TUAN SING HOLDINGS LIMITED
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AUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2014

Singapore, 29 January 2015 - The Directors of Tuan Sing Holdings Limited ("the Company") are pleased to announce the following audited results of the Group for the fourth quarter and full year ended 31 December 2014.

This announcement, the accompanying PowerPoint presentation slides and webcast 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 the following 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 Fourth Quarter 31.12.14 $'000	Group Fourth Quarter 31.12.13 $'000	+/(-) %	Group Full Year 31.12.14 $'000	Group Full Year 31.12.13 $'000	+/(-) %
PROFIT OR LOSS							
Revenue	(a)	**112,055**	65,267	72	**354,765**	302,273	17
Cost of sales		**(88,140)**	(53,660)	64	**(286,139)**	(251,003)	14
Gross profit	(a)	**23,915**	11,607	106	**68,626**	51,270	34
Other operating income	(b)	**27,921**	1,264	2109	**29,177**	5,546	426
Distribution costs	(c)	**(733)**	(2,705)	(73)	**(4,230)**	(16,986)	(75)
Administrative expenses	(d)	**(4,332)**	(4,758)	(9)	**(16,202)**	(15,866)	2
Other operating expenses	(b)	**(22,861)**	(1,327)	1623	**(23,426)**	(4,114)	469
Share of results of equity accounted investees	(e)	**6,128**	(392)	nm	**19,985**	14,757	35
Finance income	(f)	**1,285**	1,340	(4)	**4,760**	5,018	(5)
Finance costs	(g)	**(4,826)**	(1,500)	222	**(9,186)**	(4,080)	125
Profit before tax and fair value adjustments		**26,497**	3,529	651	**69,504**	35,545	96
Fair value adjustments	(h)	**6,257**	26,696	(77)	**6,469**	27,224	(76)
Profit before tax		**32,754**	30,225	8	**75,973**	62,769	21
Income tax expenses	(j)	**(8,252)**	(4,884)	69	**(14,387)**	(9,715)	48
Profit for the period / year		**24,502**	25,341	(3)	**61,586**	53,054	16
OTHER COMPREHENSIVE INCOME							
Items that will not be reclassified subsequently to profit or loss							
Revaluation of property		-	110	(100)	-	5,630	(100)
Share of other comprehensive income / (loss) of equity accounted investees	(e)	**2,173**	(6,000)	nm	**2,173**	(6,000)	nm
Income tax relating to components of other comprehensive income that will not be reclassified subsequently		**(276)**	1,253	nm	**(276)**	(127)	117
		1,897	(4,637)	nm	**1,897**	(497)	nm
Items that may be reclassified subsequently to profit or loss							
Exchange differences on translation of foreign operations	(k)	**(4,949)**	(3,323)	49	**(7,020)**	(9,032)	(22)
Share of other comprehensive (loss) / income of equity accounted investees	(e)	**(107)**	830	nm	**2,489**	2,390	4
Income tax relating to components of other comprehensive income that may be reclassified subsequently		**446**	(11)	nm	**(316)**	(510)	(38)
		(4,610)	(2,504)	84	**(4,847)**	(7,152)	(32)
Other comprehensive loss for the period / year, net of tax		**(2,713)**	(7,141)	(62)	**(2,950)**	(7,649)	(61)
Total comprehensive income for the period / year		**21,789**	18,200	20	**58,636**	45,405	29
Profit attributable to:							
Owners of the Company		**24,343**	25,299	(4)	**61,169**	52,000	18
Non-controlling interests		**159**	42	279	**417**	1,054	(60)
		24,502	25,341	(3)	**61,586**	53,054	16
Total comprehensive income attributable to:							
Owners of the Company		**21,449**	18,106	18	**58,031**	44,213	31
Non-controlling interests		**340**	94	262	**605**	1,192	(49)
		21,789	18,200	20	**58,636**	45,405	29
Basic and diluted earnings per share (in cents)							
Excluding fair value adjustments	(m)	**1.6**	0.1		**4.7**	2.4	
Including fair value adjustments	(m)	**2.1**	2.2		**5.2**	4.5	
Return on shareholders' funds ^					**7.9%**	7.1%	

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 Fourth Quarter		Group Full Year	
	31.12.14 $'000	31.12.13 $'000	31.12.14 $'000	31.12.13 $'000
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]	**(540)**	(161)	**(1,078)**	(699)
Plant and equipment written off [included in other operating expenses]	**(18)**	(2)	**(18)**	(2)
Gain / (loss) on disposal of property, plant and equipment [included in other operating income / (expenses)]	**-**	36	**(3)**	1,767
Foreign exchange gain /(loss), net [included in other operating income / (expenses)]	**275**	(797)	**372**	(1,957)

Explanatory notes

(a) Group revenue was $112.1 million in 4Q2014 and $354.8 million for FY2014, up by 72% and 17% respectively over the corresponding periods last year. These increases were attributable to higher revenue from the Property segment and the consolidation of revenue from Grand Hotel Group ("GHG") from 2 December 2014 to 31 December 2014. The Group previously held a 50% interest in GHG and only equity-accounted for its results without revenue until 2 December 2014 when the Group completed its acquisition of the remaining 50% interest in GHG [refer to note (ae)].

Gross profit increased in tandem to $23.9 million in 4Q2014 and $68.6 million in FY2014. Gross profit margin also improved on the back of higher margin from GHG consolidation.

	Group Fourth Quarter		Group Full Year	
	31.12.14	31.12.13	31.12.14	31.12.13
Gross Profit Margin				
Property	25%	29%	26%	29%
Hotels Investment	28%	-	28%	-
Industrial Services	5%	6%	5%	6%
Group total	21%	18%	19%	17%

Revenue of Gul Technologies Singapore Ltd ("GulTech") and Pan-West (Private) Limited ("Pan-West") are not included as their results are equity accounted for. Had their revenue been included and GHG been fully owned at the beginning of the year, the Group's total revenue would have been $863.3 million in FY2014.

Detailed analysis of Group revenue is set out in Items 14 and 15.

(b) Both other operating income and other operating expenses increased significantly due to one-off items related to GHG acquisition. These include a negative goodwill of $26.9 million recognised under "other operating income" arising from the excess of fair value of net assets acquired over the purchase consideration [refer to note (ae)], and the associated stamp duty and other expenses of $17.8 million under "other operating expenses".

(c) Distribution costs decreased due to lower agency commission and marketing expenses incurred by development properties. In addition, the bulk of the showflat costs for Cluny Park Residence had been incurred in the previous year.

(d) Administrative expenses were 9% lower for the quarter due to reduced manpower costs arising from right-sizing operations in China, but 2% higher for the year due mainly to legal fees incurred for a dispute resolution which led to the GHG acquisition [refer to note (ae)].

(e) The Group's share of results of equity-accounted investments includes share of net profit and other comprehensive income of GHG (pre-acquisition) and GulTech. Share of results from the 49%-owned Pan-West is not recognised as Pan-West's accumulated losses had exceeded the Group's cost of investment and contractual obligation.

Share of other comprehensive income refers to the Group's share of GHG's gain on assets revaluation and cash flow hedging when GHG was 50% owned and equity accounted.

		Group Fourth Quarter		Group Full Year	
	Note	31.12.14 $'000	31.12.13 $'000	31.12.14 $'000	31.12.13 $'000
Share of net profit					
Share of results before fair value adjustments		**6,128**	(392)	**19,985**	14,757
Share of fair value gain on investment properties	(h)	**3,076**	9,010	**3,076**	9,010
Share of fair value gain / (loss) on financial instruments	(h)	**(83)**	246	**129**	264
Share of other comprehensive income					
Share of asset revaluation reserve		**2,173**	(6,000)	**2,173**	(6,000)
Share of cash flow hedge gain / (loss)		**(107)**	830	**2,489**	2,390
Share of total comprehensive income		**11,187**	3,694	**27,852**	20,421

(f) Finance income decreased by 4% to $1.3 million in 4Q2014 and 5% to $4.8 million in FY2014 reflecting more cash being channelled to working capital.

(g) Finance costs include amortisation of upfront facility fees. The increase in interest expenses reflected additional borrowings used for the acquisition of Robinson Point in 2013 and GHG in 2014 [refer to note (ae)]. As the construction of the residential projects and redevelopment of Robinson Tower progresses, higher amounts were also being capitalised to project costs.

	Group Fourth Quarter		Group Full Year	
	31.12.14 $'000	31.12.13 $'000	31.12.14 $'000	31.12.13 $'000
Finance costs				
Interest expense on loans and borrowings	**5,755**	3,793	**16,598**	10,773
Amortisation of capitalised finance costs	**169**	100	**468**	275
	5,924	3,893	**17,066**	11,048
Less:				
Amounts capitalised as project costs	**(1,098)**	(2,393)	**(7,880)**	(6,968)
	4,826	1,500	**9,186**	4,080

(h) The revaluation of investment properties and mark-to-market adjustments of interest rate hedging contracts gave rise to fair value adjustments. These fair value gains or losses from subsidiaries and equity accounted investees [refer to note (e)] 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.

		Group Fourth Quarter		Group Full Year	
		31.12.14	31.12.13	31.12.14	31.12.13
	Note	$'000	$'000	$'000	$'000
Fair value adjustments					
Subsidiaries		**3,264**	17,440	**3,264**	17,950
Share from equity accounted investees		**2,993**	9,256	**3,205**	9,274
		6,257	26,696	**6,469**	27,224
Represented by:					
Fair value gain on investment properties					
Subsidiaries		**3,264**	17,381	**3,264**	17,381
Share from equity accounted investees	(e)	**3,076**	9,010	**3,076**	9,010
		6,340	26,391	**6,340**	26,391
Fair value gain / (loss) on financial instruments					
Subsidiaries		**-**	59	**-**	569
Share from equity accounted investees	(e)	**(83)**	246	**129**	264
		(83)	305	**129**	833

(j) Taxation charges were arrived at based on the statutory tax rates of the respective countries in which the entities in 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 carrying amount of the Group's investment in GHG versus its tax cost base.

	Group Fourth Quarter		Group Full Year	
	31.12.14	31.12.13	31.12.14	31.12.13
	$'000	$'000	$'000	$'000
Income tax expenses / (write-back)				
Current income tax				
- Singapore	**(160)**	672	**1,285**	1,475
- Foreign	**190**	296	**279**	1,744
- Under provision in prior years	**2,800**	238	**2,695**	36
	2,830	1,206	**4,259**	3,255
Withholding tax expense / (refund)	**(31)**	(257)	**35**	218
Deferred tax	**5,453**	3,935	**10,093**	6,242
	8,252	4,884	**14,387**	9,715

(k) Exchange differences arose from the translation of the financial statements of foreign operations whose functional currencies are not Singapore Dollar and from the translation of foreign currency loans borrowed by the foreign operations.

The translation losses recognised for the current periods were due predominately to the weakening of Australian Dollar ("AUD") by 4% for the quarter and 5% for the year. The impact was mitigated partly by the appreciation of United States Dollar ("USD") and Renminbi ("RMB") in the same periods.

(m) Analysis of the Group's profit before and after fair value adjustments is shown below:

	Group Full Year 2014			Group Full Year 2013		
	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	**69,504**	**6,469**	**75,973**	35,545	27,224	62,769
Income tax expenses	**(13,337)**	**(1,050)**	**(14,387)**	(7,147)	(2,568)	(9,715)
Profit after tax	**56,167**	**5,419**	**61,586**	28,398	24,656	53,054
Less:						
Non-controlling interests	**(417)**	**-**	**(417)**	(1,054)	-	(1,054)
Profit attributable to owners of the Company	**55,750**	**5,419**	**61,169**	27,344	24,656	52,000
Basic and diluted earnings per share (in cents)	**4.7**	**0.5**	**5.2**	2.4	2.1	4.5

2. STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		31.12.14	31.12.13	31.12.14	31.12.13
	Note	$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and bank balances	(n)	**252,270**	276,872	**356**	298
Trade and other receivables	(p)	**87,420**	62,262	**112**	50
Amounts due from subsidiaries	(aa)	**-**	-	**366,313**	300,334
Inventories	(q)	**4,487**	4,090	**-**	-
Development properties	(r)	**414,153**	404,285	**-**	-
Total current assets		**758,330**	747,509	**366,781**	300,682
Non-current assets					
Property, plant and equipment	(s)	**397,886**	3,504	**-**	-
Investment properties	(t)	**1,082,932**	824,125	**498**	498
Investments in subsidiaries	(aa)	**-**	-	**574,302**	584,380
Investments in equity accounted investees	(u)	**62,981**	208,159	**-**	-
Deferred tax assets	(z)	**4,179**	-	**-**	-
Other non-current assets		**14**	14	**-**	-
Total non-current assets		**1,547,992**	1,035,802	**574,800**	584,878
Total assets		**2,306,322**	1,783,311	**941,581**	885,560
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	(w)	**195,347**	150,052	**-**	-
Trade and other payables	(y)	**107,134**	79,675	**15,693**	21,934
Amounts due to subsidiaries		**-**	-	**322,278**	320,734
Income tax payable		**5,830**	3,284	**52**	217
Total current liabilities		**308,311**	233,011	**338,023**	342,885
Non-current liabilities					
Loans and borrowings	(w)	**1,149,525**	767,604	**79,275**	-
Deferred tax liabilities	(z)	**35,016**	23,491	**-**	-
Other non-current liabilities		**423**	-	**-**	-
Total non-current liabilities		**1,184,964**	791,095	**79,275**	-
Capital, reserves and non-controlling interests					
Share capital		**169,260**	168,190	**169,260**	168,190
Reserves	(ab)	**633,658**	581,491	**355,023**	374,485
Equity attributable to owners of the Company		**802,918**	749,681	**524,283**	542,675
Non-controlling interests		**10,129**	9,524	**-**	-
Total equity		**813,047**	759,205	**524,283**	542,675
Total liabilities and equity		**2,306,322**	1,783,311	**941,581**	885,560
Working capital		**450,019**	514,498		
Total borrowings	(w)	**1,344,872**	917,656		
Gross gearing (times) ^		**1.65**	1.21		
Net borrowings ^^		**1,092,602**	640,784		
Net gearing (times) ^		**1.34**	0.84		
Net asset value per share (in cents)		**68.3**	63.9		

^ *Gross gearing = total borrowings / total equity; Net gearing = net borrowings / total equity*
^^ *Net borrowings = total borrowings - cash and bank balances*

Explanatory notes

(n) Group's cash and bank balances stood at $252.3 million as at 31 December 2014. Included therein were amounts held under the Project Accounts of development properties whose withdrawals are restricted to payments for expenditure incurred on those projects as mandated under the Housing Developers (Project Account) Rules in Singapore.

	Group		Company	
	31.12.14	31.12.13	31.12.14	31.12.13
	$'000	$'000	$'000	$'000
Cash and bank balances				
Cash at banks and on hand	**40,115**	29,351	**356**	298
Fixed deposits	**79,765**	114,768	**-**	-
Amounts held under the Housing Developers (Project Account) Rules	**132,390**	132,753	**-**	-
	252,270	276,872	**356**	298

(p) Trade and other receivables increased by 40% to $87.4 million as at 31 December 2014. The increase was due mainly to the inclusion of the trade and other receivables held by GHG upon consolidation [refer to note (ae)]. In addition, included in the carrying amount were tender deposits amounting to $11.8 million (31 December 2013: $7.9 million) relating to the land acquisition in Jiaozhou, China and Gilstead Court, Singapore. For Jiaozhou, the Group has secured the third plot of land of approximately 60,200 square metre pending the issuance of land title deed. For Gilstead Court collective sale, the completion of land acquisition is subject to, *inter alia*, the outcome of a ruling by the High Court.

(q) Inventories increased by 10% to $4.5 million reflecting the consolidation of GHG, offset partly by the decrease in inventories held by the Industrial Services segment.

(r) Development properties stood at $414.2 million at 31 December 2014, as compared to $404.3 million at the previous year-end. The increase was due mainly to development costs capitalised and higher attributable profit less progress billings. The marginal increase in land cost during the year was due solely to the translation gain arising from appreciation of RMB.

	Group	
	31.12.14	31.12.13
	$'000	$'000
Development properties		
Land cost	**477,219**	476,980
Development costs incurred	**124,022**	49,141
Interest and others	**23,513**	16,176
	624,754	542,297
Add: Attributable profit	**79,851**	37,659
Less: Progress billings received and receivable	**(294,641)**	(182,413)
Properties in the course of development	**409,964**	397,543
Completed properties held for sale	**4,189**	6,742
	414,153	404,285
Represented by:		
Singapore, in the course of development	**383,722**	371,599
China, in the course of development	**26,242**	25,944
China, completed	**4,189**	6,742
	414,153	404,285

(s) The significant increase in property, plant and equipment reflected the inclusion of the hotel properties held by GHG [refer to note (ae)].

(t) Investment properties include those completed and one under redevelopment. They are carried at an aggregate value of $1,082.9 million as compared to $824.1 million at the previous year-end. The increase was attributable mainly to the consolidation of GHG's non-hotel investment properties as from December 2014 [refer to note (ae)], costs capitalised under Robinson Tower redevelopment, and renovation costs capitalised for Robinson Point. A net fair value gain of $3.3 million was recognised in the current year as compared to $17.4 million a year ago [refer to note (h)]. The Group's practice is to revalue investment properties based on professional valuations carried out at year-end.

	Group	
	31.12.14	**31.12.13**
	$'000	**$'000**
Investment properties		
Completed investment properties	**725,920**	479,773
Investment property under redevelopment	**357,012**	344,352
	1,082,932	824,125
Represented by:		
Singapore, completed investment properties	**477,950**	473,350
Singapore, investment property under redevelopment	**357,012**	344,352
Australia, completed investment properties	**241,483**	-
China, completed investment properties	**6,487**	6,423
	1,082,932	824,125

(u) As at 31 December 2014, the Group's equity-accounted investments comprised 49% interest in Pan-West and 44.5% interest in GulTech (from 43.3% following a selective capital reduction in August 2014). During the year, the Group also equity accounted for the results of the 50% interest in GHG before it became wholly-owned [refer to note (ae)].

		Group	
		31.12.14	**31.12.13**
	Note	**$'000**	**$'000**
Investments in equity accounted investees			
Unquoted shares, at cost		**72,240**	178,216
Exchange differences on consolidation		**771**	92
Share of post-acquisition results and reserves, net of distribution received		**(10,030)**	29,851
		62,981	208,159
Share of net assets			
At beginning of the year		**208,159**	210,298
Exchange differences on consolidation		**3,073**	(17,833)
Change in interest in a joint venture	(ae)	**(167,297)**	-
Share of total comprehensive income for the year	(e)	**27,852**	20,421
Adjustment arising from selective capital reduction of an associate		**(136)**	-
Distributions		**(8,670)**	(4,727)
At end of the year		**62,981**	208,159

(w) Loans and borrowings, comprising interest-bearing liabilities less capitalised finance costs, stood at $1,344.9 million at 31 December 2014. The significant increase represented additional borrowings, including notes issued under the Multicurrency Medium Term Note Programme ("MTN Programme") to fund the acquisition of the remaining 50% interest in GHG and the consolidation of GHG's borrowings, post-acquisition. The increase was partially offset by a net project loan repayment of $37.8 million in Singapore.

	Group		Company	
	31.12.14	**31.12.13**	**31.12.14**	**31.12.13**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Bank loans	**195,347**	150,050	**-**	-
Finance leases	**-**	2	**-**	-
	195,347	150,052	**-**	-
Non-current				
Bank loans	**1,070,250**	767,604	**-**	-
Notes issued under MTN Programme	**79,275**	-	**79,275**	-
	1,149,525	767,604	**79,275**	-
	1,344,872	917,656	**79,275**	-
Represented by:				
Interest-bearing liabilities	**1,348,039**	919,720	**80,000**	-
Capitalised finance costs	**(3,167)**	(2,064)	**(725)**	-
	1,344,872	917,656	**79,275**	-

Detailed analysis of the Group's borrowings is set out in Item 3.

(y) Trade and other payables increased by 34% to $107.1 million as at 31 December 2014 reflecting the inclusion of the trade and other payables held by GHG [refer to note (ae)].

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

Deferred tax assets stood at $4.2 million at 31 December 2014, arising mainly from the recognition of unutilised tax losses and the consolidation of GHG's deferred tax post-acquisition [refer to note (ae)]. Deferred tax liabilities stood at $35.0 million at end-December 2014, arising mainly from the recognition of profit on the development projects in Singapore whose tax liabilities are not expected to arise within twelve months as well as the recognition of timing difference of the Group's 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.

As a result of the assessment, the Company made a net impairment loss of $11.2 million (2013: $10.2 million) for investments in subsidiaries, and a net impairment loss of $20.6 million (2013: a net reversal of allowance for impairment loss of $79.9 million) for amounts due from subsidiaries in 2014. The above adjustments have no impact to the Group's consolidated results.

(ab) Composition of reserves

	Group		Company	
	31.12.14	**31.12.13**	**31.12.14**	**31.12.13**
	$'000	**$'000**	**$'000**	**$'000**
Reserves				
Asset revaluation reserve	**78,806**	76,909	**-**	-
Foreign currency translation account	**(18,592)**	(11,384)	**-**	-
Other capital reserves:				
- Non-distributable capital reserves	**111,052**	102,271	**101,264**	101,264
- Cash flow hedging account	**(717)**	(2,890)	**-**	-
	110,335	99,381	**101,264**	101,264
Revenue reserve	**463,109**	416,585	**253,759**	273,221
	633,658	581,491	**355,023**	374,485

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.

Asset revaluation reserve comprises net cumulative surpluses arising from the revaluation of leasehold land, buildings and improvements held by the Group. These properties are held for the purpose of production or supply or goods and services.

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 Group, i.e., Singapore Dollar; 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.

Non-distributable capital reserves comprise mainly 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.

Movement in the Group's and the Company's reserves are set out in Item 5.

3. GROUP'S BORROWINGS AND DEBT SECURITIES

	Note	Group 31.12.14 $'000	Group 31.12.13 $'000
Secured borrowings			
Amount repayable in one year or less, or on demand		**195,347**	150,052
Amount repayable after one year		**1,070,250**	767,604
		1,265,597	917,656
Unsecured			
Amount repayable after one year		**79,275**	-
	(w)	**1,344,872**	917,656

The Group's borrowings were secured except for the notes issued under the MTN Programme [refer to below]. These secured borrowings were obtained mainly for financing development and investment properties in Singapore, as well as hotel and investment properties in Australia.

Singapore Dollar borrowings represented 72% (2013: 100%) of total borrowings. The rest was in Australia Dollars which was drawn under GHG. Of the Group's borrowings, 6% (2013: $Nil) are on fixed rate and 94% (2013: 100%) are on floating rates of various duration.

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 dollars or other currency deemed appropriate at the time.

On 14 October 2014, the Company issued S$80 million of fixed rate notes (the "Notes"). The Notes are unsecured, bear a fixed interest rate of 4.50% per annum payable semi-annually in arrear. The Notes will mature on 14 October 2019.

Details of any collateral

As at 31 December 2014, the net book value of assets pledged or mortgaged to banks amounted to $1,953.0 million (31 December 2013: $1,253.5 million).

4. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group Fourth Quarter 31.12.14 $'000	Group Fourth Quarter 31.12.13 $'000	Group Full Year 31.12.14 $'000	Group Full Year 31.12.13 $'000
OPERATING ACTIVITIES					
Profit before tax		**32,754**	30,225	**75,973**	62,769
Adjustments for:					
Fair value gain		**(6,257)**	(26,696)	**(6,469)**	(27,224)
Share of results of equity accounted investees		**(6,128)**	392	**(19,985)**	(14,757)
Depreciation of property, plant and equipment		**540**	161	**1,078**	699
Allowance for inventory obsolescence, net		**12**	20	**75**	20
(Write-back of allowance) / allowance for doubtful receivables, net		**(4)**	130	**(1)**	119
Plant and equipment written off		**18**	2	**18**	2
Net (gain) /loss on disposal of property, plant and equipment		**-**	(36)	**3**	(1,767)
Negative goodwill on acquisition	(ae)	**(26,924)**	(802)	**(26,924)**	(802)
Impairment of investment in an associate		**-**	-	**136**	-
Finance income		**(1,285)**	(1,340)	**(4,760)**	(5,018)
Finance costs		**4,826**	1,500	**9,186**	4,080
Operating cash flows before movements in working capital		**(2,448)**	3,556	**28,330**	18,121
Development properties less progressive billings receivable		**(15,025)**	(2,366)	**(4,630)**	44,288
Inventories		**(737)**	(84)	**207**	(193)
Trade and other receivables		**(7,351)**	(1,679)	**(7,696)**	8,899
Trade and other payables		**13,912**	12,005	**(3,054)**	7,024
Cash (used in) / generated from operations		**(11,649)**	11,432	**13,157**	78,139
Interest received		**530**	574	**2,701**	1,906
Income tax paid		**907**	353	**(2,169)**	(6,863)
Net cash (used in) / from operating activities		**(10,212)**	12,359	**13,689**	73,182
INVESTING ACTIVITIES					
Additions to property, plant and equipment		**(127)**	(201)	**(831)**	(679)
Disposal of property, plant and equipment		**-**	55	**-**	2,134
Additions to investment properties		**(3,834)**	(9,463)	**(11,068)**	(11,297)
Acquisition of subsidiary	(ae)	**(102,317)**	(140,818)	**(102,317)**	(170,868)
Distribution received from a joint venture		**-**	-	**8,670**	3,501
Net cash used in investing activities		**(106,278)**	(150,427)	**(105,546)**	(177,209)
FINANCING ACTIVITIES					
Repayment of finance lease obligations		**-**	(6)	**(2)**	(23)
Proceeds from loans and borrowings		**173,178**	253,968	**202,498**	374,668
Repayment of loans and borrowings		**(79,044)**	(176,886)	**(115,677)**	(192,337)
Interest paid		**(5,427)**	(4,651)	**(16,157)**	(11,553)
Bank deposits pledged as securities for bank facilities		**(87)**	(156)	**95**	(59,527)
Dividends paid to shareholders		**-**	-	**(4,794)**	(2,161)
Distribution paid to non-controlling interests		**-**	(1,000)	**-**	(4,600)
Net cash from financing activities		**88,620**	71,269	**65,963**	104,467
Net (decrease) / increase in cash and cash equivalents		**(27,870)**	(66,799)	**(25,894)**	440
Cash and cash equivalents:					
At the beginning of the period / year		**214,186**	277,589	**212,626**	207,077
Foreign currency translation adjustments		**1,098**	1,836	**682**	5,109
At the end of the period / year	(ac)	**187,414**	212,626	**187,414**	212,626

Explanatory notes

(ac) Cash and cash equivalents

As at 31 December 2014, fixed deposits and bank balances of $64.9 million (31 December 2013: $64.2 million) held by banks as security for credit facilities were excluded from the cash and cash equivalents.

	Group	
	31.12.14 $'000	31.12.13 $'000
Cash and bank balances	**252,270**	276,872
Less:		
Encumbered fixed deposits and bank balances	**(64,856)**	(64,246)
Cash and cash equivalents per consolidated statement of cash flows	**187,414**	212,626

As at 31 December 2014, the Group had cash placed with banks in China amounting to $76.1 million (31 December 2013: $86.2 million); of which, $63.2 million (31 December 2013: $62.5 million) 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.

(ad) Free cash flow

	Group Fourth Quarter		Group Full Year	
	31.12.14 $'000	31.12.13 $'000	31.12.14 $'000	31.12.13 $'000
Net cash (used in) / from operating activities	**(10,212)**	12,359	**13,689**	73,182
Net cash used in investing activities	**(106,278)**	(150,427)	**(105,546)**	(177,209)
Free cash outflow for the period / year	**(116,490)**	(138,068)	**(91,857)**	(104,027)

^ Free cashflow = operating cash flow + investing cash flow

Free cash flow was negative $116.5 million for 4Q2014 and negative $91.9 million for FY2014. This was due to higher cash used in investing activities which exceeded net cash from operating activities. In addition, net cash used in 4Q2014 includes also payment for stamp duty relating to the GHG acquisition [refer to note (ae)].

As compared to the same period last year, lower level of cash was generated from operating activities as operating cash from development properties in the current period was mainly derived from the progress billings based on percentage of construction, as compared to the initial 20% sales proceeds received upon new property units sales a year earlier.

Detailed analysis of Group's cash flow is set out in Item 14.

(ae) Acquisition of subsidiary

Business Combination in 2014

On 2 December 2014, the Group acquired the remaining 50% interest in GHG through its wholly-owned subsidiary, Tuan Sing Real Estate Pty Limited for a cash consideration of A$125.8 million (equivalent to S$140.4 million). 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.

An amount of $26.9 million 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.

Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

		Group	
	Note	**2014 $'000**	**2013 $'000**
Current assets			
Cash and bank balances		**38,056**	709
Trade and other receivables		**13,941**	1,080
Inventories		**771**	-
Non-current assets			
Property, plant and equipment		**414,040**	-
Investment properties		**253,329**	350,000
Deferred tax assets		**2,206**	-
Current liabilities			
Trade and other payables		**(28,802)**	(3,993)
Income tax payable		**(173)**	-
Non-current liabilities			
Loans and borrowings		**(358,259)**	(175,417)
Deferred tax liabilities		**(115)**	-
Other non-current liabilities		**(400)**	-
Total net identified assets at fair value		**334,594**	172,379
Fair value of amount previously equity accounted for as a joint venture	(u)	**(167,297)**	-
Consideration paid		**(140,373)**	(171,577)
Negative goodwill	(b)	**26,924**	802
Net cash outflow on acquisition of subsidiary			
Consideration paid		**140,373**	171,577
Less: Cash and bank balances acquired		**(38,056)**	(709)
Net cash outflow on acquisition		**102,317**	170,868

5. STATEMENTS OF CHANGES IN EQUITY

The Group

	Share capital	Asset revaluation reserve	Foreign currency translation account	Other capital reserves	Revenue reserve	Attributable to owners of the Company	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
FY2014								
At 1 January 2014	**168,190**	**76,909**	**(11,384)**	**99,381**	**416,585**	**749,681**	**9,524**	**759,205**
Total comprehensive income								
Profit for the year	**-**	**-**	**-**	**-**	**61,169**	**61,169**	**417**	**61,586**
Other comprehensive income / (loss), net of tax	**-**	**1,897**	**(7,208)**	**2,173**	**-**	**(3,138)**	**188**	**(2,950)**
	-	**1,897**	**(7,208)**	**2,173**	**61,169**	**58,031**	**605**	**58,636**
Transaction 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	**1,070**	**-**	**-**	**-**	**-**	**1,070**	**-**	**1,070**
Dividend paid to shareholders								
- Cash	**-**	**-**	**-**	**-**	**(4,794)**	**(4,794)**	**-**	**(4,794)**
- Share	**-**	**-**	**-**	**-**	**(1,070)**	**(1,070)**	**-**	**(1,070)**
At 31 December 2014	**169,260**	**78,806**	**(18,592)**	**110,335**	**463,109**	**802,918**	**10,129**	**813,047**
FY2013								
At 1 January 2013	164,545	77,573	(2,214)	96,775	370,950	707,629	12,932	720,561
Total comprehensive income								
Profit for the year	-	-	-	-	52,000	52,000	1,054	53,054
Other comprehensive income / (loss), net of tax	-	(664)	(9,170)	1,880	167	(7,787)	138	(7,649)
	-	(664)	(9,170)	1,880	52,167	44,213	1,192	45,405
Transaction with owners, recognised directly in equity								
Transfer from revenue reserve to other capital reserves	-	-	-	726	(726)	-	-	-
Issue of shares under the Scrip Dividend Scheme	3,645	-	-	-	-	3,645	-	3,645
Dividend paid to shareholders						-		
- Cash	-	-	-	-	(2,161)	(2,161)	-	(2,161)
- Share	-	-	-	-	(3,645)	(3,645)	-	(3,645)
Dividend to non-controlling interests	-	-	-	-	-	-	(4,600)	(4,600)
At 31 December 2013	168,190	76,909	(11,384)	99,381	416,585	749,681	9,524	759,205

The Company

	Share capital	Other capital reserve	Revenue reserve	Total equity
	$'000	$'000	$'000	$'000
FY2014				
At 1 January 2014	**168,190**	**101,264**	**273,221**	**542,675**
Total comprehensive loss for the year	**-**	**-**	**(13,598)**	**(13,598)**
Issue of shares under the Scrip Dividend Scheme	**1,070**	**-**	**-**	**1,070**
Dividend paid to shareholders				
- Cash	**-**	**-**	**(4,794)**	**(4,794)**
- Share	**-**	**-**	**(1,070)**	**(1,070)**
At 31 December 2014	**169,260**	**101,264**	**253,759**	**524,283**
FY2013				
At 1 January 2013	164,545	101,264	190,648	456,457
Total comprehensive income for the year	-	-	88,379	88,379
Issue of shares under the Scrip Dividend Scheme	3,645	-	-	3,645
Dividend paid to shareholders				
- Cash	-	-	(2,161)	(2,161)
- Share	-	-	(3,645)	(3,645)
At 31 December 2013	**168,190**	**101,264**	**273,221**	**542,675**

6. SHARE CAPITAL

Share Capital

Total number of issued ordinary shares as at 31 December 2014 was 1,176,155,916 as compared to 1,172,739,606 as at 31 December 2013. The increase represents 3,416,310 new shares allotted and issued on 25 June 2014 at $0.313 per share to eligible shareholders who have elected to participate in the Company's Scrip Dividend Scheme in respect of the first and final tax exempted one-tier ordinary dividend of 0.5 cent per share for the financial year ended 31 December 2013.

Save for above, 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 30 September 2014, being the end of the preceding period reported on. There were also no outstanding convertibles securities for which shares may be issued.

Treasury Shares

The Company did not hold any treasury shares as at 31 December 2014 and as at 31 December 2013, the end of the corresponding period of the immediately preceding year. There were also no sales, transfers, disposals, cancellation and / or use of treasury shares during FY2014 and FY2013.

7. AUDIT

Please refer to Appendix A for the audited financial statements.

8. AUDITORS' REPORT

See Appendix A.

9. BASIS OF PREPARATION

The financial statements in Appendix A 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 period as compared with those of the audited financial statements for the financial year ended 31 December 2013.

11. CHANGES IN ACCOUNTING POLICIES

In the current financial year, the Group adopted all the new and revised FRSs and Interpretations of FRS that are effective for annual periods beginning on or after 1 January 2014 and relevant to its operations.

The adoption of these new or revised FRSs did not result in any substantial changes to the Group's accounting policies and has no material effect on the amounts reported or the current or prior years, except for the below:-

FRS 112 Disclosure of Interests in Other Entities

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries and associates. Other than the additional disclosures, the application of FRS 112 has not had any material impact on the amounts recognized in the consolidated financial statements.

12. EARNINGS PER ORDINARY SHARE

	Group Fourth Quarter		Group Full Year	
	31.12.14	31.12.13	31.12.14	31.12.13
(a) Earnings per ordinary share based on the weighted average number of ordinary shares in issue (in cents):				
Excluding fair value adjustments	**1.6**	0.1	**4.7**	2.4
Including fair value adjustments	**2.1**	2.2	**5.2**	4.5
Weighted average number of ordinary shares in issue (in millions)	**1,176.2**	1,172.7	**1,174.5**	1,167.4
(b) Earnings per ordinary share based on fully diluted basis (in cents)				
Excluding fair value adjustments	**1.6**	0.1	**4.7**	2.4
Including fair value adjustments	**2.1**	2.2	**5.2**	4.5
Adjusted weighted average number of ordinary shares (in millions)	**1,176.2**	1,172.7	**1,174.5**	1,167.4

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	
	31.12.14	31.12.13	31.12.14	31.12.13
Net asset value per ordinary share (in cents)	**68.3**	63.9	**44.6**	46.3
Total number of issued shares (in millions)	**1,176.2**	1,172.7	**1,176.2**	1,172.7

14. REVIEW OF GROUP PERFORMANCE

Overview

In December, the Group completed the purchase of the other 50% interest in GHG it did not already owned from its joint-venture partner. Since the fair value of the net assets acquired was in excess of the purchase consideration, a gain of $26.9 million was recognised under “other operating income”. Related acquisition expenses of about $17.8 million were also recognised as “other operating expenses”.

Full year revenue was $354.8 million and full year net profit attributable to shareholders was $61.2 million. Earnings per share increased to 5.2 cents, as compared to 4.5 cents a year earlier. Net asset value per share rose to 68.3 cents at 31 December 2014, up from 63.9 cents at the previous year-end.

Financial Performance

Compared to the same period last year, Group revenue for the fourth quarter rose by 72% to $112.1 million reflecting higher property revenue and maiden contribution from GHG, post-acquisition. Profit before tax and fair value gain increased in tandem to $26.5 million as compared to $3.5 million in 4Q2013. Net profit attributable to shareholders for the quarter was however 4% lower at $24.3 million as there was much lower fair value gain in the quarter this year.

For the full year ended 31 December 2014, Group revenue increased by 17% to $354.8 million. Progressive revenue recognition based on percentage of construction for units already sold at Seletar Park Residence and Sennett Residence formed the bulk of the revenue in 2014.

Accordingly, gross profit increased 34% to $68.6 million. Distribution costs reduced with lower property sales. An increase in the administrative expenses was because of legal fees for the full acquisition of GHG and in connection with the land purchase under Gilstead collective sale. For Gilstead, the plaintiff has discontinued his allegation against the Group and was ordered by the Court to pay a certain sum to the Group. The collective sale is still pending the decision of the Court.

The Group’s share of profit from associates and joint venture was up 35% to $20.0 million in the absence of recognition of losses from Pan-West in the current year as compared to last year when an amount of $5.9 million was provided for being the Group’s share of certain corporate guarantees given to Pan-West’s bankers.

Profit before tax and fair value gain increased 96% to $69.5 million. A net fair value gain of $6.5 million was recorded as compared to $27.2 million a year ago. As a result, profit after tax increased at a smaller 16% to $61.6 million. After accounting for non-controlling interests’ share of profits, the Group reported a net profit attributable to shareholders of $61.2 million, 18% higher than $52.0 million in the previous year.

Financial Position

Group total assets of $2.3 billion at 31 December 2014 represented a 29% or $523.0 million increase from the previous year-end. This was attributable mainly to consolidation of GHG's total assets, expenditures capitalised under on-going development projects and higher carrying amount of the investment in GulTech.

Group total liabilities of $1.5 billion represented a 46% or $469.2 million increase from the previous year-end, due primarily to consolidation of GHG's liabilities made up mainly of bank borrowings and trade and other payables, as well as an increase in deferred tax liabilities arising from increase in the carrying amount of investment in GHG.
Total borrowings as at 31 December 2014 were $1.3 billion, compared with $917.7 million as at 31 December 2013. Higher borrowings reflected mainly debt-financing for the acquisition of GHG and consolidation of GHG's borrowings. These increases were offset partially by repayment of certain project loans in Singapore. Consequently, total cash and bank balances decreased by 9% or $24.6 million to $252.3 million, and the Group's net borrowings increased by $451.8 million to $1.1 billion. Gross gearing ratio was 1.65 times and net gearing ratio was 1.34 times, up from 1.21 times and 0.84 times respectively at the previous year-end.

Over the twelve-month period, shareholders' fund grew 7% or $53.2 million to $802.9 million at 31 December 2014. The increase reflected net profit recognised, share of GHG's assets revaluation gain and cash flow hedging gain pre-consolidation, offset partially by foreign currency translation losses mainly because of the depreciation of Australian Dollar and the Company's payment of dividend to shareholders. Under the Tuan Sing Scrip Dividend Scheme, 3.4 million new shares were issued during the year and accordingly, the Company's share capital increased by $1.1 million to $169.3 million at year-end.

Cash Flow

Net cash from operating activities was $13.7 million compared to $73.2 million in the previous year. Higher operating profit and cash flows were offset by cash outflow for working capital requirements. There was less cash received from progress billings in the current year as compared with the initial 20% down-payment received upon new sales in 2013.

Net cash used in investing activities was $105.5 million after offsetting distribution receipt of $8.7 million. An amount of $113.4 million was used on acquisition of the remaining 50% interest in GHG, redevelopment of Robinson Tower and refurbishment of Robinson Point. In comparison, a higher amount of $182.2 million was used last year for the acquisition of Robinson Point and redevelopment of Robinson Tower.

Financing activities accounted for a net cash inflow of $66.0 million reflecting a net loan drawdown of $86.8 million less interest expense of $16.2 million, and cash dividend to shareholders of $4.8 million. By comparison, last year witnessed a net financing cash inflow of $104.5 million on account of higher net loan drawdown of $182.3 million less pledging of fixed deposits, payment of interest and dividend.

After considering a currency translation gain arising mainly from RMB and USD denominated funds, cash and cash equivalents stood at $187.4 million at 31 December 2014.

15. REVIEW OF SEGMENT PERFORMANCE

Property

For the full year, Property revenue increased 44% to $203.0 million and profit before tax and fair value adjustment increased 79% to $41.1 million. Progressive recognition based on percentage of construction on units sold at Seletar Park Residence, Sennett Residence, and the initial 20% recognition on new bookings at Cluny Park Residence formed the bulk of the property revenue and profit for the year. Revenue from investment properties increased 63% to $16.6 million mainly on account of full year recognition from Robinson Point which was acquired in October 2013.

Profit after tax was relatively unchanged at $36.6 million both this year and last year, although lower net fair value gain of $3.3 million was recorded this year as compared to $17.9 million a year ago. Property remained the key driver of the Group, contributing 57% of the Group's total revenue and 59% of the Group's total profit after tax for 2014.

Hotels Investment

GHG's net property income increased 2% to A$44.1 million. Higher room rate accounted for the better performance of Grand Hyatt Melbourne whereas Hyatt Regency Perth witnessed lower room rate and occupancy. The combined RevPAR ("Revenue Per Available Room") for the two hotels remained relatively unchanged. Non-hotel properties registered a 5% increase in net rental income to A$16.4 million, up from A$15.7 million a year ago. Net profit reported by GHG was A$22.0 million as compared to A$26.7 million last year affected mainly by lower fair value gain in the current year for its investment properties.

On 2 December 2014, the Group completed its acquisition of the remaining 50% interest in GHG. Henceforth, the Group had full ownership and control over GHG and accordingly full consolidation of the financial results of GHG. A one-time net gain on acquisition of S$9.1 million was recognised in the current period. After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed S$13.0 million or 21% of the Group's total profit after tax for the year.

Industrial Services

For the full year, Industrial Services reported revenue of $140.3 million and profit after tax of $1.8 million. In comparison, revenue of $162.0 million and profit after tax of $2.4 million were reported in the previous year. Revenue from SP Corp fell 14% to $131.9 million due to a decline in tyre distribution and commodities trading activities. As a result, SP Corp's profit after tax dipped 11% to $2.1 million, from $2.4 million a year earlier.

Other Investments

GulTech reported a 5% increase in revenue to US$275.2 million. However, profit after tax dropped by 15% to US$38.9 million affected mainly by a squeeze in margin and a non-cash fair value loss on exchange rate hedging as opposed to a gain last year. Consequently, GulTech's net profit attributable to shareholders declined 17% to US$20.7 million in 2014. This translated into a lower share of profit (including fair value loss) of S$11.5 million for the Group.

16. VARIANCE FROM PROSPECT STATEMENT

Not applicable.

17. OUTLOOK

In Singapore, operating landscape remains challenging given the existing cooling measures imposed by the Government. The Group's total order book on Seletar Park Residence, Sennett Residence and Cluny Park Residence had increased to $763.2 million as at 31 December 2014 as compared to $738.5 million a year ago. The bulk of the Group's revenue and profit in 2015 would continue to come from these three residential projects, as construction progresses.

The redevelopment of Robinson Tower site is on-going which comprises a 28-storey commercial building with 1-level sky terrace and 6-level of basement carpark. Upon its completion, the new Robinson Tower is expected to contribute a steady recurring income to the Group, in addition to those from Robinson Point.

In Australia, GHG has become wholly-owned by the Group on 2 December 2014. Henceforth, it is expected to add to the Group's assets base, revenues and earnings. In China, the Group has completed the land acquisitions in Jiaozhou and Fuzhou. Property market continues to face headwinds.

For Other Investments, GulTech's third plant, in Wuxi, is about to commence its production run which will add significant capacity to meet growing demand for printed circuit boards.

The Group will continue to explore new opportunities elsewhere. Barring unforeseen circumstances, the Group is cautiously optimistic of achieving satisfactory operational performance before fair value adjustments for year 2015.

18. BUSINESS DYNAMIC AND RISK FACTORS STATEMENT

There is a plethora of risks facing the Group; a number of them are beyond its control. The Group believes that its commitment to maintaining the group-wide Enterprise Risk Management (ERM) system implemented more than ten years ago but which has since been improved a number of times has enhanced its operational resilience and ensured that it is well-placed to sustain earnings and drive long-term shareholders' value.

Regionally and across business segments, the performance of the Group may be adversely affected, *inter alia,* by the following risks:

<u>Strategic Risk</u>

- The Group may not be able to successfully implement its business strategy due to limited opportunities, foreign ownership restrictions, government policies, political considerations or specific preference of sellers
- The Group's operations are subject to country-specific risks be they political, regulatory, economic or currency
- 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 the project
- The Group's property and hotels investment businesses are capital intensive and rely on the availability of a sizable quantum of external funding below breakeven rate
- The Group may face reputation risk arising from negative publicity over adverse happenings or events

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 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
- Not all facets of the Group's operations are insurable or at an acceptable premium

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

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

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.

19. DIVIDEND

(a) Current financial period reported on

The Directors propose that a first and final one-tier tax exempt dividend of 0.5 cent per share be paid for the financial year ended 31 December 2014. The Tuan Sing Scrip Dividend Scheme will be applicable to this proposed dividend.

Name of dividend	First & Final
Dividend type	Cash / Scrip
Dividend rate	0.5 cent per ordinary share under one-tier system
Tax rate	Tax exempt

(b) Corresponding period of the immediately preceding financial year

Name of dividend	First & Final
Dividend type	Cash / Scrip
Dividend rate	0.5 cent per ordinary share under one-tier system
Tax rate	Tax exempt

Except for the above, no other dividend was declared in the previous corresponding period or last financial year ended 31 December 2013.

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

(e) If no dividend has been declared/ recommended, a statement to that effect

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.
Hotels Investment	Investment in hotels in Australia through GHG.
Industrial Services	Trading and marketing of selected industrial commodities, distribution of tyres and retreading 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.

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
FY2014							
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**
FY2013							
Revenue							
External revenue	140,065	#	162,025	@	183	-	302,273
Inter-segment revenue	1,032	-	-	-	20,486	(21,518)	-
	141,097	-	162,025	-	20,669	(21,518)	302,273
Results							
Gross profit	40,576	-	9,577	-	14,573	(13,456)	51,270
Other operating income	4,901	202	414	-	96,872	(96,843)	5,546
Distribution costs	(14,094)	-	(2,892)	-	-	-	(16,986)
Administrative expenses	(6,595)	(664)	(4,766)	(3)	(2,753)	(1,085)	(15,866)
Other operating expenses	(3,222)	(514)	(377)	-	(20,149)	20,148	(4,114)
Share of results of equity accounted investees	-	7,264	-	7,493	-	-	14,757
Finance income	4,287	20	600	111	-	-	5,018
Finance costs	(2,855)	(1,226)	-	-	-	1	(4,080)
Profit before tax and fair value adjustments	22,998	5,082	2,556	7,601	88,543	(91,235)	35,545
Fair value adjustments	17,950	9,072	-	202	-	-	27,224
Profit before tax	40,948	14,154	2,556	7,803	88,543	(91,235)	62,769
Income tax expenses	(4,362)	(5,016)	(170)	(3)	(164)	-	(9,715)
Profit for the year	36,586	9,138	2,386	7,800	88,379	(91,235)	53,054
Profit attributable to:							
Owners of the Company	36,008	9,138	1,910	7,800	88,379	(91,235)	52,000
Non-controlling interests	578	-	476	-	-	-	1,054
Profit for the year	36,586	9,138	2,386	7,800	88,379	(91,235)	53,054

#: *Revenue reported under "Hotels Investment" relates to GHG's results post-acquisition [refer to note (ae)]. Prior to that, the Group equity accounted for its 50% interest in GHG.*

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

Segment assets, liabilities and other segment information

	Note	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments $'000	Corporate and Others $'000	Total Consolidated $'000
FY2014							
Assets							
Segment assets		**1,496,391**	**669,452**	**76,516**	**16**	**966**	**2,243,341**
Investment 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)**
Loan and borrowings		**(886,523)**	**(379,074)**	**-**	**-**	**(79,275)**	**(1,344,872)**
Current 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**
Fair value gain on investment properties	(h)	**(3,264)**	**(3,076)**	**-**	**-**	**-**	**(6,340)**
Fair value (gain) / loss on financial instruments	(h)	**-**	**(609)**	**-**	**480**	**-**	**(129)**
FY2013							
Assets							
Segment assets		1,494,489	3	79,778	36	846	1,575,152
Investment in equity accounted investees		-	159,655	-	48,504	-	208,159
Total assets		1,494,489	159,658	79,778	48,540	846	1,783,311
Liabilities							
Segment liabilities		(51,766)	(299)	(26,956)	(35)	(619)	(79,675)
Loan and borrowings		(917,656)	-	-	-	-	(917,656)
Current and deferred tax liabilities		(5,315)	(20,413)	(711)	(32)	(304)	(26,775)
Total liabilities		(974,737)	(20,712)	(27,667)	(67)	(923)	(1,024,106)
Net assets		519,752	138,946	52,111	48,473	(77)	759,205
Other information							
Capital expenditure		152	#	527	@	-	679
Depreciation of property plant and equipment		280	#	419	@	-	699
Fair value gain on investment properties	(h)	(17,381)	(9,010)	-	-	-	(26,391)
Fair value gain on financial instruments	(h)	(569)	(62)	-	(202)	-	(833)

#: *Capital expenditure and depreciation reported under "Hotels Investment" relates to GHG's results post-acquisition [refer to note (ae)]. Prior to that, the Group equity accounted for its 50% interest in GHG.*

@: *No capital expenditure and depreciation are reported under "Other Investments" as the Group equity accounts for its investment in GulTech and Pan-West.*

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		Total consolidated capital expenditure	
	2014	2013	2014	2013	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000
Singapore	**255,192**	193,306	**900,881**	867,272	**338**	505
Australia	**12,023**	#	**638,185**	159,655	**102**	#
China	**21,388**	13,805	**6,665**	6,657	**3**	5
Malaysia	**16,804**	21,358	**2,261**	2,218	**388**	169
Indonesia	**22,529**	24,424	**-**	-	**-**	-
Europe	**13,016**	30,443	**-**	-	**-**	-
Other ASEAN Countries ^	**12,157**	16,909	**-**	-	**-**	-
Others	**1,656**	2,028	**-**	-	**-**	-
	354,765	302,273	**1,547,992**	1,035,802	**831**	679

\# *Revenue and capital expenditure reported under "Australia" relates to GHG's results post-acquisition [refer to note (ae)]. Prior to that, the Group equity accounted for its 50% interest in GHG.*

^ *Other ASEAN countries comprise Myanmar, Vietnam, Cambodia, Brunei and Laos with revenue constituting not more than 10% 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 revenues.

21. BREAKDOWN OF REVENUE AND PROFIT AFTER TAX BY PERIOD

	Group Full Year	
	2014	**2013**
	$'000	**$'000**
(a) Revenue		
- First quarter	**61,297**	64,931
- Second quarter	**81,577**	117,889
- Third quarter	**99,836**	54,186
- Fourth quarter	**112,055**	65,267
Full year revenue	**354,765**	302,273
(b) Profit after tax before deducting non-controlling interests		
- First quarter	**7,774**	6,490
- Second quarter	**11,720**	15,324
- Third quarter	**17,590**	5,899
- Fourth quarter	**24,502**	25,341
Full year profit after tax	**61,586**	53,054

22. INTERESTED PERSON TRANSACTIONS

The Company did not seek and does not have a shareholders' general mandate pursuant to Rule 920 of the Listing Manual.

23. PERSONS OCCUPYING MANAGERIAL POSITIONS PURSUANT TO RULE 704(13)

Persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer (CEO) or substantial shareholder of the Company pursuant to Rule 704(13) are listed below.

Name	Age	Family relationship with any director, CEO and / or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
William Nursalim alias William Liem	42	Brother of Michelle Liem Mei Fung (Non-Executive Director and Deemed Substantial Shareholder of the Company) and Liem Mei Kim (Deemed Substantial Shareholder of the Company). Brother-in-law of David Lee Kay Tuan (Non-Executive Director of the Company).	Executive Director of the Company since January 2004 and Chief Executive Officer since January 2008.	N.A.
Boediman Gozali (alias Tony Wu)	73	Uncle of William Nursalim alias William Liem (Chief Executive Officer and Executive Director of the Company), Michelle Liem Mei Fung (Non-Executive Director and Deemed Substantial Shareholder of the Company) and Liem Mei Kim (Deemed Substantial Shareholder of the Company).	Managing Director and Chief Executive Officer of SP Corporation Limited, a subsidiary of the Company, since August 2010.	N.A.
Lee Kay Chen	48	Brother of David Lee Kay Tuan (Non-Executive Director of the Company) Brother-in-law of Michelle Liem Mei Fung (Non-Executive Director and Deemed Substantial Shareholder of the Company)	Senior Manager, Operations of Globaltraco International Pte Ltd (“Globaltraco”), a subsidiary of the Company, since 1 January 2015.	1 January 2015 – Senior Manager, Operations 1 August 2014 - Senior Manager, Export Sales 1 January 2014 – Manager, Export Sales

24. SUBSEQUENT EVENTS

On 24 October 2014, the Group terminated the services of the main contractor for Seletar Park Residence (the "Project") for unsatisfactory performance and called for the performance bond issued by a bank which the High Court has awarded in the Group's favour. The release of the sum by the bank is now pending the outcome of the contractor's appeal against the High Court decision. Subsequent to the year-end, the contractor has filed their adjudication application for their final payment claim. The Group has since submitted their response and will resist the contractor's application vigorously.

The Group is of the view that it has a reasonably strong case in the calling of the performance bond and a reasonable chance of prevailing at arbitration in respect of the termination of the contractor and defeating the contractor's adjudication proceedings. Accordingly, no cost was provided for as at 31 December 2014 in relation to such termination. A new contractor has since been appointed for this project.

Save for the above, in the opinion of the Directors, no factor has arisen between 1 January 2015 and the date of this announcement which would materially affect the results of the Group and of the Company for the period / year just ended.

BY ORDER OF THE BOARD

Mary Goh Swon Ping
Group Company Secretary
29 January 2015