**TUAN SING HOLDINGS LIMITED**
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## AUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2015

**Singapore, 28 January 2016** - 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 2015.

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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**APPENDIX A : AUDITED FINANCIAL STATEMENTS OF TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

## 1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Note | Group Fourth Quarter 31.12.15 $'000 | Group Fourth Quarter 31.12.14 $'000 | +/(-) % | Group Full Year 31.12.15 $'000 | Group Full Year 31.12.14 $'000 | +/(-) % |
|---|---|---|---|---|---|---|---|
| **Revenue** | (a) | **143,421** | 112,055 | 28 | **677,122** | 354,765 | 91 |
| Cost of sales | | **(112,553)** | (88,140) | 28 | **(535,259)** | (286,139) | 87 |
| **Gross profit** | (a) | **30,868** | 23,915 | 29 | **141,863** | 68,626 | 107 |
| Other operating income | (b) | **118** | 27,921 | (100) | **3,420** | 29,177 | (88) |
| Distribution costs | (c) | **(579)** | (733) | (21) | **(4,355)** | (4,230) | 3 |
| Administrative expenses | (d) | **(6,096)** | (4,332) | 41 | **(25,672)** | (16,202) | 58 |
| Other operating expenses | (b) | **(1,358)** | (22,861) | (94) | **(10,085)** | (23,426) | (57) |
| Share of results of equity accounted investees | (e) | **3,247** | 6,128 | (47) | **6,803** | 19,985 | (66) |
| Finance income | (f) | **988** | 1,285 | (23) | **4,258** | 4,760 | (11) |
| Finance costs | (g) | **(6,916)** | (4,826) | 43 | **(27,529)** | (9,186) | 200 |
| **Profit before tax and fair value adjustments** | | **20,272** | 26,497 | (23) | **88,703** | 69,504 | 28 |
| Fair value adjustments | (h) | **(8,148)** | 6,257 | nm | **(8,049)** | 6,469 | nm |
| **Profit before tax** | | **12,124** | 32,754 | (63) | **80,654** | 75,973 | 6 |
| Income tax expenses | (j) | **2,438** | (8,252) | nm | **(11,535)** | (14,387) | (20) |
| **Profit after tax** | | **14,562** | 24,502 | (41) | **69,119** | 61,586 | 12 |
| **OTHER COMPREHENSIVE INCOME** | | | | | | | |
| *Items that will not be reclassified subsequently to profit or loss* | | | | | | | |
| Revaluation of property | (k) | **22,447** | 2,173 | 933 | **22,447** | 2,173 | 933 |
| Income tax relating to components of other comprehensive income that will not be reclassified subsequently | | **(6,719)** | (276) | 2334 | **(6,719)** | (276) | 2334 |
| | | **15,728** | 1,897 | 729 | **15,728** | 1,897 | 729 |
| *Items that may be reclassified subsequently to profit or loss* | | | | | | | |
| Exchange differences on translation of foreign operations | (k) | **(40)** | (4,949) | (99) | **(4,893)** | (7,020) | (30) |
| Cash flow hedges | (k) | **559** | (107) | nm | **(904)** | 2,489 | nm |
| Income tax relating to components of other comprehensive income / (loss) that may be reclassified subsequently | | **(167)** | 446 | nm | **271** | (316) | nm |
| | | **352** | (4,610) | nm | **(5,526)** | (4,847) | 14 |
| **Other comprehensive income / (loss), net of tax** | | **16,080** | (2,713) | nm | **10,202** | (2,950) | nm |
| **Total comprehensive income for the period / year** | | **30,642** | 21,789 | 41 | **79,321** | 58,636 | 35 |
| *Profit attributable to:* | | | | | | | |
| Owners of the Company | | **14,402** | 24,343 | (41) | **68,833** | 61,169 | 13 |
| Non-controlling interests | | **160** | 159 | 1 | **286** | 417 | (31) |
| | | **14,562** | 24,502 | (41) | **69,119** | 61,586 | 12 |
| *Total comprehensive income attributable to:* | | | | | | | |
| Owners of the Company | | **30,536** | 21,449 | 42 | **78,798** | 58,031 | 36 |
| Non-controlling interests | | **106** | 340 | (69) | **523** | 605 | (14) |
| | | **30,642** | 21,789 | 41 | **79,321** | 58,636 | 35 |
| **Basic and diluted earnings per share (in cents)** | | | | | | | |
| Excluding fair value adjustments | (m) | **1.7** | 1.6 | | **6.3** | 4.7 | |
| Including fair value adjustments | (m) | **1.2** | 2.1 | | **5.8** | 5.2 | |
| **Return on shareholders' funds ^** | | | | | **8.2%** | 7.9% | |

*nm: not meaningful*

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

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

| | Note | Group Fourth Quarter 31.12.15 $'000 | Group Fourth Quarter 31.12.14 $'000 | Group Full Year 31.12.15 $'000 | Group Full Year 31.12.14 $'000 |
|---|---|---|---|---|---|
| Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses] | | **(1,459)** | (540) | **(7,701)** | (1,078) |
| Gain / (loss) on disposal of property, plant and equipment, net [included in other operating income / (expenses)] | | **60** | - | **62** | (3) |
| Plant and equipment written off [included in other operating expenses] | | **-** | (18) | **-** | (18) |
| Allowance for diminution in value for development properties [included in other operating expenses] | (b) | **(1,225)** | - | **(8,935)** | - |
| (Allowance) / write-back of allowance for doubtful trade and other receivables, net [included in other operating income / (expenses)] | | **(182)** **-** | 4 | **(197)** | 1 |
| Allowance for inventory obsolescence, net [included in other operating expenses] | | **(20)** | (12) | **(89)** | (75) |
| Adjustment arising from selective capital reduction of an associate [included in other operating expenses] | | **-** | - | **-** | (136) |
| Negative goodwill on acquisition [included in other operating income] | (b) | **-** | 26,924 | **-** | 26,924 |
| Acquisition related expenses [included in other operating expenses] | (b) | **-** | (17,759) | **-** | (17,759) |
| Foreign exchange gain / (loss), net [included in other operating (expenses) /income] | | **(89)** | 275 | **168** | 372 |

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## Explanatory notes

(a) Group revenue was $143.4 million in 4Q2015 and $677.1 million for FY2015, up by 28% and 91% respectively over the corresponding periods last year. These increases were attributable to higher revenue from the Property segment and the consolidation of revenue of the Grand Hotel Group ("GHG") following the Group's acquisition of the remaining 50% interest in GHG on 2 December 2014. The increase in gross profit was in line with higher revenue and relatively higher gross margin from GHG.

Revenue of Gul Technologies Singapore Ltd ("GulTech") and Pan-West (Private) Limited ("Pan-West") was not included as the results of these entities were equity accounted for. Had these revenue been included, the Group's total revenue would have been $231.7 million for 4Q2015 and $1,023.4 million for FY2015.

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

(b) Other operating income and other operating expenses were significantly lower due to the absence of last year's one-off negative goodwill gain of $26.9 million and the associated acquisition costs of $17.8 million related to the GHG acquisition. For FY2015, other operating income included $1.3 million of forfeited deposits on abortive sales and compensation for early termination of leases by the tenants. Other operating expenses comprised mainly $8.9 million allowance for diminution in value for development properties [refer to note (r)].

(c) Distribution costs were comparable to last year as higher marketing expenses incurred for the sales of development properties were mostly compensated by lower distribution costs from the Industrial Services segment.

(d) The increase in administrative expenses reflected higher legal fees incurred in relation to the termination of the previous main contractor at Seletar Park Residence, as well as the consolidation of GHG's administrative expenses.

(e) The Group's share of results of equity-accounted investments includes share of results of GHG (pre-acquisition in December 2014) and GulTech. Share of results was lower in the current year due primarily to the consolidation of GHG's results since 2 December 2014 [refer to note (a)].

(f) The decrease in finance income was due to more cash being channelled to repay project loans.

(g) Finance costs were significantly higher due largely to the consolidation of GHG's finance costs and additional finance costs relating to borrowings taken out for its acquisition. The increase was partially offset by finance costs capitalised as project costs to the Group's on-going development projects and redevelopment of the Robinson Towers redevelopment site. In addition, the impact of an increase in the base interest rate in Singapore was mitigated partly by the repayment of certain project loans.

| | Group Fourth Quarter | | Group Full Year | |
|---|---|---|---|---|
| | **31.12.15** | **31.12.14** | **31.12.15** | **31.12.14** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| **Finance costs** | | | | |
| Interest expense on loans and borrowings | **8,586** | 5,755 | **35,211** | 16,598 |
| Amortisation of capitalised finance costs | **252** | 169 | **960** | 468 |
| | **8,838** | 5,924 | **36,171** | 17,066 |
| Less: Amounts capitalised as cost of properties | **(1,922)** | (1,098) | **(8,642)** | (7,880) |
| | **6,916** | 4,826 | **27,529** | 9,186 |

(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.

| | Note | Group Fourth Quarter | | Group Full Year | |
|---|---|---|---|---|---|
| | | 31.12.15 $'000 | 31.12.14 $'000 | 31.12.15 $'000 | 31.12.14 $'000 |
| **Fair value gain / (loss), net** | | | | | |
| Subsidiaries | | **(7,929)** | 3,264 | **(7,929)** | 3,264 |
| Share of equity accounted investees | | **(219)** | 2,993 | **(120)** | 3,205 |
| | | **(8,148)** | 6,257 | **(8,049)** | 6,469 |
| *Represented by:* | | | | | |
| **Fair value gain / (loss) on investment properties** | | | | | |
| Subsidiaries | | **(7,929)** | 3,264 | **(7,929)** | 3,264 |
| Share of equity accounted investees | (e) | **-** | 3,076 | **-** | 3,076 |
| | | **(7,929)** | 6,340 | **(7,929)** | 6,340 |
| **Fair value gain / (loss) on financial instruments** | | | | | |
| Share of equity accounted investees | (e) | **(219)** | (83) | **(120)** | 129 |
| | | **(8,148)** | 6,257 | **(8,049)** | 6,469 |

(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 fair value of net assets of GHG as compared to the tax-cost base of the securities in GHG.

| | Group Fourth Quarter | | Group Full Year | |
|---|---|---|---|---|
| | 31.12.15 $'000 | 31.12.14 $'000 | 31.12.15 $'000 | 31.12.14 $'000 |
| **Income tax expenses / (write-back)** | | | | |
| Current income tax | | | | |
| - Singapore | **2,291** | (160) | **2,606** | 1,285 |
| - Foreign | **2,207** | 190 | **3,540** | 279 |
| - (Over)/Under provision in prior years | **(336)** | 2,800 | **(819)** | 2,695 |
| | **4,162** | 2,830 | **5,327** | 4,259 |
| Withholding tax expense | **4** | (31) | **562** | 35 |
| Deferred tax | **(6,604)** | 5,453 | **5,646** | 10,093 |
| | **(2,438)** | 8,252 | **11,535** | 14,387 |

(k) Exchange differences arose from the translation of financial statements of foreign operations whose functional currencies were different from that of the Group's presentation currency (i.e., Singapore Dollar or "SGD"), as well as from the translation of foreign currency loans that formed part of the Group's net investment in foreign operations. The foreign currency translation loss of $4.9 million in FY2015 was due predominately to the depreciation of Australian Dollar ("AUD") by 5% mitigated partially by the appreciation of United States Dollar ("USD") and Chinese Renminbi ("RMB") by 6% and 2% respectively.

Revaluation of property represented the surpluses arising from GHG's asset revaluation. In comparison, the corresponding year amount represented the Group's share of GHG's gain on assets revaluation. Cash flow hedges loss represented the effective portion of changes in the fair value of GHG's interest rate swap contracts. GHG's results were consolidated in the current periods, whereas it was equity-accounted for in the same period a year ago [refer to note (a)].

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

| | Group Full Year 2015 | | | Group Full Year 2014 | | |
|---|---|---|---|---|---|---|
| | **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** | **88,703** | **(8,049)** | **80,654** | 69,504 | 6,469 | 75,973 |
| Income tax expenses | **(14,258)** | **2,723** | **(11,535)** | (13,337) | (1,050) | (14,387) |
| **Profit after tax** | **74,445** | **(5,326)** | **69,119** | 56,167 | 5,419 | 61,586 |
| *Less:* | | | | | | |
| Non-controlling interests | **(286)** | **-** | **(286)** | (417) | - | (417) |
| **Profit attributable to owners of the Company** | **74,159** | **(5,326)** | **68,833** | 55,750 | 5,419 | 61,169 |
| **Basic and diluted earnings per share (in cents)** | **6.3** | **(0.5)** | **5.8** | 4.7 | 0.5 | 5.2 |

## 2. STATEMENTS OF FINANCIAL POSITION

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 31.12.15 | 31.12.14 | 31.12.15 | 31.12.14 |
| | Note | $'000 | $'000 | $'000 | $'000 |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and bank balances | (n) | **141,717** | 252,270 | **431** | 356 |
| Trade and other receivables | (p) | **134,390** | 87,420 | **142** | 112 |
| Amounts due from subsidiaries | (aa) | **-** | - | **285,748** | 366,313 |
| Inventories | (q) | **3,641** | 4,487 | **-** | - |
| Development properties | (r) | **336,132** | 414,153 | **-** | - |
| Total current assets | | **615,880** | 758,330 | **286,321** | 366,781 |
| **Non-current assets** | | | | | |
| Property, plant and equipment | (s) | **395,149** | 397,886 | **-** | - |
| Investment properties | (t) | **1,076,909** | 1,082,932 | **498** | 498 |
| Investments in subsidiaries | (aa) | **-** | - | **661,900** | 574,302 |
| Investments in equity accounted investees | (u) | **71,511** | 62,981 | **-** | - |
| Deferred tax assets | (z) | **3,045** | 4,179 | **-** | - |
| Other non-current assets | | **11** | 14 | **-** | - |
| Total non-current assets | | **1,546,625** | 1,547,992 | **662,398** | 574,800 |
| **Total assets** | | **2,162,505** | 2,306,322 | **948,719** | 941,581 |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current liabilities** | | | | | |
| Loans and borrowings | (w) | **428,924** | 195,347 | **-** | - |
| Trade and other payables | (y) | **117,214** | 107,134 | **10,661** | 15,693 |
| Amounts due to subsidiaries | | **-** | - | **292,716** | 322,278 |
| Income tax payable | | **7,914** | 5,830 | **17** | 52 |
| Total current liabilities | | **554,052** | 308,311 | **303,394** | 338,023 |
| **Non-current liabilities** | | | | | |
| Loans and borrowings | (w) | **677,410** | 1,149,525 | **79,404** | 79,275 |
| Derivative financial instruments | | **904** | - | **-** | - |
| Deferred tax liabilities | (z) | **42,320** | 35,016 | **-** | - |
| Other non-current liabilities | | **362** | 423 | **-** | - |
| Total non-current liabilities | | **720,996** | 1,184,964 | **79,404** | 79,275 |
| **Capital, reserves and non-controlling interests** | | | | | |
| Share capital | | **170,230** | 169,260 | **170,230** | 169,260 |
| Reserves | (ab) | **706,575** | 633,658 | **395,691** | 355,023 |
| Equity attributable to owners of the Company | | **876,805** | 802,918 | **565,921** | 524,283 |
| Non-controlling interests | | **10,652** | 10,129 | **-** | - |
| Total equity | | **887,457** | 813,047 | **565,921** | 524,283 |
| **Total liabilities and equity** | | **2,162,505** | 2,306,322 | **948,719** | 941,581 |
| **Working capital #** | | **61,828** | 450,019 | | |
| **Total borrowings** | (w) | **1,106,334** | 1,344,872 | | |
| **Gross gearing (times) ^** | | **1.25** | 1.65 | | |
| **Net borrowings ^^** | | **964,617** | 1,092,602 | | |
| **Net gearing (times) ^** | | **1.09** | 1.34 | | |
| **Net asset value per share (in cents)** | | **74.4** | 68.3 | | |

*# Working capital = total current assets - total current liabilities*

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

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

## Explanatory notes

(n) Cash and bank balances held by the Group were $141.7 million as at 31 December 2015, as compared to $252.3 million at the previous year-end. Included therein were amounts held under the Project Accounts of development properties for which withdrawals are restricted to payments for expenditure incurred on development properties which are subject to the provisions in the Housing Developers (Project Account) Rules in Singapore.

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.15 $'000** | **31.12.14 $'000** | **31.12.15 $'000** | **31.12.14 $'000** |
| **Cash and bank balances** | | | | |
| Cash at banks and on hand | **80,102** | 40,115 | **431** | 356 |
| Fixed deposits | **37,365** | 79,765 | **-** | - |
| Amounts held under the Housing Developers (Project Account) Rules | **24,250** | 132,390 | **-** | - |
| | **141,717** | 252,270 | **431** | 356 |

(p) Included in the carrying amounts as at 31 December 2015 were unbilled receivables of $44.9 million related to the remaining sales consideration on completed development properties for sale as well as the deposits in respect of land acquisition of $5.2 million (31 December 2014: $11.8 million).

(q) The decrease in inventories reflected lower level of activities in the Industrial Services segment.

(r) Development properties comprise properties in the course of development and land held for future development as well as completed properties held for sale. During the year, the carrying amount of the six unsold units (out of 276 units) at Seletar Park Residence was included under "completed properties held for sale" upon project completion.

| | Group | |
|---|---|---|
| | **31.12.15 $'000** | **31.12.14 $'000** |
| **Development properties** | | |
| Land cost | **341,639** | 477,219 |
| Development costs incurred | **143,847** | 124,022 |
| Interest and others | **21,088** | 23,513 |
| | **506,574** | 624,754 |
| Add: Attributable profit | **106,993** | 79,851 |
| Less: Progress billings received and receivable | **(281,773)** | (294,641) |
| Less: Allowance for diminution in value | **(8,879)** | - |
| | **322,915** | 409,964 |
| Completed properties held for sale | **13,217** | 4,189 |
| | **336,132** | 414,153 |
| **Represented by:** | | |
| Properties in the course of development in Singapore | **303,680** | 383,722 |
| Land held for future development in China | **19,235** | 26,242 |
| Completed properties held for sale in Singapore | **8,945** | - |
| Completed properties held for sale in China | **4,272** | 4,189 |
| | **336,132** | 414,153 |

In 2014, the Group terminated the services of the previous main contractor for Seletar Park Residence on grounds of unsatisfactory performance. As at 31 December 2015, the ensuing legal and arbitration proceedings were still on-going. After taking due legal advice, the Group is of the view that it has a reasonable chance of prevailing. Accordingly, no provision was made in relation to such termination.

(s) The decrease in property, plant and equipment was due to depreciation charges and foreign currency translation as a result of the depreciation of AUD, offset partially by the revaluation gain relating predominately to the hotel properties.

(t) Investment properties include one under redevelopment at the Robinson Towers site. These investment properties are carried at an aggregate value of $1,077.0 million as compared to $1,082.9 million at the previous year-end. The decrease was due mainly to fair value losses on the non-hotel properties held by GHG and AUD translation losses, but mitigated partially by the increase in capitalised expenditures and interest cost for the Robinson Towers redevelopment site. In total, a net fair value loss of $7.9 million was recognised in FY2015 as compared to a net fair value gain of $3.3 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 | |
|---|---|---|
| | **31.12.15** | **31.12.14** |
| | **$'000** | **$'000** |
| **Investment properties** | | |
| Completed investment properties | **705,244** | 725,920 |
| Investment property under redevelopment | **371,665** | 357,012 |
| | **1,076,909** | 1,082,932 |
| **Represented by:** | | |
| Singapore, completed investment properties | **478,450** | 477,950 |
| Australia, completed investment properties | **220,176** | 241,483 |
| China, completed investment properties | **6,618** | 6,487 |
| Singapore, investment property under redevelopment | **371,665** | 357,012 |
| | **1,076,909** | 1,082,932 |

(u) The Group's equity-accounted investments consist of 44.5% interest in GulTech and 49% interest in Pan-West. The increase was attributable to share of GulTech's profit and the foreign currency translation gain as a result of the appreciation of USD which is GulTech's reporting currency, offset partially by the receipt of dividend of $8.6 million during the year from GulTech.

(w) The Group's loans and borrowings net of capitalised finance costs, stood at $1,106.3 million as at 31 December 2015 (31 December 2014: $1,344.9 million). The decrease was due to a net loan repayment of $220.0 million and lower carrying value of AUD-denominated borrowings as a result of the depreciation of AUD.

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.15** | **31.12.14** | **31.12.15** | **31.12.14** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| **Current** | | | | |
| Bank loans | **428,924** | 195,347 | **-** | - |
| **Non-current** | | | | |
| Bank loans | **598,006** | 1,070,250 | **-** | - |
| Notes issued under MTN Programme | **79,404** | 79,275 | **79,404** | 79,275 |
| | **677,410** | 1,149,525 | **79,404** | 79,275 |
| | **1,106,334** | 1,344,872 | **79,404** | 79,275 |
| **Represented by:** | | | | |
| Interest-bearing liabilities | **1,108,370** | 1,348,039 | **80,000** | 80,000 |
| Capitalised finance costs | **(2,036)** | (3,167) | **(596)** | (725) |
| | **1,106,334** | 1,344,872 | **79,404** | 79,275 |

(y) The increase in trade and other payables was in line with higher level of construction activities in the development projects.

(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 assets arose primarily from the recognition of unutilised tax losses of certain subsidiaries and the consolidation of GHG's deferred tax assets. Deferred tax liabilities arose largely from the recognition of profit on the development projects whose tax liabilities are not expected to arise within twelve months as well as the recognition of the Group's deferred tax liabilities arising from its interest in GHG.

(aa) Investments in subsidiaries and amounts due from subsidiaries shown under the Company's statement of financial position are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired or any indication that the previously impaired amounts had decreased or no longer exist. As a result of the assessment, the Company made a net impairment loss of $1.2 million (2014: $11.2 million) for investments in subsidiaries, and a net impairment loss of $1.5 million (2014: $20.6 million) for amounts due from subsidiaries in 2015. The above adjustments have no impact to the Group's consolidated results.

(ab) Composition of reserves

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.15** | **31.12.14** | **31.12.15** | **31.12.14** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| **Reserves** | | | | |
| Asset revaluation reserve | **94,534** | 78,806 | **-** | - |
| Foreign currency translation account | **(23,722)** | (18,592) | **-** | - |
| Other capital reserves: | | | | |
| - Non-distributable capital reserves | **117,692** | 111,052 | **101,264** | 101,264 |
| - Cash flow hedging account | **(1,350)** | (717) | **-** | - |
| | **116,342** | 110,335 | **101,264** | 101,264 |
| Revenue reserve | **519,421** | 463,109 | **294,427** | 253,759 |
| | **706,575** | 633,658 | **395,691** | 355,023 |

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

Foreign currency translation account 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. 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.

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## 3. GROUP'S BORROWINGS AND DEBT SECURITIES

| | Note | Group 31.12.15 $'000 | Group 31.12.14 $'000 |
|---|---|---|---|
| **Secured borrowings** | | | |
| Amount repayable in one year or less, or on demand | | **428,924** | 195,347 |
| Amount repayable after one year | | **598,006** | 1,070,250 |
| | | **1,026,930** | 1,265,597 |
| **Unsecured borrowings** | | | |
| Amount repayable after one year | | **79,404** | 79,275 |
| | (w) | **1,106,334** | 1,344,872 |

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

Of the Group's borrowings, approximately 93% (31 December 2014: 94%) were on floating rates of various tenures with remaining 7% (31 December 2014: 6%) on fixed rates. Singapore Dollar borrowings represented approximately 67% (31 December 2014: 72%) of total borrowings; while the remaining were in AUD.

As at 31 December 2015, approximately 39% (31 December 2014: 15%) of the Group's borrowings were classified as repayable within one year as they were mainly project loans on development properties scheduled for completion in the next 12 months as well as the loan related to Robinson Point which will be refinanced in 2016.

**Multicurrency Medium Term Note Programme ("MTN Programme")**

The Company has in place a S$900 million MTN Programme under which it can issue notes in series or tranches and may be denominated in Singapore Dollar or other currency deemed appropriate at the time.

Fixed rate notes of S$80 million (the "Notes") were issued under the MTN Programme on 14 October 2014. The Notes are unsecured, bear a fixed interest rate of 4.50% per annum payable semi-annually in arrears and will mature on 14 October 2019.

**Details of any collateral**

As at 31 December 2015, the net book value of assets pledged or mortgaged to banks amounted to $1,837.3 million (31 December 2014: $1,953.0 million).

## 4. CONSOLIDATED STATEMENT OF CASH FLOWS

| | Group Fourth Quarter | | Group Full Year | |
|---|---|---|---|---|
| | **31.12.15 $'000** | **31.12.14 $'000** | **31.12.15 $'000** | **31.12.14 $'000** |
| **OPERATING ACTIVITIES** | | | | |
| Profit before tax | **12,124** | 32,754 | **80,654** | 75,973 |
| *Adjustments for:* | | | | |
| Fair value loss/(gain) | **8,148** | (6,257) | **8,049** | (6,469) |
| Share of results of equity accounted investees | **(3,247)** | (6,128) | **(6,803)** | (19,985) |
| Allowance for diminution in value for development properties | **1,225** | - | **8,935** | - |
| Depreciation of property, plant and equipment | **1,459** | 540 | **7,701** | 1,078 |
| Allowance for inventory obsolescence, net | **20** | 12 | **89** | 75 |
| Allowance/(Write-back) for doubtful trade and other receivables, net | **182** | (4) | **197** | (1) |
| Plant and equipment written off | **-** | 18 | **-** | 18 |
| Net loss/(gain) on disposal of property, plant and equipment | **(60)** | - | **(62)** | 3 |
| Negative goodwill on acquisition | **-** | (26,924) | **-** | (26,924) |
| Adjustment arising from selective capital reduction of an associate | **-** | - | **-** | 136 |
| Finance income | **(988)** | (1,285) | **(4,258)** | (4,760) |
| Finance costs | **6,916** | 4,826 | **27,529** | 9,186 |
| **Operating cash flows before movements in working capital** | **25,779** | (2,448) | **122,031** | 28,330 |
| Development properties less progressive billings receivable | **4,810** | (15,025) | **74,432** | (4,630) |
| Inventories | **(438)** | (737) | **362** | 207 |
| Trade and other receivables | **6,716** | (7,351) | **(51,004)** | (7,696) |
| Trade and other payables | **2,222** | 13,912 | **2,685** | (3,054) |
| **Cash generated from/(used in) operations** | **39,089** | (11,649) | **148,506** | 13,157 |
| Interest received | **8,818** | 530 | **10,100** | 2,701 |
| Income tax refunded/(paid) | **2,089** | 907 | **(6,303)** | (2,169) |
| **Net cash from/(used in) operating activities** | **49,996** | (10,212) | **152,303** | 13,689 |
| **INVESTING ACTIVITIES** | | | | |
| Purchase of property, plant and equipment | **(944)** | (127) | **(3,319)** | (831) |
| Proceeds on disposal of property, plant and equipment | **76** | - | **241** | - |
| Additions to investment properties | **(4,529)** | (3,834) | **(10,341)** | (11,068) |
| Acquisition of subsidiary | **-** | (102,317) | **-** | (102,317) |
| Dividend and distribution received from equity accounted investees | **-** | - | **8,563** | 8,670 |
| **Net cash used in investing activities** | **(5,397)** | (106,278) | **(4,856)** | (105,546) |
| **FINANCING ACTIVITIES** | | | | |
| Repayment of finance lease obligations | **-** | - | **-** | (2) |
| Proceeds from loans and borrowings | **55,043** | 173,178 | **80,533** | 202,498 |
| Repayment of loans and borrowings | **(86,825)** | (79,044) | **(300,484)** | (115,677) |
| Interest paid | **(9,720)** | (5,427) | **(34,172)** | (16,157) |
| Bank deposits pledged as securities for bank facilities | **33,130** | (87) | **30,196** | 95 |
| Dividend paid to shareholders | **-** | - | **(4,911)** | (4,794) |
| **Net cash (used in)/ from financing activities** | **(8,372)** | 88,620 | **(228,838)** | 65,963 |
| **Net increase/(decrease) in cash and cash equivalents** | **36,227** | (27,870) | **(81,391)** | (25,894) |
| **Cash and cash equivalents:** | | | | |
| At the beginning of the period / year | **69,732** | 214,186 | **187,414** | 212,626 |
| Foreign currency translation adjustments | **(284)** | 1,098 | **(348)** | 682 |
| **At the end of the period / year** | **105,675** | 187,414 | **105,675** | 187,414 |

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## Explanatory notes

(ac) Cash and cash equivalents

As at 31 December 2015, fixed deposits and bank balances of $36.0 million (31 December 2014: $64.9 million) held by banks as security for credit facilities were excluded from the cash and cash equivalents.

| | Group | |
|---|---|---|
| | **31.12.15** | **31.12.14** |
| | **$'000** | **$'000** |
| Cash and bank balances | **141,717** | 252,270 |
| Less: | | |
| Encumbered fixed deposits and bank balances | **(36,042)** | (64,856) |
| **Cash and cash equivalents per consolidated statement of cash flows** | **105,675** | 187,414 |

As at 31 December 2015, the Group had cash placed with banks in China amounting to $82.8 million (31 December 2014: $76.1 million); of which, $32.6 million (31 December 2014: $63.2 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 | | Group | |
|---|---|---|---|---|
| | Fourth Quarter | | Full Year | |
| | **31.12.15** | **31.12.14** | **31.12.15** | **31.12.14** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Net cash from/(used in) operating activities | **49,996** | (10,212) | **152,303** | 13,689 |
| Net cash used in investing activities | **(5,397)** | (106,278) | **(4,856)** | (105,546) |
| **Free cash inflow / (outflow) for the period / year** | **44,599** | (116,490) | **147,447** | (91,857) |

^ *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 | 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 |
| **2015** | | | | | | | | |
| **At 1 January 2015** | **169,260** | **78,806** | **(18,592)** | **110,335** | **463,109** | **802,918** | **10,129** | **813,047** |
| **Total comprehensive income** | | | | | | | | |
| Profit for the year | **-** | **-** | **-** | **-** | **68,833** | **68,833** | **286** | **69,119** |
| Other comprehensive income / (loss), net of tax | **-** | **15,728** | **(5,130)** | **(633)** | **-** | **9,965** | **237** | **10,202** |
| Total | **-** | **15,728** | **(5,130)** | **(633)** | **68,833** | **78,798** | **523** | **79,321** |
| **Transaction with owners, recognised directly in equity** | | | | | | | | |
| Transfer from revenue reserve to other capital reserves | **-** | **-** | **-** | **6,640** | **(6,640)** | - | - | - |
| Issue of shares under the Scrip Dividend Scheme | **970** | **-** | **-** | **-** | **-** | **970** | **-** | **970** |
| Dividend paid to shareholders | | | | | | | | |
| - Cash | **-** | **-** | **-** | **-** | **(4,911)** | **(4,911)** | **-** | **(4,911)** |
| - Share | **-** | **-** | **-** | **-** | **(970)** | **(970)** | **-** | **(970)** |
| Total | **970** | **-** | **-** | **6,640** | **(12,521)** | **(4,911)** | **-** | **(4,911)** |
| **At 31 December 2015** | **170,230** | **94,534** | **(23,722)** | **116,342** | **519,421** | **876,805** | **10,652** | **887,457** |
| **2014** | | | | | | | | |
| **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) |
| Total | - | 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) |
| Total | 1,070 | - | - | 8,781 | (14,645) | (4,794) | - | (4,794) |
| **At 31 December 2014** | 169,260 | 78,806 | (18,592) | 110,335 | 463,109 | 802,918 | 10,129 | 813,047 |

**The Company**

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

## 6. SHARE CAPITAL

Share Capital

Total number of issued ordinary shares as at 31 December 2015 was 1,178,824,988 as compared to 1,176,155,916 as at 31 December 2014. The increase represents 2,669,072 new ordinary shares allotted and issued on 24 June 2015 at $0.363 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 0.5 cent per ordinary share in the capital of the Company for the financial year ended 31 December 2014 (the "FY2014 Dividend").

Except as mentioned 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 June 2015, 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 2015 and as at 31 December 2014, 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 FY2015 and FY2014.

## 7. AUDIT

Please refer to Appendix A for the full 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 2014.

## 11. CHANGES IN ACCOUNTING POLICIES

In the current financial period, the Group adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new and revised FRSs did not result in any substantial changes to the Group's accounting policies and has no material effect on the accounts reported for the current or prior periods / years.

## 12. EARNINGS PER ORDINARY SHARE

| | Group Fourth Quarter | | Group Full Year | |
|---|---|---|---|---|
| | **31.12.15** | **31.12.14** | **31.12.15** | **31.12.14** |
| **(a) Earnings per ordinary share based on the weighted average number of ordinary shares in issue (in cents):** | | | | |
| Excluding fair value adjustments | **1.7** | 1.6 | **6.3** | 4.7 |
| Including fair value adjustments | **1.2** | 2.1 | **5.8** | 5.2 |
| Weighted average number of ordinary shares in issue (in millions) | **1,178.8** | 1,176.2 | **1,177.5** | 1,174.5 |
| **(b) Earnings per ordinary share based on fully diluted basis (in cents)** | | | | |
| Excluding fair value adjustments | **1.7** | 1.6 | **6.3** | 4.7 |
| Including fair value adjustments | **1.2** | 2.1 | **5.8** | 5.2 |
| Adjusted weighted average number of ordinary shares (in millions) | **1,178.8** | 1,176.2 | **1,177.5** | 1,174.5 |

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 | |
|---|---|---|---|---|
| | **31.12.15** | **31.12.14** | **31.12.15** | **31.12.14** |
| Net asset value per ordinary share (in cents) | **74.4** | 68.3 | **48.0** | 44.6 |
| Total number of issued shares (in millions) | **1,178.8** | 1,176.2 | **1,178.8** | 1,176.2 |

## 14. REVIEW OF GROUP PERFORMANCE

### Overview

For the fourth quarter 2015, the Group posted revenue of $143.4 million, an increase of 28% over $112.1 million reported in the same quarter last year. Net profit attributable to shareholders in the quarter was $14.4 million, despite a net fair value loss of $8.1 million (4Q2014 was a gain of $6.3 million) and an allowance for diminution in value for development properties in Singapore of $1.2 million. Fair value loss arose mainly from the Group's non-hotel investment properties in Perth amidst a weak macro-economic environment relying heavily on the mining industry, mitigated partially by fair value gain in Melbourne which market remains promising.

For the full year ended 31 December 2015, Group revenue upped 91% to $677.1 million. Net profit attributable to shareholders increased by a subdued 13% to $68.8 million caused by the aforesaid fair value loss and allowance for diminution in value for development properties in Singapore and China totaling at $8.9 million for the year. Last year, there was a net fair value gain of $6.5 million.

Earnings per share came in at 1.2 cents for the fourth quarter and 5.8 cents for the year, as compared to 2.1 cents and 5.2 cents respectively a year earlier. Net asset value per share stood at 74.4 cents at 31 December 2015, up from 68.3 cents a year earlier.

### Financial Performance

Group revenue was $677.1 million for the full year. It was attributable to progressive recognition based on percentage of construction completion for units sold at Seletar Park Residence, Sennett Residence and Cluny Park Residence and assisted further by the consolidation of revenue from currently wholly-owned GHG.

Gross profit was up 107% to $141.9 million on the back of higher revenue and better gross margin. Distribution costs were relatively unchanged as higher marketing expenses incurred in relation to the sale of units at Seletar Park Residence and Sennett Residence were mostly offset by lower costs from the Industrial Services segment. Administrative expenses increased reflecting higher legal fees incurred relating to the termination of the previous main contractor at Seletar Park Residence and the consolidation of GHG's expenses. Other operating expenses comprised mainly an allowance for diminution in value of $8.9 million for development properties in Singapore and China. Share of results (before fair value adjustments) of equity-accounted entities decreased to $6.8 million as GHG results had been consolidated instead.

Profit before tax and fair value adjustments grew 28% to $88.7 million. Profit after tax (inclusive of fair value adjustments) rose 12% to $69.1 million due to a net fair value loss of $8.0 million being recognised this year as compared to a net fair value gain of $6.5 million a year ago. After accounting for non-controlling interests' share of profit, the Group's net profit attributable to shareholders improved 13% to $68.8 million, from $61.2 million reported last year.

### Financial Position

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

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

Over the twelve-month period, shareholders' fund grew 9% or $73.9 million to $876.8 million at 31 December 2015. Total equity (i.e., including non-controlling interests) increased to $887.5 million, as compared to $813.0 million a year ago. The increase reflects profit and balance sheet revaluation gain recognised, but reduced by foreign currency translation losses, cash flow hedge losses and the Company's payment of dividend to shareholders. Under the Tuan Sing Scrip Dividend Scheme, 2.7 million new shares were issued on 24 June 2015 and accordingly, the Company's share capital increased by approximately $1.0 million to $170.2 million at year-end.

**Cash Flow**

At Group-level, free cash inflow of $147.4 million was generated in the current year.

Net cash from operating activities was $152.3 million as compared to $13.7 million in the previous year. The increase was attributable mainly to higher operating cash flows as a result of more cash being received from progress billing following the completion of the Seletar Park Residence Project, coupled with higher interest receipt but offset partially by higher income tax payments.

Net cash used in investing activities was $4.9 million. The Group spent $3.3 million on property, plant and equipment mainly relating to capital expenditures for the two hotels in Australia, and $10.3 million on investment properties mainly on redevelopment at the Robinson Towers site, as compared to $0.8 million and $11.1 million respectively a year earlier. Included in the current year was dividend of $8.6 million received from GulTech. In comparison, distribution of $8.7 million was received from GHG last year. GHG's results, including cash and bank balances, have since been consolidated and such inter-company distribution was eliminated at Group level.

Net cash used in financing activities was $228.8 million, reflecting a net loan repayment of $220.0 million, interest payment of $34.2 million and cash dividend paid to shareholders of $4.9 million, offset partially by a decrease in bank deposit pledged of $30.2 million. In contrast, financing activities last year accounted for a net cash inflow of $66.0 million, reflecting a net loan drawdown less interest payment and cash dividend to shareholders.

After accounting for the foreign currency translation loss mainly in AUD funds, cash and cash equivalents stood at $105.7 million at 31 December 2015, down from $187.4 million at the previous year-end.

## 15. REVIEW OF SEGMENT PERFORMANCE

**Property**

For the full year, Property revenue increased 99% to $404.0 million and profit before tax and fair value adjustments improved 47% to $60.4 million. Progressive recognition of revenue for units sold at Seletar Park Residence, Sennett Residence and Cluny Park Residence formed the bulk of the revenue and profit in 2015. Seletar Park Residence received its Temporary Occupation Permit in August 2015. Rental income from investment properties remained comparable as last year at $16.4 million.

Profit after tax increased 38% to $50.4 million as compared to $36.6 million a year ago. This was achieved despite an allowance for diminution in value of $8.9 million for development properties in both Singapore and China, and lower net fair value gain of $1.2 million for investment properties in Singapore this year as compared to $3.3 million in the previous year. Property remained the key driver of the Group contributing 60% of the Group's total revenue and 73% of the Group's total profit after tax in 2015.

**Hotels Investment**

Hotels Investment recorded full year revenue of A$140.6 million and full year net portfolio income of A$42.8 million. Net income from hotel operations was up 2% to A$28.2 million, and Grand Hyatt Melbourne and Hyatt Regency Perth registered a combined 4% improvement in RevPAR ("Revenue Per Available Room") with an increase in Melbourne offset by a decrease in Perth. However, net income from non-hotel operations (office, retail and carpark) was down 11% to A$14.6 million due mainly to underperformance in Perth office and carpark operations which in turn was caused by a slow-down in the mining industry in Western Australia.

Interest expenses decreased 28% to A$13.3 million from A$18.4 million a year ago, but depreciation and amortisation increased 3% to A$7.2 million. In addition, a net fair value loss of A$8.8 million arising from non-hotel investment properties was recorded in the current year, as opposed to a net fair value gain of A$6.4 million a year ago. After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed profit after tax of S$5.2 million, as compared to S$13.0 million last year due mainly to the absence of one-time GHG net acquisition gain of approximately S$9.1 million a year ago.

**Industrial Services**

For the full year, Industrial Services reported revenue of $128.3 million as compared to $140.3 million last year. Profit after tax was lower at $1.3 million, as compared to $1.8 million a year ago. Revenue from SP Corp fell 9% to $119.7 million weighed down by subdued tyre distribution and commodities trading activities amidst an overall decrease in commodity prices. As a result, SP Corp's profit after tax dipped 31% to $1.5 million, down from $2.1 million a year earlier.

**Other Investments**

For the full year, GulTech reported revenue of US$242.9 million and profit after tax of US$22.5 million. GulTech's net profit attributable to shareholders was US$10.9 million despite challenging industry environment and start-up expenses for its new plant in China. This translated into a share of net profit (including fair value adjustment) of S$6.7 million for the Group.

## 16. VARIANCE FROM PROSPECT STATEMENT

Not applicable.

## 17. OUTLOOK

In Singapore, the operating landscape remains challenging given the uncertain global economic outlook, weaker growth forecast and the continuing cooling measures imposed by the Government. The Group has low stock of unsold units and does not face imminent regulatory fees. Seletar Park Residence obtained its Certificate of Statutory Completion in January 2016. As Seletar Park Residence & Sennett Residence combined had been more than 95% sold and Cluny Park Residence had been about 50% sold, the Group's revenue and profit in 2016 would continue to come from these three residential projects.

Robinson Point has been fully leased under various leases ending in years 2017/18. For the redevelopment at the Robinson Tower site, main construction is expected to commence in early 2016. When completed in 2018, it is expected to be a platform for future growth of the Group in the commercial sector.

The Group remains cautious about its businesses in China given current economic environment.

Hotels Investment is expected to perform satisfactorily with visitor arrivals into Melbourne continuing to grow, even though Perth may remain affected by the depressed mining industry in Western Australia.

The Group will actively continue to seek well-located sites for residential and commercial development in both Singapore and overseas markets. Barring unforeseen circumstances, the Group is optimistic of achieving a satisfactory operational performance for the year 2016.

## 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
- 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
- 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

The Directors propose that a first and final one-tier tax exempt dividend of 0.6 cent per share be paid for the financial year ended 31 December 2015. The Tuan Sing Scrip Dividend Scheme implemented since 2009 will be applicable to this proposed dividend.

| | |
|---|---|
| Name of dividend | First & Final |
| Dividend type | Cash / Scrip |
| Dividend rate | 0.6 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 2014.

(c) Date payable

24 June 2016 (Friday)

(d) Books closure date

9 May 2016 (Monday)

## 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 Grand Hotel Group. |
| Industrial Services | Trading and marketing of industrial commodities, distribution of tyres and re-treading of tyres, as well as manufacturing of polypropylene woven bags. |
| Other Investments | Investments in GulTech, a printed circuit boards manufacturer with operations in Singapore and China, and Pan-West, a retailer of golf-related products. |
| Corporate and Others | Provision of corporate-level services. |

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

Management monitors the operating results of each of its business unit for the purpose of making decisions on resource allocation and performance assessment. Corporate and Others are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

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 |
|---|---|---|---|---|---|---|---|
| **2015** | | | | | | | |
| **Revenue** | | | | | | | |
| External revenue | **403,121** | **145,479** | **128,342** | - | **180** | **-** | **677,122** |
| Inter-segment revenue | **904** | **-** | **-** | **-** | **51,066** | **(51,970)** | **-** |
| | **404,025** | **145,479** | **128,342** | **-** | **51,246** | **(51,970)** | **677,122** |
| **Results** | | | | | | | |
| Gross profit | **80,534** | **44,349** | **6,108** | **-** | **43,896** | **(33,024)** | **141,863** |
| Other operating income | **2,375** | **309** | **722** | **-** | **7,557** | **(7,543)** | **3,420** |
| Distribution costs | **(1,758)** | **-** | **(2,597)** | **-** | **-** | **-** | **(4,355)** |
| Administrative expenses | **(6,744)** | **(9,772)** | **(3,690)** | **(3)** | **(2,277)** | **(3,186)** | **(25,672)** |
| Other operating expenses | **(9,343)** | **(574)** | **(157)** | **-** | **(2,709)** | **2,698** | **(10,085)** |
| Share of results of equity accounted investees | **-** | **-** | **-** | **6,803** | **-** | **-** | **6,803** |
| Finance income | **4,851** | **85** | **983** | **-** | **3,974** | **(5,635)** | **4,258** |
| Finance costs | **(9,556)** | **(19,679)** | **(24)** | **-** | **(3,877)** | **5,607** | **(27,529)** |
| **Profit before tax and fair value adjustments** | **60,359** | **14,718** | **1,345** | **6,800** | **46,564** | **(41,083)** | **88,703** |
| Fair value adjustments | **1,167** | **(9,096)** | **-** | **(120)** | **-** | **-** | **(8,049)** |
| **Profit before tax** | **61,526** | **5,622** | **1,345** | **6,680** | **46,564** | **(41,083)** | **80,654** |
| Income tax expenses | **(11,087)** | **(373)** | **(59)** | **-** | **(16)** | **-** | **(11,535)** |
| **Profit for the year** | **50,439** | **5,249** | **1,286** | **6,680** | **46,548** | **(41,083)** | **69,119** |
| **Profit attributable to:** | | | | | | | |
| Owners of the Company | **50,440** | **5,249** | **999** | **6,680** | **46,548** | **(41,083)** | **68,833** |
| Non-controlling interests | **(1)** | **-** | **287** | **-** | **-** | **-** | **286** |
| **Profit for the year** | **50,439** | **5,249** | **1,286** | **6,680** | **46,548** | **(41,083)** | **69,119** |
| **2014** | | | | | | | |
| **Revenue** | | | | | | | |
| External revenue | 202,215 | 12,023 | 140,347 | - | 180 | - | 354,765 |
| Inter-segment revenue | 807 | - | - | - | 9,339 | (10,146) | - |
| | 203,022 | 12,023 | 140,347 | - | 9,519 | (10,146) | 354,765 |
| **Results** | | | | | | | |
| Gross profit | 53,575 | 3,322 | 7,621 | - | 2,507 | 1,601 | 68,626 |
| Other operating income | 1,596 | 26,991 | 352 | 205 | 22,978 | (22,945) | 29,177 |
| Distribution costs | (1,501) | - | (2,729) | - | - | - | (4,230) |
| Administrative expenses | (5,585) | (1,226) | (3,886) | (12) | (1,956) | (3,537) | (16,202) |
| Other operating expenses | (4,940) | (18,192) | (156) | (136) | (37,161) | 37,159 | (23,426) |
| Share of results of equity accounted investees | - | 8,049 | - | 11,936 | - | - | 19,985 |
| Finance income | 4,953 | 185 | 758 | 27 | 872 | (2,035) | 4,760 |
| Finance costs | (7,028) | (3,374) | (28) | - | (790) | 2,034 | (9,186) |
| **Profit before tax and fair value adjustments** | 41,070 | 15,755 | 1,932 | 12,020 | (13,550) | 12,277 | 69,504 |
| Fair value adjustments | 3,264 | 3,685 | - | (480) | - | - | 6,469 |
| **Profit before tax** | 44,334 | 19,440 | 1,932 | 11,540 | (13,550) | 12,277 | 75,973 |
| Income tax expenses | (7,753) | (6,478) | (107) | (1) | (48) | - | (14,387) |
| **Profit for the year** | 36,581 | 12,962 | 1,825 | 11,539 | (13,598) | 12,277 | 61,586 |
| **Profit attributable to:** | | | | | | | |
| Owners of the Company | 36,580 | 12,962 | 1,409 | 11,539 | (13,598) | 12,277 | 61,169 |
| Non-controlling interests | 1 | - | 416 | - | - | - | 417 |
| **Profit for the year** | 36,581 | 12,962 | 1,825 | 11,539 | (13,598) | 12,277 | 61,586 |

***Notes:***

1. *Revenue reported under "Hotels Investment" relates to GHG's results after it was acquired on 2 December 2014. Prior to that, the Group equity- accounted for its 50% interest in GHG.*
2. *No revenue is reported under "Other Investments" as the Group equity accounts for its investments in GulTech and Pan-West.*
3. *"Corporate and Others" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at group-level upon consolidation.*

*Segment assets, liabilities and other segment information*

| | Property $'000 | Hotels Investment $'000 | Industrial Services $'000 | Other Investments $'000 | Corporate and Others $'000 | Total Consolidated $'000 |
|---|---|---|---|---|---|---|
| **31.12.2015** | | | | | | |
| **Assets** | | | | | | |
| Segment assets | **1,430,010** | **638,507** | **83,549** | **14** | **(61,086)** | **2,090,994** |
| Investment in equity accounted investees | **-** | **-** | **-** | **71,511** | **-** | **71,511** |
| **Total assets** | **1,430,010** | **638,507** | **83,549** | **71,525** | **(61,086)** | **2,162,505** |
| **Liabilities** | | | | | | |
| Segment liabilities | **(58,176)** | **(23,572)** | **(26,970)** | **(5,909)** | **(3,853)** | **(118,480)** |
| Loan and borrowings | **(667,137)** | **(359,793)** | **-** | **-** | **(79,404)** | **(1,106,334)** |
| Income tax payable and deferred tax liabilities | **(20,072)** | **(29,746)** | **(288)** | **(24)** | **(104)** | **(50,234)** |
| **Total liabilities** | **(745,385)** | **(413,111)** | **(27,258)** | **(5,933)** | **(83,361)** | **(1,275,048)** |
| **Net assets** | **684,625** | **225,396** | **56,291** | **65,592** | **(144,447)** | **887,457** |
| **Other information** | | | | | | |
| Capital expenditure | **184** | **2,723** | **412** | **-** | **-** | **3,319** |
| Depreciation of property plant and equipment | **148** | **7,108** | **445** | **-** | **-** | **7,701** |
| Allowance for diminution in value for development properties | **8,935** | **-** | **-** | **-** | **-** | **8,935** |
| Revaluation gain of property | **-** | **(22,447)** | **-** | **-** | **-** | **(22,447)** |
| Fair value (gain) / loss on investment properties | **(1,167)** | **9,096** | **-** | **-** | **-** | **7,929** |
| Fair value loss on financial instruments | **-** | **-** | **-** | **120** | **-** | **120** |
| **31.12.2014** | | | | | | |
| **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) |
| Income tax payable and deferred tax liabilities | (13,854) | (26,264) | (560) | (29) | (139) | (40,846) |
| **Total liabilities** | (953,183) | (436,678) | (21,864) | (89) | (81,461) | (1,493,275) |
| **Net assets** | 543,208 | 232,774 | 54,652 | 62,908 | (80,495) | 813,047 |
| **Other information** | | | | | | |
| Capital expenditure | 305 | 102 | 424 | - | - | 831 |
| Depreciation of property plant and equipment | 230 | 381 | 467 | - | - | 1,078 |
| Share of revaluation gain of property | - | (2,173) | - | - | - | (2,173) |
| Fair value gain on investment properties | (3,264) | (3,076) | - | - | - | (6,340) |
| Fair value (gain) / loss on financial instruments | - | (609) | - | 480 | - | (129) |

***Notes:***

1. *Capital expenditure and depreciation reported under "Hotels Investment" relates to GHG's results after it was acquired on 2 December 2014. Prior to that, the Group equity- accounted for its 50% interest in GHG.*
2. *No revenue is reported under "Other Investments" as the Group equity accounts for its investments in GulTech and Pan-West.*

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*Geographical information*

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

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers. Non-current assets are based on the geographical location of the assets.

| | Revenue from customers | | Non-current assets | |
|---|---|---|---|---|
| | **2015 $'000** | **2014 $'000** | **2015 $'000** | **2014 $'000** |
| Singapore | **469,237** | 255,192 | **923,595** | 900,881 |
| Australia | **145,479** | 12,023 | **614,430** | 638,185 |
| China | **16,586** | 21,388 | **6,811** | 6,665 |
| Malaysia | **16,863** | 16,804 | **1,789** | 2,261 |
| Indonesia | **13,453** | 22,529 | **-** | - |
| Europe | **7,452** | 13,016 | **-** | - |
| Other ASEAN countries | **6,811** | 12,157 | **-** | - |
| Others | **1,241** | 1,656 | **-** | - |
| | **677,122** | 354,765 | **1,546,625** | 1,547,992 |

***Notes:***

1. *Revenue reported under "Australia" relates to GHG's results after it was acquired on 2 December 2014. Prior to that, the Group equity-accounted for its 50% interest in GHG.*
2. *Other ASEAN countries comprise Vietnam, Cambodia, Brunei and Laos with revenue in each country constituting not more than 1% of total Group revenue for each country.*

*Other segment information*

The Group does not have any single major customer that contributes 10% or more to the Group's revenues.

## 21. BREAKDOWN OF REVENUE AND PROFIT AFTER TAX BY PERIOD

| | Group Full Year | |
|---|---|---|
| | **2015 $'000** | **2014 $'000** |
| (a) Revenue | | |
| - First quarter | **155,298** | 61,297 |
| - Second quarter | **194,066** | 81,577 |
| - Third quarter | **184,337** | 99,836 |
| - Fourth quarter | **143,421** | 112,055 |
| **Full year revenue** | **677,122** | 354,765 |
| (b) Profit after tax before deducting non-controlling interests | | |
| - First quarter | **15,945** | 7,774 |
| - Second quarter | **22,331** | 11,720 |
| - Third quarter | **16,281** | 17,590 |
| - Fourth quarter | **14,562** | 24,502 |
| **Full year profit after tax** | **69,119** | 61,586 |

## 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.

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## 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 | 43 | Brother of Michelle Liem Mei Fung (Non-Executive Director and Deemed Substantial Shareholder of the Company) and brother-in-law of Tan Enk Ee (Deemed Substantial Shareholder of the Company).<br><br>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) | 74 | Uncle of William Nursalim alias William Liem (Chief Executive Officer, Executive Director of the Company and Deemed Substantial Shareholder of the Company), Michelle Liem Mei Fung (Non-Executive Director and 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 | 49 | Brother of David Lee Kay Tuan (Non-Executive Director of the Company)<br><br>Brother-in-law of Michelle Liem Mei Fung (Non-Executive Director and Deemed Substantial Shareholder of the Company) | General Manager, Sales, Administration & Operations of Globaltraco International Pte Ltd ("Globaltraco"), a subsidiary of the Company, since 1 September 2015. | 1 January – 31 August 2015, was Senior Manager, Operations of Globaltraco |

## 24. UNDERTAKING FROM DIRECTORS AND EXECTIVE OFFICERS

In view of the latest guideline from the Exchange in relation to Rule 720(1) of the SGX-ST Listing Manual, the Company will procure signed undertakings from all its directors and executive officers based on the latest revised form of Appendix 7.7 of the SGX-ST Listing Manual on or before 30 April 2016, which will replace and supersede the undertakings previously signed by the directors and executive officers as announced on 29 October 2015.

**BY ORDER OF THE BOARD**

Lee Pih Peng
Company Secretary
28 January 2016

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