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FINANCIAL STATEMENTS ANNOUNCEMENT
UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018

Singapore, 25 July 2018 - The Directors of Tuan Sing Holdings Limited ("the Company") are pleased to announce the following unaudited results of the Group for the second quarter and half year ended 30 June 2018.

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 Second Quarter 30.06.18 $'000	Group Second Quarter 30.06.17 $'000 (Restated*)	+/(-) %	Group First Half 30.06.18 $'000	Group First Half 30.06.17 $'000 (Restated*)	+/(-) %
Revenue	(a)	**81,663**	84,096	(3)	**158,133**	158,892	(0)
Cost of sales		**(66,174)**	(71,523)	(7)	**(126,055)**	(130,955)	(4)
Gross profit		**15,489**	12,573	23	**32,078**	27,937	15
Other operating income	(b)	**1,233**	865	43	**6,914**	1,376	402
Distribution costs	(c)	**(790)**	(1,053)	(25)	**(1,347)**	(2,280)	(41)
Administrative expenses	(d)	**(6,659)**	(6,884)	(3)	**(12,861)**	(12,550)	2
Other operating expenses	(b)	**(908)**	(762)	19	**(1,943)**	(1,994)	(3)
Share of results of an equity accounted investee	(e)	**4,949**	3,829	29	**9,121**	7,432	23
Interest income	(f)	**1,321**	970	36	**2,464**	2,001	23
Finance costs	(g)	**(10,326)**	(7,087)	46	**(20,453)**	(13,189)	55
Profit before tax and fair value adjustments		**4,309**	2,451	76	**13,973**	8,733	60
Fair value adjustments	(h)	**(131)**	(120)	9	**(198)**	(105)	89
Profit before tax		**4,178**	2,331	79	**13,775**	8,628	60
Income tax expenses	(j)	**(1,096)**	(590)	86	**(2,519)**	(1,634)	54
Profit for the period		**3,082**	1,741	77	**11,256**	6,994	61
OTHER COMPREHENSIVE INCOME / (LOSS)							
Items that may be reclassified subsequently to profit or loss							
Exchange differences on translation of foreign operations	(k)	**289**	2,619	(89)	**(3,431)**	(3,410)	1
Share of other comprehensive income / (loss) of an equity accounted investee	(k)	**3,622**	(7,878)	nm	**1,344**	(3,436)	nm
Cash flow hedges	(k)	**-**	260	nm	**86**	390	(78)
Income tax relating to components of other comprehensive (loss) / income that may be reclassified subsequently		**(8)**	(78)	77	**14**	(117)	nm
Other comprehensive income / (loss), net of tax		**3,903**	(5,077)	nm	**(1,987)**	(6,573)	(70)
Total comprehensive income / (loss) for the period		**6,985**	(3,336)	nm	**9,269**	421	2102
Profit attributable to:							
Owners of the Company		**2,985**	1,757	70	**11,144**	7,074	58
Non-controlling interests		**97**	(16)	nm	**112**	(80)	nm
		3,082	1,741	77	**11,256**	6,994	61
Total comprehensive income / (loss) attributable to:							
Owners of the Company		**6,607**	(3,272)	nm	**9,057**	770	1076
Non-controlling interests		**378**	(64)	nm	**212**	(349)	nm
		6,985	(3,336)	nm	**9,269**	421	2102
Basic and diluted earnings per share (in cents)							
Excluding fair value adjustments	(m)	**0.3**	0.2		**1.0**	0.6	
Including fair value adjustments	(m)	**0.3**	0.1		**0.9**	0.6	
Return on shareholders' funds ^					**2.3%**	1.5%	

nm: not meaningful

^Return on shareholders' funds = net profit attributable to shareholders / average shareholders' funds over the year

** The 2017 comparatives are restated as the Group has adopted the Singapore financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") as from 1 January 2018.*

Profit has been arrived at after (charging) / crediting the following:

	Note	Group Second Quarter 30.06.18 $'000	Group Second Quarter 30.06.17 $'000 (Restated)	Group First Half 30.06.18 $'000	Group First Half 30.06.17 $'000 (Restated)
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]		**(2,130)**	(2,141)	**(4,334)**	(4,325)
Loss on disposal of property, plant and equipment, net [included in other operating (expenses) / income]	(b)	**(4)**	-	**(4)**	-
Net gain on disposal of a subsidiary [included in other operating (expenses) / income]	(b)	**-**	-	**3,893**	-
Allowance for doubtful trade and other receivables, net [included in other operating income / (expenses)]	(b)	**(168)**	(20)	**(469)**	(37)
Allowance for inventory obsolescence, net [included in other operating income / (expenses)]	(b)	**-**	(16)	**-**	(16)
Foreign exchange gain / (loss), net [included in other operating income / (expenses)]	(b)	**163**	249	**506**	(308)
Write-back of allowance / (allowance) for diminution in value for development properties, net [included in cost of sales and other operating expenses]	(b)	**528**	(271)	**847**	(632)

Explanatory notes

a) Group revenue was $81.7 million in 2Q2018, a 3% decrease from $84.1 million in the corresponding period last year. For 1H2018, revenue was $158.1 million, a slight decrease from $158.9 million registered the same period of last year. There were lower revenues from development properties and Hotels Investment but higher revenue from the Industrial Services.

The consolidated revenue did not include those of Gul Technologies Singapore Pte. Ltd. ("GulTech") and Pan-West (Private) Limited ("Pan-West") as their results are equity accounted for. Had their revenues been included, the Group's total revenue would have been $195.7 million for 2Q2018 and $381.0 million for 1H2018. In the previous year, it was $185.3 million for 2Q2017 and $355.1 million for 1H2017 respectively.

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

(b) The increase in other operating income for 2Q2018 was mainly attributable to higher gain on foreign exchange. For the 1H2018 increase over 1H2017, there was also a gain of $3.9 million arising from the sale of a plot of land in Qingdao, China.

The increase in other operating expenses for 2Q2018 was mainly due to an increase in allowance for doubtful trade and other receivables. In contrast, there was a small decrease in operating expense in 1H2018 over 1H2017 as there was no allowance for diminution in value for development properties in this current half year.

(c) The decrease in distribution costs for both periods was mainly because of i) lower commission and promotional expenses relating to the residential projects and ii) lower manpower cost from Industrial Services segment owing to the cessation of tyre distribution since December 2017.

(d) Administrative expenses of 2Q2018 saw a reduction $0.2 million to $6.7 million over that of 2Q2017 mainly because of a decrease in professional fees, partially offset by an increase in manpower cost. The increase in administrative expenses for 1H2018 as compared to last year was mainly due to higher manpower cost.

(e) This line reflected solely the Group's share of results of the 44.5%-owned GulTech. The Group has since FY2013 ceased recognising Pan-West's losses after the Group's share of Pan-West's accumulated losses exceeded the Group's cost of investment.

(f) The increase in interest income for both periods reflected a number of factors including an increase in fixed deposits, as well as the deferred payment scheme under the sale of development properties.

(g) The increase in finance costs for both periods was due mainly to loans taken up for the acquisition of 896 Dunearn Road including the issuance of the MTN Series II Term Notes of S$150 million since June 2017. Interest cost capitalised was also higher reflecting higher amounts capitalised for the Kandis Residence, the Remaja development and also for 18 Robinson.

	Group Second Quarter		Group First Half	
	30.06.18	30.06.17	30.06.18	30.06.17
	$'000	$'000	$'000	$'000
Finance costs				
Interest expense on loans and borrowings	**11,841**	8,032	**23,321**	15,018
Amortisation of capitalised finance costs	**485**	364	**978**	686
	12,326	8,396	**24,299**	15,704
Less: Amounts capitalised as cost of properties	**(2,000)**	(1,309)	**(3,846)**	(2,515)
	10,326	7,087	**20,453**	13,189

(h) Fair value adjustments 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 increased for both periods because of higher taxable income from the Property segment in Singapore and Hotels Investment segment in Australia. Under-provision in prior periods mainly arose from higher expenses in Australia which turned out to be non-deductible. Deferred tax expense mainly comprised the change in the net assets of GHG to its tax cost base. The higher deferred tax in 1H2018 was caused by the under-provision of deferred tax on the interest income earned on certain deposits in China.

	Group Second Quarter		Group First Half	
	30.06.18	30.06.17	30.06.18	30.06.17
	$'000	$'000	$'000	$'000
Income tax expenses				
Current income tax				
- Singapore	**248**	119	**267**	62
- Foreign	**249**	398	**566**	811
- Under / (over) provision in prior years	**587**	(122)	**587**	(177)
	1,084	395	**1,420**	696
Withholding tax expense	**15**	10	**27**	20
Deferred tax	**(3)**	186	**1,072**	919
	1,096	590	**2,519**	1,634

(k) The foreign currency translation loss for 1H2018 was mainly due to the depreciation of Australian Dollar ("AUD") against Singapore Dollar ("SGD") in translating the balance sheets of foreign currency denominated subsidiaries.

The share of other comprehensive income or loss was related to the Group's share of GulTech's foreign currency translation gain as USD appreciated against SGD.

Cash flow hedges represented the effective portion of changes in the fair value of AUD interest rate swap contracts. These contracts had already expired in January 2018.

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

	Group First Half 2018			Group First Half 2017		
	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 (Restated)	$'000	$'000 (Restated)
Profit before tax	**13,973**	**(198)**	**13,775**	8,733	(105)	8,628
Income tax expenses	**(2,519)**	**-**	**(2,519)**	(1,634)	-	(1,634)
Profit after tax	**11,454**	**(198)**	**11,256**	7,099	(105)	6,994
Less:						
Non-controlling interests	**(112)**	**-**	**(112)**	80	-	80
Profit attributable to owners of the Company	**11,342**	**(198)**	**11,144**	7,179	(105)	7,074
Basic and diluted earnings per share (in cents)	**1.0**	**@**	**0.9**	0.6	@	0.6

@ Less than 0.1 cent

2. STATEMENTS OF FINANCIAL POSITION

		Group			Company	
		30.06.18	31.12.17	01.01.17	30.06.18	31.12.17
	Note	$'000	$'000	$'000	$'000	$'000
ASSETS			(Restated*)	(Restated*)		
Current assets						
Cash and bank balances	(n)	**162,905**	216,843	163,688	**23,898**	88,737
Trade and other receivables	(p)	**92,962**	94,114	159,130	**366**	12,162
Amounts due from subsidiaries	(aa)	**-**	-	-	**413,633**	354,851
Inventories	(q)	**2,550**	2,905	3,564	**-**	-
Development properties	(r)	**240,189**	188,308	183,232	**-**	-
Total current assets		**498,606**	502,170	509,614	**437,897**	455,750
Non-current assets						
Property, plant and equipment	(s)	**436,158**	446,749	422,506	**-**	-
Investment properties	(t)	**1,636,189**	1,592,687	1,108,652	**498**	498
Investments in subsidiaries	(aa)	**-**	-	-	**726,664**	695,647
Investments in equity accounted investees	(u)	**92,250**	93,185	83,579	**-**	-
Deferred tax assets	(z)	**2,213**	2,253	2,286	**-**	-
Trade and other receivables	(p)	**5,112**	5,057	-		
Other non-current assets		**12**	12	11	**-**	-
Total non-current assets		**2,171,934**	2,139,943	1,617,034	**727,162**	696,145
Total assets		**2,670,540**	2,642,113	2,126,648	**1,165,059**	1,151,895
LIABILITIES AND EQUITY						
Current liabilities						
Loans and borrowings	(w)	**911,623**	278,943	3,406	**-**	-
Trade and other payables	(y)	**139,235**	121,917	112,333	**34,358**	20,153
Amounts due to subsidiaries		**-**	-	-	**304,229**	309,729
Derivative financial instruments	(k)	**-**	87	-	**-**	-
Income tax payable		**7,893**	13,523	22,290	**49**	84
Total current liabilities		**1,058,751**	414,470	138,029	**338,636**	329,966
Non-current liabilities						
Loans and borrowings	(w)	**566,327**	1,179,177	1,017,387	**228,719**	228,364
Derivative financial instruments	(k)	**-**	-	1,019	**-**	-
Deferred tax liabilities	(z)	**48,162**	47,784	35,730	**-**	-
Other non-current liabilities		**454**	463	462	**-**	-
Total non-current liabilities		**614,943**	1,227,424	1,054,598	**228,719**	228,364
Capital, reserves and non-controlling interests						
Share capital		**174,161**	172,514	171,306	**174,161**	172,514
Reserves	(ab)	**807,812**	817,078	751,681	**423,543**	421,051
Equity attributable to owners of the Company		**981,973**	989,592	922,987	**597,704**	593,565
Non-controlling interests		**14,873**	10,627	11,034	**-**	-
Total equity		**996,846**	1,000,219	934,021	**597,704**	593,565
Total liabilities and equity		**2,670,540**	2,642,113	2,126,648	**1,165,059**	1,151,895
Working capital #		**(560,145)**	87,700	371,585		
Total borrowings	(w)	**1,477,950**	1,458,120	1,020,793		
Gross gearing (times) ^		**1.48**	1.46	1.09		
Net borrowings ^^		**1,315,045**	1,241,277	857,105		
Net gearing (times) ^		**1.32**	1.24	0.92		
Net asset value per share (in cents)		**82.4**	83.4	78.0		

 # 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

** The 2017 comparatives are restated as the Group has adopted the Singapore financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") as from 1 January 2018.*

Explanatory notes

(n) Cash and bank balances held by the Group were $162.9 million (31 December 2017: $216.8 million), analysed as below. Certain amounts therein were held by banks as security for credit facilities [refer to Item 4 note (ac)]. Withdrawals of amounts held under Project Accounts of development properties are restricted to payments for expenditure incurred on development properties as regulated under the provisions in the Housing Developers (Project Account) Rules in Singapore.

	Group			Company	
	30.06.18	**31.12.17**	**01.01.17**	**30.06.18**	**31.12.17**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Cash and bank balances					
Cash at banks and on hand	**49,648**	62,380	39,271	**10,940**	13,787
Fixed deposits	**109,303**	151,673	117,323	**12,958**	74,950
Amounts held under the Housing Developers (Project Account) Rules	**3,954**	2,790	7,094	**-**	-
	162,905	216,843	163,688	**23,898**	88,737

(p) The balance in trade and other receivables as at 30 June 2018 was comparable with that of last year end.

(q) The inventories as at 30 June 2018 were comparable with that of last year end.

(r) Development properties, comprising properties in the course of development, land held for future development and completed properties held for sale, are analysed in the table below.

	Group		
	30.06.18	**31.12.17**	**01.01.17**
	$'000	**$'000**	**$'000**
		(Restated)	(Restated)
Development properties			
Land cost	**185,697**	128,508	79,728
Development costs incurred	**12,225**	8,862	979
Interest and others	**5,281**	4,396	1,484
	203,203	141,766	82,191
Add: Attributable profit	**2,315**	732	-
Less: Progress billings received and receivable	**(7,607)**	(2,791)	-
Less: Allowance for diminution in value	**(7,378)**	(7,236)	(7,378)
Properties in the course of development	**190,533**	132,471	74,813
Completed properties held for sale	**51,712**	58,739	113,105
Less: Allowance for diminution in value	**(2,056)**	(2,902)	(4,686)
Completed properties held for sale	**49,656**	55,837	108,419
Total Development Properties	**240,189**	188,308	183,232
Represented by:			
Properties in the course of development in Singapore	**139,655**	113,379	56,166
Property in the course of development in Indonesia	**43,500**	-	-
Land held for future development in China	**7,378**	7,236	18,647
Land held for sale in China	**-**	11,856	-
Completed properties held for sale in Singapore	**45,261**	51,793	104,310
Completed properties held for sale in China	**4,395**	4,044	4,109
	240,189	188,308	183,232

(s) Property, plant and equipment are mainly from hotel properties in Australia. The decrease was mainly caused by foreign currency translation loss as a result of the depreciation of AUD and depreciation charges.

(t) The increase in the carrying amount of the investment properties was mainly driven by the redevelopment costs and interest expenses capitalised under 18 Robinson. There was no fair value adjustment for the current period as the Group's practice is to revalue investment properties on an annual basis at year-end.

	Group		
	30.06.18	**31.12.17**	**01.01.17**
	$'000	**$'000**	**$'000**
Investment properties			
Completed investment properties	**1,102,830**	1,106,736	711,698
Construction of 18 Robinson	**533,359**	485,951	396,954
	1,636,189	1,592,687	1,108,652
Represented by:			
Singapore, completed investment properties	**865,030**	865,030	478,030
Australia, completed investment properties	**231,342**	235,372	227,309
China, completed investment properties	**6,458**	6,334	6,359
Singapore, construction of 18 Robinson	**533,359**	485,951	396,954
	1,636,189	1,592,687	1,108,652

(u) The decrease in value reflected a decrease in Group's share of GulTech's net assets. GulTech's net assets decreased mainly due to goodwill paid in acquiring the remaining 49.0% shareholdings in Gultech (Wuxi) Electronics Co., Ltd ("Gultech (Wuxi)") on 30 June 2018, partially mitigated by current year's profit.

(w) The Group's loans and borrowings, net of capitalised finance costs, stood at $1,477.9 million (31 December 2017: $1,458.1 million). The increase was mainly due to an increase in loans taken up for the Remaja development and 18 Robinson, partially offset by lower carrying value of AUD-denominated borrowing as a result of the depreciation of AUD. The increase in the current portion of loans and borrowings was mainly due to a reclassification of two borrowings amounting to $622.8 million from the non-current portion as they mature within the next twelve months.

	Group			Company	
	30.06.18	**31.12.17**	**01.01.17**	**30.06.18**	**31.12.17**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Current					
Bank loans	**911,623**	278,943	3,406	**-**	-
Non-current					
Bank loans	**337,608**	950,813	937,825	**-**	-
Notes issued under MTN Programme	**228,719**	228,364	79,562	**228,719**	228,364
	566,327	1,179,177	1,017,387	**228,719**	228,364
	1,477,950	1,458,120	1,020,793	**228,719**	228,364
Represented by:					
Interest-bearing liabilities	**1,480,672**	1,462,088	1,024,085	**230,000**	230,000
Capitalised finance costs	**(2,722)**	(3,968)	(3,292)	**(1,281)**	(1,636)
	1,477,950	1,458,120	1,020,793	**228,719**	228,364

(y) The increase in trade and other payables was mainly caused by the timing difference in the procession of progress payment for 18 Robinson.

(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 existed. 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	
	30.06.18	**31.12.17**	**01.01.17**	**30.06.18**	**31.12.17**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
		(Restated)	(Restated)		
Reserves					
Foreign currency translation account	**(33,225)**	(31,038)	(16,151)	-	-
Asset revaluation reserve	**133,756**	133,756	109,648	-	-
Other capital reserves:					
- Non-distributable capital reserves	**146,448**	151,433	128,199	**101,264**	101,264
- Cash flow hedging account	**(671)**	(771)	(1,412)	-	-
	145,777	150,662	126,787	**101,264**	101,264
Revenue reserve	**561,504**	563,698	531,397	**322,279**	319,787
	807,812	817,078	751,681	**423,543**	421,051

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

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	
	30.06.18 $'000	31.12.17 $'000 (Restated)	01.01.17 $'000 (Restated)	30.06.18 $'000	31.12.17 $'000
Secured borrowings					
Amount repayable in one year or less, or on demand	**911,623**	278,943	3,406	-	-
Amount repayable after one year	**337,608**	950,813	937,825	-	-
	1,249,231	1,229,756	941,231	-	-
Unsecured borrowings					
Amount repayable after one year	**228,719**	228,364	79,562	**228,719**	228,364
	1,477,950	1,458,120	1,020,793	**228,719**	228,364

The Group's borrowings are secured except for the two series of notes issued under the MTN Programme [refer to below]. These secured borrowings are mainly for the financing of development and investment properties in Singapore and hotel and investment properties in Australia.

Approximately 85% (31 December 2017: 84%) of the Group's borrowings were on floating rates with various tenures, while the remaining 15% (31 December 2017: 16%) were on fixed rates. Singapore Dollar denominated borrowings represented approximately 76% (31 December 2017: 75%) of total borrowings; while the remaining were in AUD.

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.

Series I of S$80 million were issued on 14 October 2014. They are of five years duration, unsecured, bear a fixed interest rate of 4.50% per annum payable semi-annually in arrear and will mature on 14 October 2019. Series II of S$150 million were issued on 5 June 2017. They are of three years duration, unsecured, bear a fixed interest rate of 6.00% per annum payable semi-annually in arrear and will mature on 5 June 2020.

Details of any collateral

As at 30 June 2018, the net book value of assets pledged or mortgaged to financial institutions was $2,288.9 million (31 December 2017: $2,229.8 million).

4. CONSOLIDATED STATEMENT OF CASH FLOWS

		Group		**Group**	
		Second Quarter		**First Half**	
	Note	**30.06.18 $'000**	**30.06.17 $'000 (Restated*)**	**30.06.18 $'000**	**30.06.17 $'000 (Restated*)**
OPERATING ACTIVITIES					
Profit before tax		**4,178**	2,331	**13,775**	8,628
Adjustments for:					
Fair value loss		**131**	120	**198**	105
Share of results of an equity accounted investee		**(4,949)**	(3,829)	**(9,121)**	(7,432)
(Write-back of allowance) / allowance for diminution in		**(528)**	271	**(847)**	632
Depreciation of property, plant and equipment		**2,130**	2,141	**4,334**	4,325
Allowance for inventory obsolescence, net		**-**	16	**-**	16
Allowance for doubtful trade and other receivables, net		**168**	20	**469**	37
Net loss on disposal of property, plant and equipment		**4**	-	**4**	-
Net gain on disposal of a subsidiary		**-**	-	**(3,893)**	-
Interest income		**(1,321)**	(970)	**(2,464)**	(2,001)
Finance costs		**10,326**	7,087	**20,453**	13,189
Operating cash flows before movements in working		**10,139**	7,187	**22,908**	17,499
Development properties less progressive billings receivable		**(22,039)**	(40,254)	**(18,014)**	(32,669)
Inventories		**333**	(163)	**410**	(373)
Trade and other receivables		**(8,821)**	19,525	**6,480**	16,237
Trade and other payables		**17,738**	16,872	**522**	4,439
Cash generated from operations		**(2,650)**	3,167	**12,306**	5,133
Interest received		**766**	250	**984**	773
Income tax paid		**(8,241)**	(7,551)	**(9,815)**	(8,737)
Net cash (used in) / from operating activities		**(10,125)**	(4,134)	**3,475**	(2,831)
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(397)**	(456)	**(1,285)**	(2,131)
Proceeds from disposal of property, plant and equipment		**12**	2	**17**	2
Additions to investment properties		**(22,641)**	(388,788)	**(44,727)**	(398,735)
Acquisition of subsidiaries		**(11,310)**	-	**(11,310)**	-
Payments for acquisition of land		**(16,663)**	-	**(16,663)**	-
Proceeds from disposal of a subsidiary		**-**	-	**15,967**	-
Net cash used in investing activities		**(50,999)**	(389,242)	**(58,001)**	(400,864)
FINANCING ACTIVITIES					
Proceeds from loans and borrowings		**23,196**	495,730	**25,994**	501,699
Repayment of loans and borrowings		**(280)**	(46,359)	**(1,037)**	(58,299)
Interest paid		**(14,835)**	(10,410)	**(19,322)**	(16,636)
Bank deposits (pledged) / released as securities for bank facilities		**(481)**	(572)	**147**	1,126
Dividend paid to shareholders		**(5,431)**	(5,865)	**(5,431)**	(5,866)
Cancellation of Shares Buyback		**(43)**	-	**(43)**	-
Net cash from financing activities		**2,126**	432,524	**308**	422,024
Net (decrease) / increase in cash and cash equivalents		**(58,998)**	39,148	**(54,218)**	18,329
Cash and cash equivalents:					
At the beginning of the period		**155,131**	74,390	**151,145**	95,896
Foreign currency translation adjustments		**(90)**	(657)	**(884)**	(1,344)
At the end of the period	(ac)	**96,043**	112,881	**96,043**	112,881

** The 2017 comparatives are restated as the Group has adopted the Singapore financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") as from 1 January 2018.*

Explanatory notes

(ac) Cash and cash equivalents

As at 30 June 2018, fixed deposits and bank balances of $66.9 million (30 June 2017: $65.0 million) held by banks as security for credit facilities were excluded from the cash and cash equivalents.

	Group	
	30.06.18	**30.06.17**
	$'000	**$'000**
		(Restated)
Cash and bank balances	**162,905**	177,880
Less:		
Encumbered fixed deposits and bank balances	**(66,862)**	(64,999)
Cash and cash equivalents per consolidated statement of cash flows	**96,043**	112,881

As at 30 June 2018, the Group had cash placed with banks in China amounting to $94.7 million (30 June 2017: $77.7 million); of which, $65.1 million (30 June 2017: $63.5 million) was pledged to a bank as security for banking facilities in Singapore. The repatriation of such cash into Singapore is subject to the Foreign Exchange Control Regulations in China.

(ad) Free cash flow

	Group Second Quarter		Group First Half	
	30.06.18	**30.06.17**	**30.06.18**	**30.06.17**
	$'000	**$'000**	**$'000**	**$'000**
		(Restated)		(Restated)
Net cash (used in) / from operating activities	**(10,125)**	(4,134)	**3,475**	(2,831)
Net cash used in investing activities	**(50,999)**	(389,242)	**(58,001)**	(400,864)
Free cash out flow for the period ^	**(61,124)**	(393,376)	**(54,526)**	(403,695)

^ 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 $'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
2018								
At 1 January 2018	**172,514**	**(31,102)**	**130,112**	**150,662**	**563,463**	**985,649**	**10,628**	**996,277**
Effects of adopting SFRS(I) 1 and SFRS(I) 15	-	64	3,644	-	235	3,943	(1)	3,942
At 1 January 2018 (Restated)	172,514	(31,038)	133,756	150,662	563,698	989,592	10,627	1,000,219
Total comprehensive income								
Profit for the period	-	-	-	-	**11,144**	**11,144**	**112**	**11,256**
Other comprehensive (loss) / income, net of tax	-	**(2,187)**	-	**100**	-	**(2,087)**	**100**	**(1,987)**
Total	-	**(2,187)**	-	**100**	**11,144**	**9,057**	**212**	**9,269**
Transaction with owners, recognised directly in equity								
Transfer from revenue reserve to other capital reserves	-	-	-	**6,217**	**(6,217)**	-	-	-
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	**3,434**	**3,434**
Non-controlling interest arising from incorporation of a subsidiary	-	-	-	-	-	-	**600**	**600**
Issue of shares under the Scrip Dividend Scheme	**1,690**	-	-	-	-	**1,690**	-	**1,690**
Shares bought back and cancelled	**(43)**	-	-	-	-	**(43)**	-	**(43)**
Dividend paid to shareholders								
- Cash	-	-	-	-	**(5,431)**	**(5,431)**	-	**(5,431)**
- Share	-	-	-	-	**(1,690)**	**(1,690)**	-	**(1,690)**
Goodwill paid over acquiring additional shares in a member of associate	-	-	-	**(11,202)**	-	**(11,202)**	-	**(11,202)**
Total	**1,647**	-	-	**(4,985)**	**(13,338)**	**(16,676)**	**4,034**	**(12,642)**
At 30 June 2018 (Restated)	**174,161**	**(33,225)**	**133,756**	**145,777**	**561,504**	**981,973**	**14,873**	**996,846**
2017								
At 1 January 2017	171,306	(16,151)	106,420	126,787	531,060	919,422	11,034	930,456
Effects of adopting SFRS(I) 1 and SFRS(I) 15	-	-	3,228	-	337	3,565	-	3,565
At 1 January 2017 (Restated)	171,306	(16,151)	109,648	126,787	531,397	922,987	11,034	934,021
Total comprehensive income								
Profit for the period	-	-	-	-	7,074	7,074	(80)	6,994
Other comprehensive (loss) / income, net of tax	-	(6,577)	-	273	-	(6,304)	(269)	(6,573)
Total	-	(6,577)	-	273	7,074	770	(349)	421
Transaction with owners, recognised directly in equity								
Transfer from revenue reserve to other capital reserves	-	-	-	4,902	(4,902)	-	-	-
Issue of shares under the Scrip Dividend Scheme	1,231	-	-	-	-	1,231	-	1,231
Dividend paid to shareholders								
- Cash	-	-	-	-	(5,866)	(5,866)	-	(5,866)
- Share	-	-	-	-	(1,231)	(1,231)	-	(1,231)
Total	1,231	-	-	4,902	(11,999)	(5,866)	-	(5,866)
At 30 June 2017 (Restated)	172,537	(22,728)	109,648	131,962	526,472	917,891	10,685	928,576

The Company

	Share capital	Other capital reserve	Revenue reserve	Total equity
	$'000	$'000	$'000	$'000
2018				
At 1 January 2018	**172,514**	**101,264**	**319,787**	**593,565**
Profit, representing total comprehensive income for the period	-	-	**9,613**	**9,613**
Transactions with owners, recognised directly in equity				
Issue of shares under the Scrip Dividend Scheme	**1,690**	-	-	**1,690**
Dividend paid to shareholders				
- Cash	-	-	**(5,431)**	**(5,431)**
- Share	-	-	**(1,690)**	**(1,690)**
Shares bought back and cancelled	**(43)**	-	-	**(43)**
Total	**1,647**	-	**(7,121)**	**(5,474)**
At 30 June 2018 (Restated)	**174,161**	**101,264**	**322,279**	**597,704**
2017				
At 1 January 2017	171,306	101,264	310,779	583,349
Profit, representing total comprehensive income for the period	-	-	13,632	13,632
Transactions with owners, recognised directly in equity				
Issue of shares under the Scrip Dividend Scheme	1,231	-	-	1,231
Dividend paid to shareholders				
- Cash	-	-	(5,866)	(5,866)
- Share	-	-	(1,231)	(1,231)
Total	1,231	-	(7,097)	(5,866)
At 30 June 2017 (Restated)	172,537	101,264	317,314	591,115

6. SHARE CAPITAL

Share Capital

Total number of issued shares as at 30 June 2018 was 1,191,338,362 ordinary shares (31 December 2017: 1,186,992,780 ordinary shares). The increase represents 4,445,582 new ordinary shares being allotted and issued on 26 June 2018 at $0.38 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 dividend of 0.6 cent per ordinary share in the capital of the Company for the financial year ended 31 December 2017. Separately, 100,000 ordinary shares were purchased under the "Share Purchase Mandate" and subsequently cancelled on 2 April 2018.

Save for the 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 between 31 March 2018 and 30 June 2018, both dates inclusive. There were also no outstanding convertible securities for which shares might be issued.

Treasury Shares

The Company did not hold any treasury shares as at 30 June 2018 and as at 31 December 2017. As aforementioned, on 2 April 2018, the Company purchased from the market, 100,000 ordinary shares in the Company at an average price $0.425 per share under the "Share Purchase Mandate". In FY2017, the Company purchased from the market, 50,000 ordinary shares in the Company at an average price $0.465 per share under the "Share Purchase Mandate". Both tranches purchased were cancelled.

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 the new Singapore financial framework, the Singapore Financial Reporting Standards (International) ("SFRS(I)"), that is identical to the International Financial Reporting Standards ("IFRS") for annual periods beginning on or after 1 January 2018.

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 2017.

11. CHANGES IN ACCOUNTING POLICIES

The Group has adopted the new financial reporting framework on 1 January 2018 in accordance with the decision made by the Accounting Standards Council for Singapore incorporated companies listed on the Singapore Exchange. Under SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International), paragraph D5, the Company has the option to measure property, plant and equipment at its fair value and to use that fair value as its deemed cost on 1 January 2017. The Group and Company have applied the changes in accounting policies retrospectively to each reporting year presenting, using the full retrospective approach. As such, the comparative 2017 figures in this report are not comparable to those previously announced.

In addition, the Group has adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are effective from 1 January 2018 as follows:

SFRS(I) 9 Financial Instruments
SFRS(I) 15 Revenue from Contracts with Customers (with clarifications issued)

<u>(i) SFRS(I) 9 Financial Instruments</u>

SFRS(I) 9 introduces new requirements for recognition, classification and measurement of financial assets, impairment of financial assets and hedge accounting from 1 January 2018. In relation to the impairment of financial assets, SFRS(I) 9 requires an expected credit loss model and replaces the FRS39 incurred loss model. The Group and the Company have adopted the new standard and assessed that the adoption of this standard has no material effect on the amounts reported. As such, the comparative 2017 figures have not been restated.

<u>(ii) SFRS(I) 15 Revenue from Contracts with Customers (with clarifications issued)</u>

SFRS(I) 15 establishes a five step model to account for revenue arising from contracts with customers, and introduces new contract costs guidance. Under SFRS(I) 15, there are specific requirements on how revenue should be recognised and other new requirements such as accounting for commissions paid to salesmen, additional disclosures, etc. The Group and the Company have applied the changes in accounting policies retrospectively to each reporting year presenting, using the full retrospective approach. As such, the comparative 2017 figures in this report are not comparable to those previously announced.

12. EARNINGS PER ORDINARY SHARE

	Group Second Quarter		Group First Half	
	30.06.18	**30.06.17**	**30.06.18**	**30.06.17**
(a) Earnings per ordinary share based on the weighted average number of ordinary shares in issue (in cents):				
Excluding fair value adjustments	**0.3**	0.2	**1.0**	0.6
Including fair value adjustments	**0.3**	0.1	**0.9**	0.6
Weighted average number of ordinary shares in issue (in millions)	**1,187.1**	1,183.2	**1,187.1**	1,183.0
(b) Earnings per ordinary share based on fully diluted basis (in cents)				
Excluding fair value adjustments	**0.3**	0.2	**1.0**	0.6
Including fair value adjustments	**0.3**	0.1	**0.9**	0.6
Adjusted weighted average number of ordinary shares (in millions)	**1,187.1**	1,183.2	**1,187.1**	1,183.0

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	
	30.06.18	**31.12.17** (Restated)	**01.01.17** (Restated)	**30.06.18**	**31.12.17**
Net asset value per ordinary share (in cents)	**82.4**	83.4	78.0	**50.2**	50.0
Total number of issued shares (in millions)	**1,191.3**	1,187.0	1,182.8	**1,191.3**	1,187.0

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 2Q2018, the Group reported revenue of $81.7 million, a 3% drop as compared to the same quarter last year of $84.1 million. For 1H2018, revenue decreased marginally from $158.9 million last year to $158.1 million. The decrease for both periods was mainly due to lower sales of residential development projects and a slight decrease of revenue from the hotels business. The slight decrease was partially offset by higher revenue in the Industrial Services. However, the net profit attributable to shareholders increased 70% for 2Q2018 and 58% for 1H2018 over their corresponding periods last year on account of the one-off $3.9 million gain arising from the sale of a plot of land in Qingdao, China.

Earnings per share stood at 0.3 cent for 2Q2018 and 1.0 cent for 1H2018, as compared to 0.2 cent and 0.6 cent respectively a year earlier. Net asset value per share decreased marginally, from 83.4 cents at 31 December 2017 to 82.4 cents as at 30 June 2018.

Financial Performance

Distribution costs for both periods decreased mainly because of lower promotion expenses in the residential projects as well as lower manpower costs from Industrial Services segment following the cessation of tyre distribution since December 2017.

The increase in other operating income for 2Q2018 was mainly attributable to higher gain on foreign exchange. These, coupled with a net gain of $3.9 million arising from the sale of a plot of land in Qingdao, China contributed to the increase in 1H2018 as compared to the same period last year.

The increase in other operating expenses for 2Q2018 was mainly due to an increase in allowance for doubtful trade and other receivables. In 1H2017, it was the higher allowance in diminution in value for development properties.

The Group recorded a share of results of its 44.5%-owned associate, GulTech of $4.9 million in 2Q2018 and $9.1 million in 1H2018, an increase of 29% and 23% respectively over the corresponding periods last year. This is because of the higher contribution from all its three plants in China.

Overall, the Group's profit after tax (inclusive of fair value loss of $0.1 million in 2Q2018 and $0.2 million in 1H2018) increased 77% to $3.1 million in 2Q2018 and 61% to $11.3 million in 1H2018, mainly because of the one-off $3.9 million gain.

Financial Position

As at 30 June 2018, both the Group's total assets and total liabilities increased marginally. Total assets increased to $2,670.5 million, from $2,642.1 million at the previous year end; whereas total liabilities increased to $1,673.7 million from $1,641.9 million at the previous year end. The marginal increase in total assets is attributable to the purchase of land in Batam, Indonesia. Higher borrowings, which were mainly taken up for the Remaja development and 18 Robinson construction, resulted in the increase in gross gearing from 1.46 times to 1.48 times, and net gearing increased from 1.24 times to 1.32 times.

As at 30 June 2018, shareholders' fund dropped 1% or $7.6 million to $982.0 million from the previous year-end. The decrease was because the Company's profit for the six months of $11.1 million was insufficient to cover its payment of dividends to shareholders of $5.4 million, goodwill paid over the acquisition of the remaining 49.0% shareholdings in Gultech (Wuxi) of $11.2 million and foreign currency translation loss of $2.2 million.

Under the Tuan Sing Scrip Dividend Scheme, 4.4 million new shares were issued in June 2018. On 2 April 2018, 100,000 ordinary shares were purchased under the "Share Purchase Mandate" and cancelled on the same day. As a result, the Company's share capital increased by approximately $1.6 million to $174.2 million as at 30 June 2018.

The negative working capital as at 30 June 2018 of $560.1 million was mainly due to the reclassification to current liability of two bank loans totalling $622.8 million that will mature within the next twelve months. The Group plans to rollover these two loans nearer to their maturity.

Cash Flows

During the first half of 2018, net cash generated from operating activities of $3.5 million was mainly from the sale of completed development properties.

Net cash used in investing activities was $58.0 million, comprised mainly of progress payments of $42.6 million for the construction of 18 Robinson, payments of $16.7 million for the acquisition of 70% share of 333 Thomson Road (formerly known as "Peak Court"), acquisition of subsidiaries for $11.3 million in connection with the purchase of land in Batam, offset by proceeds of $16.0 million from the disposal of a subsidiary in China.

Net cash of $0.3 million was generated from financing activities, reflecting mainly of net borrowings taken up of $25.0 million and bank deposits released of $0.1 million, offset by interest and dividend payment of $19.3 million and $5.4 million respectively. As compared to last year, net cash from financing activities was $422.0 million, reflecting mainly net borrowings of $443.4 million which included the Series II notes of $150.0 million, drawing down of facilities for the acquisition of the Sime Darby Centre (now known as "896 Dunearn Road") and for the purchase of the Remaja land.

As a result of the aforementioned, cash and cash equivalents stood at $96.0 million as at 30 June 2018. There was a free cash outflow of $54.5 million in 1H2018, a decrease from $403.7 million in 1H2017.

15. REVIEW OF SEGMENT PERFORMANCE

Property

Property revenue for 1H2018 decreased 8% to $35.4 million from the same period last year as most of the units in Sennett Residence and Cluny Park Residence have been sold. Sale in the Kandis Residence which launched in 2Q2018 was the bulk of the development property revenue.

Hotels Investment

For 1H2018, Hotels Investment reported revenue of $54.5 million (A$53.2 million) as compared to $57.5 million (A$54.3 million) in the same period a year ago. The higher increase in RevPAR and occupancy rate of Melbourne was insufficient to cushion the decrease in RevPAR in Perth leading to the slight decrease in overall hotel performance. . Correspondingly, net income for 1H2018 decreased by 5.1% to $11.2 million (A$10.9 million) from $11.8 million (A$11.1 million) last year. For the first half of the year, profit after tax of A$1.3 million was higher than A$0.9 million in 1H2017 mainly attributable to higher other operating income of $0.5 million arising from the reversal of a provision for structural removal cost no longer required.

Industrial Services

For 1H2018, Industrial Services reported higher revenue of $68.8 million as compared to $63.4 million in the corresponding period last year, despite that there was no tyres distribution revenue in this current period. It reported a profit after tax of $0.4 million as opposed to a loss after tax of $0.5 million last year. Last year’s loss was caused by the loss in tyres distribution.

Other Investments

For the first half year, GulTech reported revenue of US$165.0 million as compared to US$136.4 million in the first half last year. The increase was mainly attributable to improved performance from all its three plants in China.

GulTech reported net profit attributable to shareholders of US$15.4 million for 1H2018, an increase of 31% from US$11.7 million in 1H2017, due to higher contribution from all three plants in China. This brings about an increase in the Group’s share of net profit (including fair value adjustment) of $9.1 million as compared to $7.4 million in 1H2017.

16. VARIANCE FROM PROSPECT STATEMENT

Not applicable.

17. OUTLOOK

For 1H2018, Singapore's residential property sector saw a moderate uplift in price and volume. However, the Government's introduction of further cooling measures on 5 July 2018 is expected to dampen the market for some time.

For Tuan Sing, most of our completed units have been sold as at 30 June 2018. Going forward, the Group will focus on the two new development projects in Singapore, namely the Kandis Residence and the Remaja development, as well as the repositioning of the property at 896 Dunearn Road.

In early May 2018, the Group through its 70% subsidiary successfully acquired Peak Court, a freehold residential site at 333 Thomson Road for $118.88 million through a collective sale tender. The project will be developed into an upscale condominium after the completion of the acquisition in August 2018.

The completion of 18 Robinson before year end will enable the Group to realise a material developer's profit. Rental from the new Grade A office building will also provide a steady stream of recurring income to the Group thereafter. An approximately 50% of 18 Robinson has been leased out as of July 2018.

Written Planning Approval has been obtained from the City of Perth for the Asset Enhancement Initiative in respect of Hyatt Centre and development of Lot 11, one of the two vacant plots. When completed, it will be a significant commercial and retail hub in Perth.

Subject to the relevant authorities' approval, the Group plans to launch the Batam Marina City's initial phase of the integrated township development comprising condotels, retail outlets, food & beverage and entertainment spaces by first half of 2019.

The Group will continue to explore acquisitions of well-located sites for residential and commercial development properties in Singapore, Australia, Indonesia, China and elsewhere.

Barring unforeseen circumstances, the Group will be profitable for the year 2018.

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 2Q2018 and 1H2018.

(b) Corresponding period of the immediately preceding financial year

No dividend was declared for 2Q2017 and 1H2017, 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 *SFRS(I) 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 as well as manufacturing of polypropylene woven bags in Malaysia.
Other Investments	Investment in GulTech, a printed circuit boards manufacturer with plants 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[1] $'000	Corporate and Others[2] $'000	Inter-Segment Eliminations $'000	Total Consolidated $'000
1H2018							
Revenue							
External revenue	**34,848**	**54,368**	**68,827**	**-**	**90**	**-**	**158,133**
Inter-segment revenue	**573**	**180**	**-**	**-**	**19,534**	**(20,287)**	**-**
	35,421	**54,548**	**68,827**	**-**	**19,624**	**(20,287)**	**158,133**
Results							
Gross profit	**19,407**	**11,171**	**1,576**	**-**	**15,269**	**(15,345)**	**32,078**
Other operating income	**4,907**	**487**	**148**	**-**	**1,359**	**13**	**6,914**
Distribution costs	**(1,174)**	**-**	**(170)**	**-**	**-**	**(3)**	**(1,347)**
Administrative expenses	**(2,814)**	**(6,149)**	**(1,595)**	**-**	**(1,173)**	**(1,130)**	**(12,861)**
Other operating expenses	**(770)**	**(22)**	**(31)**	**-**	**(1,114)**	**(6)**	**(1,943)**
Share of results of an equity accounted investee	**-**	**-**	**-**	**9,121**	**-**	**-**	**9,121**
Interest income	**2,439**	**16**	**580**	**-**	**345**	**(916)**	**2,464**
Finance costs	**(10,235)**	**(3,614)**	**-**	**-**	**(7,520)**	**916**	**(20,453)**
Profit before tax and fair value adjustments	**11,760**	**1,889**	**508**	**9,121**	**7,166**	**(16,471)**	**13,973**
Fair value adjustments	**-**	**-**	**-**	**(198)**	**-**	**-**	**(198)**
Profit before tax	**11,760**	**1,889**	**508**	**8,923**	**7,166**	**(16,471)**	**13,775**
Income tax expenses	**(957)**	**(565)**	**(108)**	**-**	**(889)**	**-**	**(2,519)**
Profit for the period	**10,803**	**1,324**	**400**	**8,923**	**6,277**	**(16,471)**	**11,256**
Profit attributable to:							
Owners of the Company	**10,800**	**1,324**	**288**	**8,923**	**6,277**	**(16,468)**	**11,144**
Non-controlling interests	**3**	**-**	**112**	**-**	**-**	**(3)**	**112**
Profit for the period	**10,803**	**1,324**	**400**	**8,923**	**6,277**	**(16,471)**	**11,256**
1H2017							
Revenue							
External revenue	38,145	57,276	63,382	-	89	-	158,892
Inter-segment revenue	480	204	-	-	18,966	(19,650)	-
	38,625	57,480	63,382	-	19,055	(19,650)	158,892
Results							
Gross profit	14,054	11,773	2,052	-	15,388	(15,330)	27,937
Other operating income	278	-	289	-	818	(9)	1,376
Distribution costs	(1,020)	-	(1,260)	-	-	-	(2,280)
Administrative expenses	(2,566)	(6,218)	(1,878)	-	(1,215)	(673)	(12,550)
Other operating expenses	(898)	(18)	(319)	-	(766)	7	(1,994)
Share of results of an equity accounted investee	-	-	-	7,432	-	-	7,432
Interest income	2,061	5	652	-	3	(720)	2,001
Finance costs	(6,752)	(3,892)	(1)	-	(3,264)	720	(13,189)
Profit before tax and fair value adjustments	5,157	1,650	(465)	7,432	10,964	(16,005)	8,733
Fair value adjustments	-	-	-	(105)	-	-	(105)
Profit before tax	5,157	1,650	(465)	7,327	10,964	(16,005)	8,628
Income tax expenses	(135)	(554)	(7)	-	(938)	-	(1,634)
Profit for the period	5,022	1,096	(472)	7,327	10,026	(16,005)	6,994
Profit attributable to:							
Owners of the Company	5,023	1,096	(393)	7,327	10,026	(16,005)	7,074
Non-controlling interests	(1)	-	(79)	-	-	-	(80)
Profit for the period	5,022	1,096	(472)	7,327	10,026	(16,005)	6,994

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.*

Segment assets and liabilities

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments $'000	Corporate and Others $'000	Total Consolidated $'000
30.06.2018						
Assets						
Segment assets	**2,025,169**	**445,443**	**80,009**	**-**	**27,669**	**2,578,290**
Investment in equity accounted investees	**-**	**-**	**-**	**92,250**	**-**	**92,250**
Total assets	**2,025,169**	**445,443**	**80,009**	**92,250**	**27,669**	**2,670,540**
Liabilities						
Segment liabilities	**(77,263)**	**(18,868)**	**(18,543)**	**(5,432)**	**(19,583)**	**(139,689)**
Loan and borrowings	**(1,034,352)**	**(214,879)**	**-**	**-**	**(228,719)**	**(1,477,950)**
Current and deferred tax liabilities	**(9,685)**	**(339)**	**(376)**	**-**	**(45,655)**	**(56,055)**
Total liabilities	**(1,121,300)**	**(234,086)**	**(18,919)**	**(5,432)**	**(293,957)**	**(1,673,694)**
Net assets/ (liabilities)	**903,869**	**211,357**	**61,090**	**86,818**	**(266,288)**	**996,846**
31.12.2017 (Restated)						
Assets						
Segment assets	1,907,276	455,994	76,918	-	108,740	2,548,928
Investment in equity accounted investees	-	-	-	93,185	-	93,185
Total assets	1,907,276	455,994	76,918	93,185	108,740	2,642,113
Liabilities						
Segment liabilities	(75,540)	(19,435)	(16,665)	(5,432)	(5,395)	(122,467)
Loan and borrowings	(1,011,132)	(218,624)	-	-	(228,364)	(1,458,120)
Current and deferred tax liabilities	(14,535)	(275)	(292)	-	(46,205)	(61,307)
Total liabilities	(1,101,207)	(238,334)	(16,957)	(5,432)	(279,964)	(1,641,894)
Net assets/ (liabilities)	806,069	217,660	59,961	87,753	(171,224)	1,000,219

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 6 July 2018, the Company purchased 500,000 shares at an average price of $0.398 per share under the "Share Purchase Mandate". These shares were subsequently cancelled. Other than the aforementioned, there was no subsequent event between 1 July 2018 and the date of this announcement which would materially affect the results of the Group and of the Company for the period 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 30 June 2018 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
25 July 2018