequently, GulTech's net profit attributable to shareholders improved 95% to US$5.7 million from US$2.9 million in the same quarter last year. This translated into a higher share of profit (including fair value gain) of $3.6 million for the Group.

16. VARIANCE FROM PROSPECT STATEMENT

Not applicable.

17. OUTLOOK

In Singapore, the private residential market is expected to remain subdued as the prevailing property cooling measures would continue to weigh on market sentiment. The Group will continue to market the remaining units of its three completed residential developments in the coming months. As at 31 March 2017, only 3 units of Seletar Park Residence, 16 units of Cluny Park Residence; and 11 units and the 3 shop units of Sennett Residence remain unsold.

Forging ahead, the Group plans to launch “Kandis Residence” in the third quarter of 2017. This project has about 130 one- to three-bed-room units spread over three and seven-storey buildings with full condominium facilities.

In April 2017, the Group exercised the option to purchase a vacant lot at no. 1 Jalan Remaja for $47.8 million. This freehold residential site is within walking distance to Hillview MRT Station. The transaction is expected to be completed in June 2017. The Group plans to develop it into approximately 100 condominium apartments. Project launch is targeted in 2Q2018.

In the same month April 2017, the Group also entered into an agreement to purchase Sime Darby Centre located at Dunearn Road (opposite King Albert Park MRT Station) for $365 million. Currently, the property is about 96% occupied over a net lettable area of approximately 18,832 square metres. In due course, the Group will reposition the property into a hub of activities that can serve the needs of the vast residential community in the vicinity. The transaction is also expected to be completed in June 2017.

To finance the acquisition of Sime Darby Centre and to meet an increase in working capital requirement for residential development projects, the Company plans to issue a second tranche of notes under the MTN Programme of about S$140 million in May 2017. The Company will provide further details when it is appropriate.

The new building at the Robinson Towers site is progressing well and is expected to be completed in the second half of 2018 when it will provide a steady stream of income to the Group.

Hotels Investment in Australia is expected to perform satisfactorily and continue to contribute recurring income and cash flow to the Group.

Barring unforeseen circumstances, the Group is optimistic of achieving a profit for the year 2017.

18. BUSINESS DYNAMIC AND RISK FACTORS STATEMENT

We list below key risks that have been identified. There may be other risks which are unknown to the Group. We have also taken mitigating actions that we believe could help us to manage these risks. However, we may not always be successful in deploying all of these mitigating actions. In that event, our cash flow, operating results, financial position, business and reputation could be adversely affected.

The Group acknowledges that it is necessary to take certain risks in order to remain in the business. However, such risks taking should be within its risks appetite and strategy after considering the economic and regulatory environments that the Group is operating in.

After making due inquiry, the Group is satisfied that there were no risks that could affect its ability to continue as a going concern within the next 12 months.

Business & Strategic Risk

- The Group may not be able to successfully implement its business strategy due to limited opportunities, foreign ownership restrictions, government policies, political consideration or specific preference of sellers
- The Group's operations are subject to country-specific risks be they political, regulatory, economic or currency particularly when it ventures into neighbouring country
- Industries that the Group operates in are highly competitive. The increasing competition could adversely affect the business and financial position of the Group
- The Group's development property business inherently has long gestation period and is subject to execution risks during which government policy changes could have substantial effect on the success of a project
- The Group's property and hotels investment businesses are capital intensive and rely on the availability of sizable external funding below the breakeven rate of the businesses
- The Group may face reputation risk arising from negative publicity over adverse happenings or events
- The Group is facing increasing expectations on good corporate governance and social responsibility obligations

Financial Risk

- The Group is exposed to the increasing volatility in interest rates, foreign exchange and equity rate of returns
- The Group is exposed to the inherent risks of using financial derivatives to counter volatility in interest rates and foreign exchange
- The Group is exposed to liquidity risks arising from external borrowings
- The Group is exposed to risk of regulatory bodies' monetary policy changes which may render its capital structure ineffective or inefficient
- The Group faces credit risks when counterparties default on their contractual obligations thereby resulting in financial loss to the Group
- The Group is subject to tax exposure in foreign jurisdictions in which the tax regulations are complex, less explicit or subject to changes at short notice
- The Group's investment value may fluctuate due to changes in the economic conditions

Operational Risk

- The Group is exposed to alliance risk due to possible conflict of interests between the Group and its business associates or joint venture partners
- The property business relies heavily on third-party contractors whose services may fall short of the quality and timeliness the Group requires, given the prevailing tight labour market in Singapore
- The Group's hotels investment is also subject to technology disruption including attendant cyber security risks
- The Group is exposed to inefficient operations that it does not discover in time
- With increasing concern from the community on climatic and environmental issues, the Group's exposure to such risk is increasing
- Unexpected loss of key personnel or a failure in the execution of succession plans may jeopardise the successful implementation of business plans
- The Group is exposed to vendors whose services in terms of quality and timeliness are not satisfactory
- The Group is exposed to work health and safety risks arising from occurrence of incidents in carrying out a process or pandemic beyond the control of the Group
- The Group is exposed to personal data protection risk in relating to the Personal Data Protection Act 2012 in Singapore and the Privacy Act in Australia
- Not all facets of the Group's operations are insurable or at an acceptable premium

Compliance Risk

- The Group may be held responsible for non-compliance in countries where laws, regulations, rules, practices or ethical standards are less explicit or different from those in Singapore
- Rapid changes in laws, regulations, rules and practices where the Group operates have created an increasingly more complex environment for compliance
- The Group is exposed to the risk of inappropriate or inadequate documentation of contractual relationships with third parties
- The Group's internal control systems and related framework may not be kept up-to-date in this dynamic business environment and any non-observance by business units may not be discovered in time

19. DIVIDEND

(a) Current financial period reported on

No dividend has been recommended or declared for 1Q2017.

(b) Corresponding period of the immediately preceding financial year

No dividend was declared for 1Q2016, being the corresponding period of the immediately preceding year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

20. SEGMENTAL ANALYSIS

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 *FRS 108* 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 Australia.
Industrial Services	Trading and marketing of industrial commodities, distribution of tyres and re-treading of tyres, as well as manufacturing of polypropylene woven bags in Malaysia.
Other Investment	Investment in GulTech, a printed circuit boards manufacturer with operations mainly in China.
Corporate and Others	Provision of corporate-level services.

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. Corporate and Others are managed on a group basis and are not allocated to operating segments. 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 $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments $'000	Corporate and Others $'000	Inter-Segment Eliminations $'000	Total Consolidated $'000
1Q2017							
Revenue							
External revenue	**19,214**	**29,515**	**26,023**	**-**	**45**	**-**	**74,797**
Inter-segment revenue	**3,456**	**500**	**-**	**-**	**2,160**	**(6,116)**	**-**
	22,670	**30,015**	**26,023**	**-**	**2,205**	**(6,116)**	**74,797**
Results							
Gross profit	**10,863**	**7,208**	**940**	**-**	**443**	**(4,034)**	**15,420**
Other operating income	**93**	**249**	**144**	**-**	**29**	**(4)**	**511**
Distribution costs	**(617)**	**-**	**(610)**	**-**	**-**	**-**	**(1,227)**
Administrative expenses	**(3,756)**	**(3,877)**	**(899)**	**-**	**(474)**	**3,352**	**(5,654)**
Other operating expenses	**(455)**	**(514)**	**(252)**	**-**	**(11)**	**-**	**(1,232)**
Share of results of an equity accounted investee	**-**	**-**	**-**	**3,603**	**-**	**-**	**3,603**
Interest income	**1,051**	**3**	**329**	**-**	**1,282**	**(1,634)**	**1,031**
Finance costs	**(5,176)**	**(1,321)**	**-**	**-**	**(1,239)**	**1,634**	**(6,102)**
Profit before tax and fair value adjustments	**2,003**	**1,748**	**(348)**	**3,603**	**30**	**(686)**	**6,350**
Fair value adjustments	**-**	**-**	**-**	**15**	**-**	**-**	**15**
Profit before tax	**2,003**	**1,748**	**(348)**	**3,618**	**30**	**(686)**	**6,365**
Income tax expenses	**20**	**(1,078)**	**17**	**-**	**(3)**	**-**	**(1,044)**
Profit for the year	**2,023**	**670**	**(331)**	**3,618**	**27**	**(686)**	**5,321**
Profit attributable to:							
Owners of the Company	**2,024**	**670**	**(268)**	**3,618**	**27**	**(686)**	**5,385**
Non-controlling interests	**(1)**	**-**	**(63)**	**-**	**-**	**-**	**(64)**
Profit for the year	**2,023**	**670**	**(331)**	**3,618**	**27**	**(686)**	**5,321**
1Q2016							
Revenue							
External revenue	45,612	29,775	30,030	-	45	-	105,462
Inter-segment revenue	3,277	445	-	-	2,506	(6,228)	-
	48,889	30,220	30,030	-	2,551	(6,228)	105,462
Results							
Gross profit	18,176	6,841	1,511	-	(267)	(2,381)	23,880
Other operating income	139	388	164	38	14	(4)	739
Distribution costs	(352)	-	(634)	-	-	-	(986)
Administrative expenses	(4,799)	(3,531)	(959)	2	(538)	2,740	(7,085)
Other operating expenses	(64)	(386)	(131)	-	(1)	-	(582)
Share of results of an equity accounted investee	-	-	-	1,740	-	-	1,740
Interest income	1,068	5	400	-	1,282	(1,727)	1,028
Finance costs	(5,799)	(1,312)	(9)	-	(1,342)	1,727	(6,735)
Profit before tax and fair value adjustments	8,369	2,005	342	1,780	(852)	355	11,999
Fair value adjustments	-	-	-	96	-	-	96
Profit before tax	8,369	2,005	342	1,876	(852)	355	12,095
Income tax expenses	(1,259)	(1,160)	(58)	-	1	-	(2,476)
Profit for the year	7,110	845	284	1,876	(851)	355	9,619
Profit attributable to:							
Owners of the Company	7,111	845	226	1,876	(851)	354	9,561
Non-controlling interests	(1)	-	58	-	-	-	57
Profit for the year	7,110	845	284	1,876	(851)	354	9,618

Note:
1. *No revenue is reported under "Other Investments" as the Group equity accounts for its investments in GulTech and Pan-West.*
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 investment property have been reclassified from Hotels Investment Segment to Property Segment.*

Segment asset, liabilities and other segment information

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments $'000	Corporate and Others $'000	Total Consolidated $'000
31.03.2017						
Assets						
Segment assets	**1,935,257**	**16,322**	**71,723**	**-**	**8,922**	**2,032,224**
Investment in equity accounted investees	**-**	**-**	**-**	**84,346**	**-**	**84,346**
Total assets	**1,935,257**	**16,322**	**71,723**	**84,346**	**8,922**	**2,116,570**
Liabilities						
Segment liabilities	**(58,644)**	**(19,090)**	**(14,198)**	**(5,433)**	**(3,440)**	**(100,805)**
Loan and borrowings	**(943,230)**	**-**	**-**	**-**	**(79,601)**	**(1,022,831)**
Current and deferred tax liabilities	**(21,349)**	**(36,659)**	**(430)**	**-**	**(141)**	**(58,579)**
Total liabilities	**(1,023,223)**	**(55,749)**	**(14,628)**	**(5,433)**	**(83,182)**	**(1,182,215)**
Net assets	**912,034**	**(39,427)**	**57,095**	**78,913**	**(74,260)**	**934,355**
31.12.2016						
Assets						
Segment assets	1,932,426	13,847	84,515	-	8,716	2,039,504
Investment in equity accounted investees	-	-	-	83,579	-	83,579
Total assets	1,932,426	13,847	84,515	83,579	8,716	2,123,083
Liabilities						
Segment liabilities	(61,887)	(17,475)	(25,247)	(5,432)	(3,773)	(113,814)
Loan and borrowings	(941,231)	-	-	-	(79,562)	(1,020,793)
Current and deferred tax liabilities	(21,925)	(35,337)	(619)	-	(139)	(58,020)
Total liabilities	(1,025,043)	(52,812)	(25,866)	(5,432)	(83,474)	(1,192,627)
Net assets	907,383	(38,965)	58,649	78,147	(74,758)	930,456

21. INTERESTED PERSON TRANSACTIONS

The Company did not seek and does not have a shareholders' general mandate pursuant to Rule 920 of the Listing Manual.

22. SUBSEQUENT EVENTS

On 10 April 2017, the Company announced that it has on 7 April 2017 signed a Property Purchase Agreement with Sime Darby Property (Dunearn) Private Limited to purchase Sime Darby Centre located at 896 Dunearn Road, Singapore for a purchase consideration of $365 million.

On 12 April 2017, the Company announced that it has exercised an option to purchase a piece of vacant land at 1 Jalan Remaja, Singapore for a purchase consideration of $47.8 million.

Save for the above, in the opinion of the Directors, no other factor has arisen between 1 April 2017 and the date of this announcement which would materially affect its outlook or the results of the Group and of the Company for the periods just ended.

23. CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company confirms that it has procured undertakings from all its Directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

24. CONFIRMATION BY THE BOARD

We, Ong Beng Kheong and William Nursalim alias William Liem, being two directors of Tuan Sing Holdings Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the first quarter ended 31 March 2017 to be false or misleading in any material aspect.

Ong Beng Kheong
Chairman

William Nursalim alias William Liem
Chief Executive Officer

BY ORDER OF THE BOARD

Helena Chua
Company Secretary
27 April 2017