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SUPPLEMENTAL INFORMATION MEMORANDUM DATED 25 SEPTEMBER 2014
TO INFORMATION MEMORANDUM DATED 3 JULY 2013

TUAN SING HOLDINGS LIMITED

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

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

This Supplemental Information Memorandum is a supplement to, and is to be read together with, the Information Memorandum dated 3 July 2013 (the "**Information Memorandum**") relating to the Programme.

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

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

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

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

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

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

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

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

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

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

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

Arranger

DBS

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NOTICE

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

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

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

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

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

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

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

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

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

The Arranger and the Dealers have not separately verified the information contained in this Supplemental Information Memorandum. None of the Arranger, any of the Dealers or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, none of the Arranger nor any of the Dealers makes any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Supplemental Information Memorandum.

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

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

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

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein) and the issue of the Notes by the

Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Supplemental Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Programme Agreement.

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

The attention of recipients of this Supplemental Information Memorandum is drawn to the restrictions on resale of the Notes set out under "Subscription, Purchase and Distribution" on pages 102 to 103 of the Information Memorandum.

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

It is recommended that persons proposing to subscribe for or purchase any of the Notes consult their own legal and other advisers before purchasing or acquiring the Notes.

AMENDMENTS TO THE INFORMATION MEMORANDUM

The Information Memorandum shall be amended as follows:

1. by deleting the sixth and seventh paragraphs of the sub-section "Recent Developments" in its entirety and substituting therefor the following:

   On 17 June 2013, Tuan Sing reported that its indirect wholly-owned subsidiary, Dillenia Land Pte. Ltd. (the "**GCP Purchaser**"), has been awarded the tender for the collective sale of all strata lots and the common property in the development known as Gilstead Court (the "**Gilstead Court Property**") at the price of approximately S$150.2 million. The acquisition on the Gilstead Court Property is subject to the Strata Titles Board's approval.

   The consenting subsidiary proprietors of the Gilstead Court Property (the "**GCP Vendors**") made an application to the Strata Titles Board for an order of sale on 4 July 2013 to which written objections were filed by the subsidiary proprietors of five strata units (the "**Non-Consenting GCP Vendors**"). Efforts at mediation at the Strata Titles Board between the GCP Vendors' representative and the Non-Consenting GCP Vendors have not been successful. On 1 October 2013, the Strata Titles Board issued an order to discontinue all proceedings before the Strata Titles Board. As such, the GCP Vendors, in accordance with the terms of the contract dated 17 June 2013 made between the GCP Purchaser and the GCP Vendors in relation to the collective sale of the Gilstead Court Property (the "**GCP Contract**"), made an application to the High Court of Singapore on 16 October 2013 for an order of sale to sanction the GCP Contract.

   The High Court is expected to hear the case in October 2014.";

2. by adding the following after the last paragraph of the sub-section "Recent Developments" appearing on page 67 of the Information Memorandum the following:

   "**Acquisition of an additional 50 per cent. interest in Grand Hotel Group (GHG)**

   On 3 September 2014, Tuan Sing announced that its wholly-owned subsidiaries, TSH Australian Holdings Pte Ltd and Tuan Sing (Australia) Pty Limited (collectively, the "**TSA Parties**") have signed an agreement with Kara Investment LLC and GSS III Rutgers BV (collectively, the "**Kara Parties**"), for the sale by the Kara Parties of their 129,348,530 stapled securities in Grand Hotel Group ("**GHG**") which represents a 50 per cent. interest in GHG to the TSA Parties for a consideration of A$126.04 million (the "**GHG Transaction**").

   Completion of the GHG Transaction is expected to take place before the end of 2014 upon the satisfaction of conditions precedent (or waiver by the parties) and after obtaining all necessary approvals and consents from the relevant regulatory authorities and consortium banks.

   Tuan Sing currently equity accounts for its 50 per cent. interest in GHG. The completion of transaction will give the Group 100 per cent. ownership and control over GHG and accordingly full consolidation of the financial results of GHG.

   The GHG Transaction is carried out in the ordinary course of the Group's business and is in line with the Group's strategy to strengthen its property portfolio and to grow strong and resilient businesses. Having 100 per cent. ownership of GHG will broaden Tuan Sing's earning base, improve the stability of its income stream and boost its presence in the growing hospitality market in Australia.

The GHG Transaction also provides for the resolution of the Disputes and an exit for the Kara Parties as abovementioned. The Group intends to debt-finance the transaction.

Pro Forma Financial Effects

For illustrative purposes only, the pro-forma financial effects of the GHG Transaction prepared based on the audited consolidated financial information of the Group for the financial year ended 31 December 2013 ("**FY2013**") in which GHG's financial results were equity accounted for by the Group are set out below.

In the illustration, the following assumptions have been made:

a. For the purpose of presenting the financial effect on the Group's profit and loss and earnings-per-share ("**EPS**"), the GHG Transaction has been effected at the beginning of FY2013, i.e. on 1 January 2013;

b. For the purpose of presenting the financial effect on the Group's financial position and net asset value ("**NAV**"), the GHG Transaction has been effected at the end of FY2013, i.e. on 31 December 2013;

c. Cost of debt financing was 4 per cent. per annum; and

d. Average exchange rate of A$1: S$1.2215 for FY2013, and closing rate of A$1: S$1.1295 as at 31 December 2013.

Consolidated Income Statement

	Pro Forma FY2013 S$'000	Audited FY2013 S$'000	Audited FY2012 S$'000	Audited FY2011 S$'000
Revenue	469,105	302,273	371,847	239,720
Cost of sales	(365,189)	(251,003)	(301,392)	(209,518)
Gross profit	103,916	51,270	70,455	30,202
Other operating income	5,671	5,546	2,727	2,798
Distribution costs	(16,986)	(16,986)	(18,823)	(4,636)
Administrative expenses	(24,603)	(15,866)	(15,009)	(14,380)
Other operating expenses	(5,349)	(4,114)	(2,616)	(1,339)
Share of results of equity accounted investees	7,493	14,757	20,335	11,435
Finance income	5,146	5,018	4,650	6,087
Finance costs	(37,506)	(4,080)	(5,534)	(5,585)
Profit before tax and fair value adjustments	37,782	35,545	56,185	24,582
Fair value adjustments	36,172	27,224	67,658	23,147
Profit before tax	73,954	62,769	123,843	47,729
Income tax expenses	(14,599)	(9,715)	(6,036)	(6,619)
Profit for the year	**59,355**	**53,054**	**117,807**	**41,110**
Profit attributable to:				
Owners of the Company	58,301	52,000	109,532	40,301
Non-controlling interests	1,054	1,054	8,275	809
	59,355	**53,054**	**117,807**	**41,110**
Basic and diluted earnings per share (in cents)	5.0	4.5	9.5	3.5

Consolidated Financial Position

	Pro Forma FY2013 S$'000	Audited FY2013 S$'000	Audited FY2012 S$'000	Audited FY2011 S$'000
ASSETS				
Current assets				
Cash and bank balances	306,660	276,872	211,664	145,478
Trade and other receivables	75,148	62,262	65,391	77,985
Inventories	4,876	4,090	3,979	4,260
Development properties	404,285	404,285	442,807	539,741
Total current assets	790,969	747,509	723,841	767,464
Non-current assets				
Property, plant and equipment	417,923	3,504	4,651	5,771
Investment properties	1,091,981	824,125	436,425	324,750
Investments in equity accounted investees	48,504	208,159	210,298	199,531
Other non-current asset	2,239	14	14	14
Total non-current assets	1,560,647	1,035,802	651,388	530,066
Total assets	**2,351,616**	**1,783,311**	**1,375,229**	**1,297,530**
LIABILITIES AND EQUITY				
Current liabilities				
Loans and borrowings	150,052	150,052	30,323	242,463
Trade and other payables	103,685	79,675	67,450	73,812
Derivative financial instrument	6,439	-	696	-
Income tax payable	4,734	3,284	6,928	3,263
Total current liabilities	264,910	233,011	105,397	319,538
Non-current liabilities				
Loans and borrowings	1,298,387	767,604	530,272	337,274
Derivative financial instrument	-	-	-	1,009
Deferred tax liabilities	25,259	23,491	18,999	18,676
Total non-current liabilities	1,323,646	791,095	549,271	356,959
Equity				
Share capital	168,190	168,190	164,545	162,728
Reserves	585,346	581,491	543,084	445,654
Equity attributable to owners of the Company	753,536	749,681	707,629	608,382
Non-controlling interests	9,524	9,524	12,932	12,651
Total equity	763,060	759,205	720,561	621,033
Total liabilities and equity	**2,351,616**	**1,783,311**	**1,375,229**	**1,297,530**
Total borrowings	1,448,439	917,656	560,595	579,737
Gross gearing (times) ^	1.90	1.21	0.78	0.93
Net borrowings ^^	1,141,779	640,784	348,931	434,259
Net gearing (times) ^	1.50	0.84	0.48	0.70
Net asset value per share (in cents)	64.3	63.9	60.9	52.7

Note:

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

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

Group's Revenue and Profit by Business Segment

	Pro Forma FY2013 S$'000	Audited FY2013 S$'000	Audited FY2012 S$'000	Audited FY2011 S$'000
PROPERTY				
Revenue	141,097	141,097	188,258	40,468
Profit before tax	40,947	40,947	106,234	29,911
Profit after tax	36,585	36,585	100,639	25,566
HOTELS INVESTMENT [1]				
Revenue	166,832	-	-	-
Profit before tax	25,340	14,155	823	6,422
Profit after tax	15,440	9,139	807	4,641
INDUSTRIAL SERVICES				
Revenue	162,025	162,025	184,420	199,805
Profit before taxation	2,556	2,556	2,882	3,257
Profit after tax	2,386	2,386	2,451	2,886
OTHER INVESTMENTS [1,2]				
Revenue	-	-	-	-
Profit before tax	7,803	7,803	13,821	8,681
Profit after tax	7,800	7,800	13,812	8,737

Note:

1. No revenue is reported under "Hotels Investment" pre GHG Transaction and "Other Investments" as the Group equity accounts for its investment in GHG, GulTech and Pan-West.

2. Investments in GulTech and Pan-West were placed under the "Other Investments" segment after the Group discontinued its Technology and Retail segments in 2007 and 2010 respectively.

The illustration is theoretical in nature and is therefore not necessarily indicative of the future financial earnings and position of the Group.

Acquisition of Robinson Point

On 1 October 2013, Tuan Sing announced the completion of the acquisition of Robinson Point through the acquisition of the entire issued share capital of Robinson Point Limited and 39 Robinson Road Pte Ltd.

Robinson Point is a 21-storey freehold office building located at 39 Robinson Road, in the heart of Singapore's Central Business District. The building comprises 135,270 sq ft of net lettable area, which includes three retail units on the ground floor. The building offers a 57-bay car park located at levels three to five. Robinson Point was awarded the BCA Green Mark (GOLD). In 2013, it was fully rented out and the average gross rental post-acquisition was more than $7.70 per sq ft per month.";

3. by deleting the paragraph appearing under the heading "The Notes are subject to Singapore taxation." appearing on page 86 of the Information Memorandum in its entirety and substituting therefor the following:

"The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2018 are, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by MAS on 28 June 2013, intended to be "qualifying debt securities" for the purposes of the ITA subject to the fulfilment of certain conditions more particularly described in the section "Singapore Taxation".

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.";

4. by deleting the section "Singapore Taxation" appearing on pages 97 to 101 of the Information Memorandum in its entirety and substituting therefor the following:

"**SINGAPORE TAXATION**

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

1. Interest and Other Payments

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

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

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

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 20.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

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

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

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

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole was arranged by DBS Bank Ltd., which was a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) at such time, any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be, pursuant to the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" (the "**MAS Circular**") issued by MAS on 28 June 2013, "qualifying debt securities" ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

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

(ii) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

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

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

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

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:−

(i) any related party of the Issuer; or

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

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

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

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

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

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

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

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

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

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

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

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

(c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and

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

However, even if a particular tranche of the Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50.0% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Notes derived by:

(aa) any related party of the Issuer; or

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

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

The MAS Circular states that, with effect from 28 June 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. The MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the 10th year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Qualifying Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS scheme if the QDS conditions continue to be met.

The MAS has stated that, notwithstanding the above, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within 10 years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

2. Capital Gains

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

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

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

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

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

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

4. Estate Duty

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

5. by deleting the paragraphs appearing below the sub-section Litigation in Appendix I of the Information Memorandum in their entirety and substituting therefor the following:

"10. There are no legal or arbitration proceedings pending or threatened against the Issuer or any of its subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or the Group.";

6. by inserting the following as Appendix V of the Information Memorandum:

"**APPENDIX V**

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The information in this Appendix V has been reproduced from the statutory accounts of Tuan Sing Holdings Limited and its subsidiaries for the financial year ended 31 December 2013 and has not been specifically prepared for inclusion in this Information Memorandum.

Deloitte.

TUAN SING HOLDINGS LIMITED
(Incorporated in Singapore)
(Registration number: 196900130M)
AND ITS SUBSIDIARIES

Directors' Report and Financial Statements

For The Financial Year Ended
31 December 2013

TUAN SING HOLDINGS LIMITED AND ITS SUBSIDIARIES
Directors' Report and Financial Statements

Contents

GRP6-SM/3013762-4030925-FS/PLKH/AXP/KWYM/VASH/WSI

DIRECTORS' REPORT
for the financial year ended 31 December 2013

The Directors of the Company are pleased to present their report to the members together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2013.

1 Directors

The Directors of the Company in office at the date of this report are:

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

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

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

3 Directors' interests in shares and debentures

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

Name of Directors and Companies In Which Interests Are Held	Shareholdings Registered In Name Of Director		Shareholdings In Which Director Is Deemed To Have An Interest	
	As at 1 January 2013	As at 31 December 2013	As at 1 January 2013	As at 31 December 2013
The Company (Ordinary Shares)				
Mr Ong Beng Kheong	2,200	2,200	-	-
Mr David Lee Kay Tuan	250,000	250,000	-	-
Ms Michelle Liem Mei Fung	-	-	537,925,875 [1]	546,383,829 [1#]

Name of Directors and Companies In Which Interests Are Held	Shareholdings Registered In Name Of Director		Shareholdings In Which Director Is Deemed To Have An Interest	
	As at 1 January 2013	As at 31 December 2013	As at 1 January 2013	As at 31 December 2013
SP Corporation Limited (Ordinary Shares)				
Ms Michelle Liem Mei Fung	-	-	281,463,197 [1]	281,463,197 [1]

Notes

1 By virtue of interest in Nuri Holdings (S) Pte Ltd.
\# Increase in shareholdings in 2013 was attributable to the participation in the Tuan Sing Holdings Limited Scrip Dividend Scheme.

By virtue of Section 7 of the Singapore Companies Act, Ms Michelle Liem Mei Fung is deemed to have an interest in the Company and in all the related corporations of the Company.

There was no change in any of the above-mentioned Directors' interests between the end of the financial year and 21 January 2014.

During the financial year, 11,462,447 new ordinary shares, fully-paid were allotted pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme where shares were issued at 31.8 cents per share in lieu of cash for the first and final dividend of 0.5 cent per share for the financial year ended 31 December 2012. Following the allotment, the fully paid-up issued shares of the Company increased to 1,172,739,606 ordinary shares.

4 Directors' receipt and entitlement to contractual benefits

Since the beginning of the financial year, no Director has received or become entitled to receive a benefit, which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in this report and notes 28 and 33 to the financial statements.

5 Share option

Option to take up unissued shares

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

Unissued shares under option and option exercised

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

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

6 Audit committee

The Audit Committee performed the functions specified in Section 201B(5) of the Singapore Companies Act and the Singapore Code of Corporate Governance.

The Audit Committee of the Company is chaired by Mr Choo Teow Huat Albert and includes Messrs Chow Kok Kee and David Lee Kay Tuan, all of whom are non-executive Directors and the majority including the Chairman is independent. The Audit Committee met four times during the financial year ended 31 December 2013 and had reviewed, *inter alia*, the following with the executive Director, external and internal auditors of the Company where relevant:

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

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

(c) the consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company before their submission to the Board of Directors and the external auditors' report on those financial statements;

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

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

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

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

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

7 External auditors

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

On Behalf of the Directors

Ong Beng Kheong
Chairman

William Nursalim alias William Liem
Chief Executive Officer

29 January 2014

STATEMENT BY DIRECTORS

In the opinion of the Directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 8 to 97 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

On Behalf of the Directors

Ong Beng Kheong
Chairman

William Nursalim alias William Liem
Chief Executive Officer

29 January 2014

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

TUAN SING HOLDINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Tuan Sing Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2013, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 97.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Deloitte.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

Patricia Lee Kuang Hong
Partner
Appointed on 18 April 2013

29 January 2014

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2013

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Assets					
Current assets					
Cash and bank balances	5	**276,872**	211,664	**298**	1,806
Trade and other receivables	6	**62,262**	65,391	**50**	92
Amounts due from subsidiaries	18	**-**	-	**300,334**	218,272
Derivative financial instrument	13	**-**	-	**-**	696
Inventories	7	**4,090**	3,979	**-**	-
Development properties	8	**404,285**	442,807	**-**	-
Total current assets		**747,509**	723,841	**300,682**	220,866
Non-current assets					
Property, plant and equipment	9	**3,504**	4,651	**-**	-
Investment properties	10	**824,125**	436,425	**498**	498
Investments in subsidiaries	11	**-**	-	**584,380**	414,607
Investments in equity accounted investees	12	**208,159**	210,298	**-**	-
Other non-current asset	14	**14**	14	**-**	-
Total non-current assets		**1,035,802**	651,388	**584,878**	415,105
Total assets		**1,783,311**	1,375,229	**885,560**	635,971
Liabilities and equity					
Current liabilities					
Loans and borrowings	15	**150,052**	30,323	**-**	-
Trade and other payables	17	**79,675**	67,450	**21,934**	21,319
Amounts due to subsidiaries	18	**-**	-	**320,734**	157,340
Derivative financial instrument	13	**-**	696	**-**	696
Income tax payable		**3,284**	6,928	**217**	159
Total current liabilities		**233,011**	105,397	**342,885**	179,514
Non-current liabilities					
Loans and borrowings	15	**767,604**	530,272	**-**	-
Deferred tax liabilities	20	**23,491**	18,999	**-**	-
Total non-current liabilities		**791,095**	549,271	**-**	-
Capital, reserves and non-controlling interests					
Share capital	21	**168,190**	164,545	**168,190**	164,545
Reserves	22	**581,491**	543,084	**374,485**	291,912
Equity attributable to owners of the Company		**749,681**	707,629	**542,675**	456,457
Non-controlling interests		**9,524**	12,932	**-**	-
Total equity		**759,205**	720,561	**542,675**	456,457
Total liabilities and equity		**1,783,311**	1,375,229	**885,560**	635,971

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the financial year ended 31 December 2013

	Note	Group 2013 $'000	Group 2012 $'000
Profit or loss			
Revenue	24	**302,273**	371,847
Cost of sales		**(251,003)**	(301,392)
Gross profit		**51,270**	70,455
Other operating income		**5,546**	2,727
Distribution costs		**(16,986)**	(18,823)
Administrative expenses		**(15,866)**	(15,009)
Other operating expenses		**(4,114)**	(2,616)
Share of results of equity accounted investees	12	**14,757**	20,335
Finance income	25	**5,018**	4,650
Finance costs	26	**(4,080)**	(5,534)
Profit before tax and fair value adjustments		**35,545**	56,185
Fair value adjustments	27	**27,224**	67,658
Profit before tax	28	**62,769**	123,843
Income tax expenses	29	**(9,715)**	(6,036)
Profit for the year		**53,054**	117,807
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property	31	**5,630**	-
Share of other comprehensive (loss)/income of equity accounted investees	12	**(6,000)**	7,480
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	31	**(127)**	(1,941)
		(497)	5,539
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	31	**(9,032)**	(12,244)
Share of other comprehensive income/(loss) of equity accounted investees	12	**2,390**	(2,946)
Income tax relating to components of other comprehensive income that may be reclassified subsequently	31	**(510)**	764
		(7,152)	(14,426)
Other comprehensive loss for the year, net of tax	31	**(7,649)**	(8,887)
Total comprehensive income for the year		45,405	108,920
Profit attributable to:			
Owners of the Company		**52,000**	109,532
Non-controlling interests		**1,054**	8,275
		53,054	117,807
Total comprehensive income attributable to:			
Owners of the Company		**44,213**	100,827
Non-controlling interests		**1,192**	8,093
		45,405	108,920
Basic and diluted earnings per share (in cents)			
Excluding fair value adjustments	30	**2.4**	3.6
Including fair value adjustments	30	**4.5**	9.5

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

CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2013

	Note	Group 2013 $'000	Group 2012 $'000
Operating activities			
Profit before tax		**62,769**	123,843
Adjustments for:			
Fair value adjustments	27	**(27,224)**	(67,658)
Share of results of equity accounted investees	12	**(14,757)**	(20,335)
Depreciation of property, plant and equipment	9	**699**	797
Allowance for inventory obsolescence, net		**20**	31
Allowance for doubtful trade and other receivables, net		**119**	143
Plant and equipment written off		**2**	148
Net (gain)/loss on disposal of property, plant and equipment		**(1,767)**	146
Negative goodwill on acquisition	32	**(802)**	-
Finance income		**(5,018)**	(4,650)
Finance costs		**4,080**	5,534
Operating cash flows before movements in working capital		**18,121**	37,999
Development properties less progressive billings receivable		**44,288**	99,809
Inventories		**(193)**	197
Trade and other receivables		**8,899**	8,777
Trade and other payables		**7,024**	(3,568)
Cash generated from operations		**78,139**	143,214
Interest received		**1,906**	4,769
Income tax paid		**(6,863)**	(2,182)
Net cash from operating activities		**73,182**	145,801
Investing activities			
Additions to property, plant and equipment	9	**(679)**	(392)
Disposal of property, plant and equipment		**2,134**	273
Additions to investment properties		**(11,297)**	(40,015)
Acquisition of subsidiary	32	**(170,868)**	-
Distribution received from a jointly-controlled company		**3,501**	2,502
Net cash used in investing activities		**(177,209)**	(37,632)
Financing activities			
Repayment of finance lease obligations		**(23)**	(22)
Proceeds from loans and borrowings		**374,668**	206,544
Repayment of loans and borrowings		**(192,337)**	(224,168)
Interest paid		**(11,553)**	(11,067)
Bank deposits pledged as securities for bank facilities		**(59,527)**	1,039
Dividend paid to shareholders		**(2,161)**	(1,580)
Dividend paid to non-controlling interests		**(4,600)**	(7,812)
Net cash from/(used in) financing activities		**104,467**	(37,066)
Net increase in cash and cash equivalents		**440**	71,103
Cash and cash equivalents at the beginning of the year		**207,077**	139,852
Foreign currency translation adjustments		**5,109**	(3,878)
Cash and cash equivalents at the end of the year	5	**212,626**	207,077

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

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 December 2013

	Note	Share capital $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves # $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
Group									
At 1 January 2013		164,545	(2,214)	77,573	96,775	370,950	707,629	12,932	720,561
Total comprehensive income for the year									
Profit for the year		-	-	-	-	52,000	52,000	1,054	53,054
Exchange differences on translation of foreign operations	31	-	(9,216)	-	-	-	(9,216)	138	(9,078)
Exchange differences realised on disposal	31	-	46	-	-	-	46	-	46
Asset revaluation reserve realised		-	-	(167)	-	167	-	-	-
Share of other comprehensive income of equity accounted investees	12	-	-	(6,000)	2,390	-	(3,610)	-	(3,610)
Revaluation of properties		-	-	5,630	-	-	5,630	-	5,630
Deferred tax adjustments relating to other comprehensive income	31	-	-	(127)	(510)	-	(637)	-	(637)
Other comprehensive (loss)/income for the year, net of tax		-	(9,170)	(664)	1,880	167	(7,787)	138	(7,649)
Total		-	(9,170)	(664)	1,880	52,167	44,213	1,192	45,405
Transactions with owners, recognised directly in equity									
Transfer from revenue reserve to other capital reserves	22	-	-	-	726	(726)	-	-	-
Issue of shares under the Scrip Dividend Scheme	21	3,645	-	-	-	-	3,645	-	3,645
Dividend paid to shareholders									
- Cash	23	-	-	-	-	(2,161)	(2,161)	-	(2,161)
- Share	23	-	-	-	-	(3,645)	(3,645)	-	(3,645)
Dividend to non-controlling interests		-	-	-	-	-	-	(4,600)	(4,600)
Total		3,645	-	-	726	(6,532)	(2,161)	(4,600)	(6,761)
At 31 December 2013		168,190	(11,384)	76,909	99,381	416,585	749,681	9,524	759,205

 # Details of "Other capital reserves" are disclosed in note 22.

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 December 2013

	Note	Share capital $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves # $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
Group									
At 1 January 2012		162,728	9,848	72,149	98,676	264,981	608,382	12,651	621,033
Total comprehensive income for the year									
Profit for the year		-	-	-	-	109,532	109,532	8,275	117,807
Exchange differences on translation of foreign operations	31	-	(12,062)	-	-	-	(12,062)	(182)	(12,244)
Asset revaluation reserve realised		-	-	(115)	-	115	-	-	-
Share of other comprehensive income of equity accounted investees	12	-	-	7,480	(2,946)	-	4,534	-	4,534
Deferred tax adjustments relating to other comprehensive income	31	-	-	(1,941)	764	-	(1,177)	-	(1,177)
Other comprehensive (loss)/income for the year, net of tax		-	(12,062)	5,424	(2,182)	115	(8,705)	(182)	(8,887)
Total		-	(12,062)	5,424	(2,182)	109,647	100,827	8,093	108,920
Transactions with owners, recognised directly in equity									
Transfer from revenue reserve to other capital reserves	22	-	-	-	281	(281)	-	-	-
Issue of shares under the Scrip Dividend Scheme	21	1,817	-	-	-	-	1,817	-	1,817
Dividend paid to shareholders									
- Cash	23	-	-	-	-	(1,580)	(1,580)	-	(1,580)
- Share	23	-	-	-	-	(1,817)	(1,817)	-	(1,817)
Dividend to non-controlling interests		-	-	-	-	-	-	(7,812)	(7,812)
Total		1,817	-	-	281	(3,678)	(1,580)	(7,812)	(9,392)
At 31 December 2012		164,545	(2,214)	77,573	96,775	370,950	707,629	12,932	720,561

 # Details of "Other capital reserves" are disclosed in note 22.

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

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 December 2013

	Note	Share capital $'000	Other capital reserve[#] $'000	Revenue reserve $'000	Total $'000
Company					
At 1 January 2013		**164,545**	**101,264**	**190,648**	**456,457**
Profit for the year, representing total comprehensive income for the year		-	-	**88,379**	**88,379**
Transactions with owners, recognised directly in equity					
Issue of shares under the Scrip Dividend Scheme		**3,645**	-	-	**3,645**
Dividend paid to shareholders					
- Cash	23	-	-	**(2,161)**	**(2,161)**
- Share	23	-	-	**(3,645)**	**(3,645)**
Total		**3,645**	-	**(5,806)**	**(2,161)**
At 31 December 2013		**168,190**	**101,264**	**273,221**	**542,675**
At 1 January 2012		162,728	101,264	162,398	426,390
Profit for the year, representing total comprehensive income for the year		-	-	31,647	31,647
Transactions with owners, recognised directly in equity					
Issue of shares under the Scrip Dividend Scheme		1,817	-	-	1,817
Dividend paid to shareholders					
- Cash	23	-	-	(1,580)	(1,580)
- Share	23	-	-	(1,817)	(1,817)
Total		1,817	-	(3,397)	(1,580)
At 31 December 2012		164,545	101,264	190,648	456,457

 # Details of "Other capital reserves" are disclosed in note 22.

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

1 General

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

The principal activity of the Company is that of investment holding. The principal activities of significant subsidiaries, associates and jointly-controlled company are disclosed in note 37 and note 38 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2013 were authorised for issue by the Board of Directors on 29 January 2014.

2 Summary of significant accounting policies

The following summary explains the basis of preparing the Group's financial statements and significant accounting policies which have been consistently applied, and are the same as those used in the previous financial year, except as explained in note 2(b) which addresses changes in accounting policies.

(a) Basis of accounting

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of *FRS 102*, leasing transactions that are within the scope of *FRS 17*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in *FRS 2* or value in use in *FRS 36*.

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

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

(b) Adoption of new and revised Standards

In the current financial year, the Group adopted all the new and revised FRSs and Interpretation of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2013. The adoption of these new or revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income ("OCI")

The Group has applied the amendments to *FRS 1 Presentation of Items of Other Comprehensive Income* retrospectively for the first time in the current year, and renamed the 'statement of comprehensive income' as the 'statement of profit or loss and other comprehensive income'. Under the amendments to FRS 1, the Group also grouped items of other comprehensive income into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Other than the above mentioned presentation changes, the application of the amendments to FRS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

FRS 113 Fair Value Measurement

The Group has applied *FRS 113* for the first time in the current year. *FRS 113* establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The fair value measurement requirements of FRS 113 apply to both financial instrument items and non-financial assets for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of *FRS 102 Share-based Payment*, leasing transactions that are within the scope of *FRS 17 Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

FRS 113 includes extensive disclosure requirements, although specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. Consequently the Group has not made any new disclosures required by *FRS 113* for the comparative period.

Other than the additional disclosures, the application of *FRS 113* has not had any material impact on the amounts recognised in the consolidated financial statements.

(c) Standards issued but not yet effective

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

- *FRS 27 (Revised) Separate Financial Statements*
- *FRS 28 (Revised) Investments in Associates and Joint Ventures*
- *FRS 110 Consolidated Financial Statements*
- *FRS 111 Joint Arrangements*
- *FRS 112 Disclosure of Interests in Other Entities*
- *Amendments to FRS 32 Financial Instruments: Presentation*
- *Amendments to FRS 36 Impairment of Assets*

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

FRS 110 Consolidated Financial Statements and FRS 27 Separate Financial Statements

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12 Consolidation - Special Purpose Entities.

FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 27 remains as a standard applicable only to separate financial statements.

FRS 110 will take effect from financial years beginning on or after 1 January 2014, with retrospective application subject to transitional provisions.

The Group does not expect the application of FRS 110 to have a material impact on the financial statements of the Group and the Company in the period of its initial adoption, taking into account the new definition of control and the additional guidance on control set out in FRS 110.

FRS 111 Joint Arrangements and FRS 28 Investments in Associates and Joint Ventures

FRS 111 supersedes FRS 31 Interests in Joint Ventures and INT FRS 13 Jointly Controlled Entities - Non-Monetary Contributions by Venturers.

FRS 111 classifies a joint arrangement as either a joint operation or a joint venture based on the parties' rights and obligations under the arrangement. The existence of a separate legal vehicle is no longer the key factor. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets.

The joint venturer should use the equity method under the revised FRS 28 Investments in Associates and Joint Ventures to account for a joint venture. The option to use proportionate consolidation method has been removed. For joint operations, the group directly recognises its rights to the assets, liabilities, revenues and expenses of the investee in accordance with applicable FRSs.

FRS 111 will take effect from financial years beginning on or after 1 January 2014, with retrospective application subject to transitional provisions.

The Group does not expect the application of FRS 111 to have an impact on the classification and subsequent accounting of the Group's investment in Grand Hotel Group, which is classified as a jointly controlled entity under FRS 31 and has been accounted for using the equity method of accounting.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

FRS 112 will take effect from financial years beginning on or after 1 January 2014. Upon adoption of FRS 112, the Group expects expanded disclosures relating to its interests in subsidiaries, associates and joint arrangements.

Amendments to FRS 32 Financial Instruments: Presentation

The amendments to *FRS 32* clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of 'currently has a legal enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments to *FRS 32* are effective for annual periods beginning on or after 1 January 2014, with retrospective application required. The Group does not expect the application of these amendments to FRS 32 to have a significant impact on the financial statements of the Group and the Company.

Amendments to FRS 36 Impairment of Assets

The amendments to *FRS 36* restrict the requirement to disclose the recoverable amount of an asset or cash generating unit (CGU) to periods in which an impairment loss has been recognised or reversed. The amendments also expand and clarify the disclosure requirements applicable when such asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal, such as the level of 'fair value hierarchy' within which the fair value measurement of the asset or CGU has been determined, and where the fair value measurements are at Level 2 or 3 of the fair value hierarchy, a description of the valuation techniques used and any changes in that valuation technique, key assumptions used including discount rate(s) used.

FRS 36 will take effect from financial years beginning on or after 1 January 2014, with retrospective application required.

Upon adoption of the amendments to *FRS 36*, the Group expects additional disclosures arising from any asset impairment loss or reversals, and where their respective recoverable amounts are determined based on fair value less costs of disposal.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

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

Business combinations

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

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its fair value on acquisition date. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 Income Taxes and *FRS 19 Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in *FRS 102 Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with *FRS 105 Non-current Asset Held for Sale and Discontinued Operations* are measured in accordance with that standard.

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

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

The accounting policy for initial measurement of non-controlling interests is described above.

The policy described above is applied to all business combinations that take place on or after 1 January 2010.

Associates and jointly controlled companies (equity accounted investees)

Associates are those entities over which the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint ventures are those entities over which whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating policy decisions.

Investments in associates and jointly controlled companies are accounted for in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under *FRS 105 Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, investments in associates and jointly controlled companies are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the equity accounted investee recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss [see note 2(h)].

Where the group entity transacts with an associate of the group, profits and losses are eliminated to the extent of the group's interest in the relevant associate.

(e) Foreign currency transactions and translation

Functional and presentation currency

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (i.e. its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Foreign currency transactions

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

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

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

Exchange differences on transactions entered into in order to hedge certain foreign currency risks are described in the hedge accounting policies below [see note 2(f)].

Foreign operations

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

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

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

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

Net investment in foreign operations

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

(f) Financial instruments

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if (i) it has been acquired principally for the purpose of selling in the near future; or (ii) on initial recognition, it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or (ii) the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or (iii) it forms part of a contract containing one or more embedded derivatives and *FRS 39 Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset in the statement of comprehensive income. Fair value is determined in the manner described in note 36(e).

Held-to-maturity financial assets

Bonds with fixed or determinable payments and fixed maturity dates where the Group has a positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale financial assets

Certain shares and debt securities held by the Group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in note 36(e). Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss for the period when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Derecognition of financial assets

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

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if (i) it has been incurred principally for the purpose of repurchasing in the near future; or (ii) it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or (ii) on initial recognition, the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or (iii) it forms part of a contract containing one or more embedded derivatives, and *FRS 39* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other operating income and expenses' line in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 36(e).

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see note 2(y)).

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount of obligation under the guarantee recognised as a provision in accordance with *FRS 37 Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with *FRS 18 Revenue*.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

Equity instruments

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

Derivative financial instruments and hedging accounting

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps.

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

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Further details of derivative financial instruments entered by the Group, including its equity accounted investees are disclosed in notes 12, 13 and 34 to the financial statements.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss for the period immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the statement of profit or loss and other comprehensive income relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedge

The effective portion of changes in the fair value of the derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other income and expenses.

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the period when the hedged item is recognised in profit or loss in same line item of the statement of comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and when the forecast transaction is ultimately recognised in profit or loss, such gains and losses are recognised in profit or loss, or transferred from equity and included in the initial measurement of the cost of the asset or liability as described above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was accumulated in equity is recognised immediately in profit or loss.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Gains and losses previously recognised in other comprehensive income and accumulated in foreign currency translation reserve are reclassified in profit or loss in the same way as exchange differences relating to the foreign operation as described in the accounting policy for foreign currency transactions and translation as stated in note 2(e) to these financial statements.

(g) Property, plant and equipment

Measurement

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

Certain leasehold land and buildings are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of reporting period. Any revaluation increase arising from the revaluation of such land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs [see note 2(y)]. Cost also may include reclassifications from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

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

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

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

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

Disposal

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

(h) Goodwill

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

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

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

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

(k) Impairment of assets

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include (i) significant financial difficulty of the issuer or counterparty; or (ii) default or delinquency in interest or principal payments; or (iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment of non-financial assets excluding goodwill

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the extent of the impairment loss (if any).

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(m) Investment properties

Investment properties are properties held either to earn rental or for capital appreciation, including property under construction or redevelopment for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

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

(n) Development properties

Development properties are properties held for development and sale in the ordinary course of business. They include completed properties and properties in the course of development. Unsold properties are stated at the lower of cost and estimated net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling.

Development properties are stated at cost plus attributable profits less progress billings if their revenue is recognised based on percentage of completion. Progress billings not yet paid by customers are included within "trade and other receivables". Development properties are stated at lower of cost and net realisable value if their revenue is recognised upon completion. Payments received from purchasers prior to completion are included in "trade and other payables" as advanced billings.

Cost of development properties comprises costs that relate directly to the development, such as acquisition costs and related costs that are attributable to development activities and can be allocated to the development project, including attributable borrowing costs [note 2(y)].

The Group's policy for revenue recognition in relation to development properties is described under "Revenue recognition" [note 2(w)].

(p) Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Allowance is made where necessary for obsolete, slow-moving and defective inventories.

(q) Cash and cash equivalents

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

(r) Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of reporting period, as measured by the proportion that contract cost incurred for work performed to date relative to the estimated total contract cost, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent recovery of contract costs is probable. Contract costs are recognised as expenses in the periods in which they are incurred. When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense for the period.

(s) Leases

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

The Group as lessor

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

The Group as lessee

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

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

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

(t) Provisions

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

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

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

(u) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, are recognised in the profit or loss in the period in which they become receivable.

(w) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is reduced for goods and services tax, estimated customer returns, rebates and other similar allowances.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales of development properties

Revenue from completed property development is recognised when the risks and rewards of ownership have been transferred to the purchaser either through the transfer of legal title or equitable interest in a property.

Revenue recognition on partly completed properties held for sale is based on the following methods:

- For sale of partly completed development properties in Singapore under progressive payment scheme, profit is recognised upon the signing of sale contracts and payment of the first instalment which corresponds to 20% of the estimated profit attributable to the actual contracts signed. Subsequent recognition of profit is based on the percentage of completion method as construction progresses. The percentage of work completed is measured based on the construction and related costs incurred to date as a proportion of the estimated total construction and related costs;

- For sale of partly completed development properties in Singapore under deferred payment scheme and overseas development properties, profit is recognised only upon the transfer of significant risks and rewards of ownership of the properties to the purchasers.

In cases where transfer of significant risks and rewards of ownership coincides with the time the development units are delivered to the purchasers, revenue is recognised upon completion of construction; and when legal title passes to the buyer or when equitable interest in the property vests to the buyer upon release of the handover notice to the buyer, whichever is earlier.

Construction contracts

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts as disclosed in note 2(r).

Services rendered

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period except that revenue from services of short duration are recognised on completion of services;
- servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the services for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Rental income

The group's policy for recognition of revenue from operating leases is described above in note 2(s).

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investment is recognised when the shareholders' rights to receive payment have been established.

(y) Borrowing costs

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

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

(z) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends are deducted from shareholders' equity and recorded as a liability when declared payable. Proposed dividends which are subject to shareholders' approval are not deducted from equity and are not recorded as liabilities.

(aa) Employee benefits

Retirement benefit obligations

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

Employees' leave entitlement

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

(ab) Income tax

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly-controlled company, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

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

(ac) Segment reporting

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

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

3 Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying the Group's accounting policies

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

Revenue recognition on commodity trading

As described in note 2(w) to the financial statements, it is the Group's policy to recognise revenue to the extent that it is probable that the economic benefits will flow to the Group. In making this judgement, management has considered the detailed criteria for the recognition of revenue from the sale of goods, set out in *FRS 18 Revenue* which includes the primary responsibility for providing the goods, inventory risk, latitude in establishing prices, and credit risk.

In relation to the commodity trading business of SP Corporation Limited ("SP Corp"), a listed subsidiary of the Group, SP Corp is of the view that it acted as a principal as it has exposure to the significant risks and rewards associated with the sale of coal. Accordingly, the sales value of these transactions was recognised as revenue which is approximately $35,000,000 (2012: $47,900,000) for the financial year as disclosed in note 24 to the financial statements under "sale of products".

Key sources of estimation uncertainty

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

Percentage of completion for revenue recognition

The Group uses the stage of completion method to account for its contract revenue [see note 24] and contract costs arising from the sale of development properties in Singapore under progressive payment scheme that are within the scope as described in paragraph 2 of the Accompanying Note to INT *FRS 115 – Agreement for the Construction of Real Estate* [see note 2(w)].

The stage of completion is measured by reference to certification of value of work performed to date. Where there is no certification of value available, the stage of completion is based on the respective costs incurred to date as compared to the total budgeted costs of the development.

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

Fair value of investment properties

Investment properties, which include investment properties in the course of development, are stated at fair value based on independent professional valuations or internal valuations.

In determining fair values, the valuers have used valuation techniques (including direct comparison method, investment method and residual land value method) which involve estimates and significant unobservable inputs which are disclosed in note 10.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to that reflective of the investment properties. The investment method capitalises an income stream into a present value using single-year capitalisation rates. In the residual land value method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of the property under development. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation.

In relying on valuation reports, the management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions. The carrying amounts of investment properties at the end of the reporting period are disclosed in note 10 to the financial statements.

Deferred tax liabilities arising from increase in the carrying amount of equity interest in a jointly-controlled company

The Group's interest in Grand Hotel Group ("GHG") is held by TSH Australia Holdings Pte Ltd ("TSA") through Tuan Sing (Australia) Trust ("TSAT"). TSA is a wholly-owned subsidiary of the Company. GHG is not liable for tax under the Australian tax legislation provided the taxable income of GHG (including any assessable component of capital gains from sale of investment assets) is fully distributed to unit holders in each year.

TSA is subject to income taxes in the Australian jurisdiction. TSA has not been taxed on income received from the trust in the past as it had unutilised losses brought forward. At the end of the reporting period, TSA and TSAT have estimated aggregate tax losses of A$6,880,000 (2012: A$9,982,000) or equivalent to $7,770,000 (2012: $12,653,000). These tax losses can be used to offset against future taxable income arising from the distribution of income from GHG subject to satisfying the relevant loss recoupment tests.

The estimates of taxable gains and available tax losses are dependent on a number of assumptions, such as the nature and deductibility of expenses, the calculation of tax base which involves adjustment of certain historical cost with inflation factor; the determination of whether there is thin capitalisation which may result in the inability to claim tax deduction for finance cost. In making these estimates, the Group has taken advice from certain tax specialists.

The Group has in turn estimated deferred tax liability arising from an increase in the carrying amount of its investments in GHG at A$17,807,000 (2012: A$14,704,000) or equivalent to $20,113,000 (2012: $18,638,000) [note 20]. In estimating this amount, the Group considers the taxable gains to be the excess of Group's share of the fair value of net assets of GHG over the tax cost base of the securities in GHG held by the Group.

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

Recoverability of investments in and amounts due from subsidiaries in the Company's financial statements

Investments in subsidiaries and amounts due from subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets have been subsequently determined based on fair value less costs to sell.

As a result of above assessment, the Company made a net impairment loss of $10,231,000 (2012: a net reversal of impairment loss of $6,164,000) for investments in subsidiaries and a net reversal of impairment loss of $79,903,000 (2012: $nil) for amounts due from subsidiaries.

The carrying amounts of investments in subsidiaries and amounts due from subsidiaries are disclosed in note 11 and 18 respectively.

Allowance for doubtful receivables

Allowance for doubtful receivables is based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required. The carrying amount of trade and other receivables are disclosed in note 6 to the financial statements.

4 Segment information

<u>*Products and services from which reportable segments derive their revenue*</u>

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 and property consultancy services.
Hotels Investment	Investment in 5-star hotels through GHG, a jointly-controlled company in Australia.
Industrial Services	Trading and marketing of selected industrial commodities such as coal, rubber and metal; distribution of tyres and auto-products and retreading of tyres, as well as manufacturing of polypropylene woven bags.
Other Investments	Investments in GulTech, a printed circuit boards manufacturer with operations in Singapore and China, and Pan-West, a retailer of golf-related products.
Corporate and Others	Provision of corporate-level services.

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

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

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

Segment revenues and results

	Property	Hotels Investment	Industrial Services	Other Investments	Corporate and Others	Inter-segment Eliminations	Total Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2013							
Revenue							
External revenue	140,065	@	162,025	@	183	-	302,273
Inter-segment revenue	1,032	-	-	-	20,486	(21,518)	-
	141,097	-	162,025	-	20,669	(21,518)	302,273
Results							
Gross profit	40,576	-	9,577	-	14,573	(13,456)	51,270
Other operating income	4,901	202	414	-	96,872	(96,843)	5,546
Distribution costs	(14,094)	-	(2,892)	-	-	-	(16,986)
Administrative expenses	(6,595)	(664)	(4,766)	(3)	(2,753)	(1,085)	(15,866)
Other operating expenses	(3,222)	(514)	(377)	-	(20,149)	20,148	(4,114)
Share of results of equity accounted investees	-	7,264	-	7,493	-	-	14,757
Finance income	4,287	20	600	111	-	-	5,018
Finance costs	(2,855)	(1,226)	-	-	-	1	(4,080)
Profit before tax and fair value adjustments	22,998	5,082	2,556	7,601	88,543	(91,235)	35,545
Fair value adjustments	17,949	9,073	-	202	-	-	27,224
Profit before tax	40,947	14,155	2,556	7,803	88,543	(91,235)	62,769
Income tax expenses	(4,362)	(5,016)	(170)	(3)	(164)	-	(9,715)
Profit for the year	36,585	9,139	2,386	7,800	88,379	(91,235)	53,054
Profit attributable to:							
Owners of the Company	36,007	9,139	1,910	7,800	88,379	(91,235)	52,000
Non-controlling interests	578	-	476	-	-	-	1,054
Profit for the year	36,585	9,139	2,386	7,800	88,379	(91,235)	53,054

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

Segment revenues and results (cont'd)

	Property	Hotels Investment	Industrial Services	Other Investments	Corporate and Others	Inter-segment Eliminations	Total Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2012							
Revenue							
External revenue	187,079	@	184,420	@	348	-	371,847
Inter-segment revenue	1,179	-	-	-	26,230	(27,409)	-
	188,258	-	184,420	-	26,578	(27,409)	371,847
Results							
Gross profit	58,881	-	10,537	-	21,531	(20,494)	70,455
Other operating income	2,079	217	414	-	12,586	(12,569)	2,727
Distribution costs	(16,090)	-	(2,733)	-	-	-	(18,823)
Administrative expenses	(8,253)	(302)	(5,534)	(3)	(2,190)	1,273	(15,009)
Other operating expenses	(1,654)	(289)	(617)	(2)	(295)	241	(2,616)
Share of results of equity accounted investees	-	6,621	-	13,714	-	-	20,335
Finance income	3,074	611	853	112	-	-	4,650
Finance costs	(3,773)	(1,723)	(38)	-	-	-	(5,534)
Profit before tax and fair value adjustments	34,264	5,135	2,882	13,821	31,632	(31,549)	56,185
Fair value adjustments	71,970	(4,312)	-	-	-	-	67,658
Profit before tax	106,234	823	2,882	13,821	31,632	(31,549)	123,843
Income tax (expenses)/ write-back	(5,595)	(16)	(431)	(9)	15	-	(6,036)
Profit for the year	100,639	807	2,451	13,812	31,647	(31,549)	117,807
Profit attributable to:							
Owners of the Company	92,789	807	2,026	13,812	31,647	(31,549)	109,532
Non-controlling interests	7,850	-	425	-	-	-	8,275
Profit for the year	100,639	807	2,451	13,812	31,647	(31,549)	117,807

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

Segment assets, liabilities and other segment information

	Property	Hotels Investment	Industrial Services	Other Investments	Corporate and Others	Total Consolidated
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
2013						
Assets						
Segment assets	**1,494,489**	**3**	**79,778**	**36**	**846**	**1,575,152**
Investments in equity accounted investees	**-**	**159,655**	**-**	**48,504**	**-**	**208,159**
Total assets	**1,494,489**	**159,658**	**79,778**	**48,540**	**846**	**1,783,311**
Liabilities						
Segment liabilities	**(51,766)**	**(299)**	**(26,956)**	**(35)**	**(619)**	**(79,675)**
Loans and borrowings	**(917,656)**	**-**	**-**	**-**	**-**	**(917,656)**
Current and deferred tax liabilities	**(5,315)**	**(20,413)**	**(711)**	**(32)**	**(304)**	**(26,775)**
Total liabilities	**(974,737)**	**(20,712)**	**(27,667)**	**(67)**	**(923)**	**(1,024,106)**
Net assets	**519,752**	**138,946**	**52,111**	**48,473**	**(77)**	**759,205**
Other information						
Capital expenditure	**152**	**@**	**527**	**@**	**-**	**679**
Depreciation of property, plant and equipment	**280**	**-**	**419**	**-**	**-**	**699**
Fair value gain on investment properties	**(17,381)**	**(9,010)**	**-**	**-**	**-**	**(26,391)**
Fair value gain on financial instrument	**(569)**	**(62)**	**-**	**(202)**	**-**	**(833)**
2012						
Assets						
Segment assets	1,083,422	3	79,075	36	2,395	1,164,931
Investments in equity accounted investees	-	171,084	-	39,214	-	210,298
Total assets	1,083,422	171,087	79,075	39,250	2,395	1,375,229
Liabilities						
Segment liabilities	(36,492)	(1,384)	(28,701)	(36)	(1,533)	(68,146)
Loans and borrowings	(560,595)	-	-	-	-	(560,595)
Current and deferred tax liabilities	(5,985)	(18,638)	(1,020)	(38)	(246)	(25,927)
Total liabilities	(603,072)	(20,022)	(29,721)	(74)	(1,779)	(654,668)
Net assets	480,350	151,065	49,354	39,176	616	720,561
Other information						
Capital expenditure	287	@	105	@	-	392
Depreciation of property, plant and equipment	306	-	491	-	-	797
Fair value (gain)/loss on investment properties	(71,660)	3,955	-	-	-	(67,705)
Fair value (gain)/loss on financial instrument	(310)	357	-	-	-	47

@: *No capital expenditure is reported under "Hotels Investment" and "Other Investments" as the Group equity accounts for its investment in GHG, GulTech and Pan-West.*

Geographical information

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

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

	Revenue from external customers		**Non-current assets**	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	**193,306**	224,844	**867,272**	476,495
Australia	**@**	@	**159,655**	171,084
China	**13,805**	26,362	**6,657**	1,418
Malaysia	**21,358**	23,351	**2,218**	2,389
Indonesia	**24,424**	31,141	**-**	2
Europe	**30,443**	42,760	**-**	-
Other ASEAN countries^	**16,909**	21,566	**-**	-
Others	**2,028**	1,823	**-**	-
	302,273	371,847	**1,035,802**	651,388

@: *The Group equity accounts for its investment in GHG in the geographical segment of Australia.*
^: *Other ASEAN countries comprise Vietnam, Cambodia, Thailand, Brunei and Laos with revenue constituting not more than 10% of total group revenue for each country.*

Other segment information

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

5 Cash and bank balances

	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Cash and bank balances				
Cash at banks and on hand	**29,351**	40,659	**298**	799
Fixed deposits	**114,768**	118,055	**-**	1,007
Amounts held under the Housing Developers (Project Account) Rules	**132,753**	52,950	**-**	-
	276,872	211,664	**298**	1,806

Cash and bank balances comprise cash and fixed deposits held by the Group which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Deposits earned interest ranging from 0.5% to 5.3% per annum (2012: 0.3% to 4.4% per annum) and for tenures ranging from 7 to 1,095 days (2012: 7 to 1,095 days).

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

Cash and bank balances amounting to $64,246,000 (2012: $4,587,000) for the Group and $nil (2012: $1,007,000) for the Company were pledged to banks to secure credit facilities. Information relating to the Group's loans and borrowings are disclosed in note 15 to the financial statements.

The carrying amounts of the cash and bank balances approximate their fair values at the end of the reporting period. Further details regarding the exposure to interest rate risk, contractual and effective interest rates and foreign currency denomination of the cash and bank balances are disclosed under note 36 to the financial statements.

Cash and cash equivalents

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

	Group 2013 $'000	Group 2012 $'000
Cash and cash equivalents per consolidated statement of cash flows		
Cash and bank balances (as per statement of financial position)	**276,872**	211,664
Less:		
Encumbered fixed deposit and bank balances	**(64,246)**	(4,587)
	212,626	207,077

As at 31 December 2013, the Group had cash and cash equivalents placed with banks in China amounting to $86,219,000 (2012: $87,973,000), of which $62,548,000 (2012: $nil) was pledged to a bank as security for banking facilities in Singapore. The repatriation of these cash into Singapore is subject to the Foreign Exchange Control Regulations in China.

6 Trade and other receivables

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Trade					
Trade debtors		**42,494**	52,442	-	-
Less: Allowance for doubtful receivables		**(2,707)**	(2,598)	-	-
		39,787	49,844	-	-
Amounts due from related parties	19	**1,013**	1,828	-	-
		40,800	51,672	-	-
Non-trade					
Sundry debtors		**3,621**	697	-	-
Land tender deposits		**7,883**	3,908	-	-
Deposits		**1,153**	563	**85**	73
Prepayments		**444**	538	**37**	21
Tax recoverable		**34**	233	-	-
		13,135	5,939	**122**	94
Less: Allowance for doubtful receivables		**(78)**	(78)	**(72)**	(72)
		13,057	5,861	**50**	22
Amount due from related parties	19	**8,405**	7,858	-	70
		21,462	13,719	**50**	92
		62,262	65,391	**50**	92

Amounts due from related parties

Included in the carrying amount as at 31 December 2013 were unbilled rental income of $187,000 (2012: $347,000) relating to rent-free periods given to a related party lessee as incentive [note 19].

Tender deposits in respect of acquisition of lands

Included in the carrying amount as at 31 December 2013 were tender deposits amounting to $7,883,000 (2012: $3,908,000) relating to land acquisitions in Jiaozhou, China and site at Gilstead Court, Singapore. The acquisition of land plots in Jiaozhou is pending government tender progress and the completion of purchase for the Gilstead Court collective sale is subject to, inter alia, the outcome of a ruling by the High Court, Singapore.

These deposits have been assessed to be placed with counterparties who are creditworthy and accordingly, no allowance for potential non-recovery of these deposits is required.

Allowance for doubtful receivables

An analysis of allowance for doubtful receivables is as follows:

	Note	Group		Company	
		2013	2012	2013	2012
		$'000	$'000	$'000	$'000
Allowance for doubtful receivables					
Trade		**(2,707)**	(2,598)	**-**	-
Non-trade		**(78)**	(78)	**(72)**	(72)
		(2,785)	(2,676)	**(72)**	(72)
At 1 January		**(2,676)**	(3,015)	**(72)**	(72)
Exchange differences		**(89)**	142	**-**	-
Amounts written off		**99**	340	**-**	-
Allowance made, net	28	**(119)**	(143)	**-**	-
At 31 December		**(2,785)**	(2,676)	**(72)**	(72)

The carrying amount of trade and other receivables approximates their fair values at the end of the reporting year. Further details regarding the exposure to foreign currency denominated trade and other receivables are disclosed in note 36 to the financial statements.

Analysis of trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 120 days (2012: 14 to 120 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group assesses the potential customer's credit quality and determines credit limits to be allowed before accepting any new customer. Credit limits granted to customers are reviewed regularly.

The Group's trade receivables that were impaired at the end of the reporting period and the allowance for doubtful receivables are disclosed below:

	Group	
	2013	**2012**
	$'000	**$'000**
Trade receivables, net		
Not past due and not impaired	**35,705**	47,553
Past due but not impaired [(i)]	**5,095**	4,119
	40,800	51,672
Impaired receivables - collectively assessed [(ii)]	**349**	330
Less: Allowance for doubtful receivables	**(349)**	(330)
	-	-
Impaired receivables - individually assessed		
Past due for more than 36 months or no response to repayment demands [(ii)]	**2,358**	2,268
Less: Allowance for doubtful receivables	**(2,358)**	(2,268)
	-	-
	40,800	51,672

Notes:

(i) Aging of trade receivables that were past due but not impaired		
< 3 months	**4,691**	2,658
3 months to 6 months	**179**	238
6 months to 12 months	**161**	626
>12 months	**64**	597
	5,095	4,119

(ii) These amounts stated were before deduction for impairment losses.

The Group had trade receivables amounting to $5,095,000 (2012: $4,119,000) in value that were past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is disclosed in note (i) above.

Trade and other receivables that are individually assessed to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

Included in the trade receivables of the Group as at 31 December 2013 were $692,000 (2012: $1,246,000) of receivables outstanding from a related party, a gold mine operator in Indonesia, of which $nil (2012: $514,000) was outstanding for more than 12 months.

Allowances for doubtful trade and other receivables are recognised for the estimated irrecoverable amounts from the sale of goods and services rendered. These allowances for doubtful trade and other receivables are determined by assessing the profile of debtors and after considering recovery prospects. Further details regarding the credit risk for trade and other receivables are disclosed in note 36(c) to the financial statements.

7 Inventories

	Group		
	At cost	At net realisable value	Total
	$'000	$'000	$'000
2013			
Raw materials	**1,158**	**-**	**1,158**
Work-in-progress	**1,169**	**-**	**1,169**
Finished goods	**1,200**	**563**	**1,763**
	3,527	**563**	**4,090**
2012			
Raw materials	930	-	930
Work-in-progress	1,193	-	1,193
Finished goods	1,587	269	1,856
	3,710	269	3,979

The net realisable values of inventories were stated net of allowance of $88,000 (2012: $77,000).

During the year, $20,000 (2012: $31,000) was recognised as an expense in respect of allowance for inventory obsolescence [note 28].

8 Development properties

	Group	
	2013	2012
	$'000	$'000
Properties in the course of development	**397,543**	428,913
Completed properties held for sale	**6,742**	13,894
	404,285	442,807
Represented by:		
Singapore, in the course of development	**371,599**	410,276
Singapore, completed	**-**	5,239
China, in the course of development	**25,944**	18,637
China, completed	**6,742**	8,655
	404,285	442,807

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

Properties in the course of development

	Group 2013 $'000	Group 2012 $'000
Land cost	**476,980**	454,467
Development cost incurred to-date	**49,141**	4,839
Interest and others	**16,176**	9,283
	542,297	468,589
Add: Attributable profit	**37,659**	8,552
Less: Progress billings received and receivable	**(182,413)**	(48,228)
	397,543	428,913
Represented by:		
Singapore, in the course of development	**371,599**	410,276
China, in the course of development	**25,944**	18,637
	397,543	428,913

The following table provides information on properties which revenue is recognised on transfer of significant risks and rewards of ownership at completion and as construction progresses respectively:

	Group 2013 $'000	Group 2012 $'000
(i) Transfer of significant risks and rewards of ownership at completion:		
Land cost	**24,636**	17,694
Development cost incurred to-date	**794**	-
Interest and others	**514**	943
	25,944	18,637
(ii) Continuous transfer of significant risks and rewards of ownership as construction progresses:		
Cost incurred plus attributable profit	**554,012**	458,504
Less: Progress billings received and receivable	**(182,413)**	(48,228)
	371,599	410,276
	397,543	428,913

Finance costs of $4,369,000 (2012: $4,151,000) was capitalised during the year at effective interest rate ranging from 1.1% to 1.3% per annum (2012: 1.2% to 1.3% per annum) [note 26].

Details of collateral

As at 31 December 2013, development properties amounting to $371,599,000 (2012: $410,276,000) included in the above balances were mortgaged to financial institutions to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in note 15 to the financial statements.

List of development properties

As at 31 December 2013, the development properties held by the Group are as follows:

Name of property/ location	Description/ planned use	Held by	Tenure	Land area (sq m)	Estimated gross floor area (sq m)	Year Completed/ estimated completion	Group's effective equity interest
Properties in the course of development							
Seletar Park Residence, Seletar Road Singapore	Condominium of 276 units	Asplenium Land Pte Ltd	99 years from 2011	17,456	26,862	2014	100%
Cluny Park Residence, Cluny Park Road Singapore	Condominium of approximately 52 units	Shelford Properties Pte Ltd	Freehold	4,544	6,997	2015	100%
Sennett Residence, Pheng Geck Avenue Singapore	Condominium/ townhouses of approximately 332 units	Clerodendrum Land Pte Ltd	99 years from 2011	8,664	33,354	2015	100%
Land site in Jin'an District, Fuzhou, Fujian Province, China	Residential	Fujian Ji'Xing Real Estate Development Co. Ltd	70 years from 1994	163,740	*	*	100%
Land site adjacent to Huangjiahe Reservoir, Shandong Province, China	Mainly Residential	Qingdao Shenyang Property Co. Ltd.	70 years (residential)/ 40 years (commercial) from 2011/ 2013	119,244	**	**	100%
Completed properties held for sale							
Lakeside Ville Phase III, Qingpu district Shanghai China	172 units of apartments, townhouses, and 8 units of commercial units	Habitat Properties (Shanghai) Ltd	70 years from 1997	35,643	41,584	2010	100%

* *Pending renewal of expired certificate for construction site planning (Refer to disclosure below)*
** *Master plans are in progress*

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

Included in the development properties was a carrying amount of $14,904,000 (2012: $13,998,000) relating to a land parcel acquired in 2009 in Fuzhou, China with an expired certificate for the construction site planning. The Group has applied to the relevant authorities for its renewal. At as 31 December 2013, there was no allowance for impairment on the value of the land as the recoverable amount based on value-in-use or the forecasted sale price of the development site is in excess of its cost.

9 Property, plant and equipment

	Note	Building on freehold land	Leasehold land, buildings and improvements	Plant and equipment	Motor vehicles	Total
		$'000	$'000	$'000	$'000	$'000
Group						
Cost or valuation						
At 1 January 2013		**498**	**12,244**	**7,972**	**965**	**21,679**
Exchange differences on consolidation		**-**	**642**	**(80)**	**3**	**565**
Additions		**-**	**170**	**482**	**27**	**679**
Disposals		**-**	**(1,235)**	**(338)**	**(126)**	**(1,699)**
Write-offs		**-**	**(59)**	**(49)**	**-**	**(108)**
Revaluation	31	**-**	**5,630**	**-**	**-**	**5,630**
Transfer to investment property	10	**-**	**(6,659)**	**-**	**-**	**(6,659)**
At 31 December 2013		**498**	**10,733**	**7,987**	**869**	**20,087**
At 1 January 2012		498	12,839	11,124	1,469	25,930
Exchange differences on consolidation		-	(619)	(152)	(14)	(785)
Additions		-	24	290	78	392
Disposals		-	-	(1,172)	(475)	(1,647)
Write-offs		-	-	(2,118)	(93)	(2,211)
At 31 December 2012		498	12,244	7,972	965	21,679
Comprising						
At 31 December 2013						
At cost		**498**	**10,733**	**7,984**	**869**	**20,084**
At valuation		**-**	**-**	**3**	**-**	**3**
		498	**10,733**	**7,987**	**869**	**20,087**
At 31 December 2012						
At cost		498	11,309	7,970	965	20,742
At valuation		-	935	2	-	937
		498	12,244	7,972	965	21,679

9 Property, plant and equipment (cont'd)

	Note	Building on freehold land	Leasehold land, buildings and improvements	Plant and equipment	Motor vehicles	Total
		$'000	$'000	$'000	$'000	$'000
Accumulated depreciation						
At 1 January 2013		-	**2,387**	**6,251**	**603**	**9,241**
Exchange differences on consolidation		-	**103**	**(59)**	**(6)**	**38**
Depreciation	28	-	**101**	**511**	**87**	**699**
Disposals		-	**(884)**	**(334)**	**(114)**	**(1,332)**
Write-offs		-	**(57)**	**(49)**	-	**(106)**
Transfer to investment property	10	-	**(236)**	-	-	**(236)**
At 31 December 2013		-	**1,414**	**6,320**	**570**	**8,304**
At 1 January 2012		-	2,348	8,636	965	11,949
Exchange differences on consolidation		-	(107)	(102)	(5)	(214)
Depreciation	28	-	146	549	102	797
Disposals		-	-	(843)	(385)	(1,228)
Write-offs		-	-	(1,989)	(74)	(2,063)
At 31 December 2012		-	2,387	6,251	603	9,241
Accumulated impairment						
At 1 January 2013		-	**7,787**	-	-	**7,787**
Exchange differences on consolidation		-	**492**	-	-	**492**
At 31 December 2013		-	**8,279**	-	-	**8,279**
At 1 January 2012		-	8,210	-	-	8,210
Exchange differences on consolidation		-	(423)	-	-	(423)
At 31 December 2012		-	7,787	-	-	7,787
Carrying amount						
At 31 December 2013		**498**	**1,040**	**1,667**	**299**	**3,504**
At 31 December 2012		498	2,070	1,721	362	4,651

The Group reviews the carrying amounts of its property, plant and equipment at the end of each reporting year to determine whether there is any indication that those assets have suffered impairment loss. No impairment loss was recognised in 2013 and 2012 as a result of such assessment.

Transfer to investment property

During the year, a leasehold building in Shanghai with carrying amount of $793,000 was transferred to investment property due to change in use. The transfer was made at a fair value of $6,423,000 [note 10]. The resultant revaluation increase of $5,630,000 and the related deferred tax liabilities of $1,407,000 were recognised in other comprehensive income [note 31].

10 Investment properties

	Note	Completed investment properties	Investment properties under redevelopment	Total
		$'000	$'000	$'000
Group				
At 1 January 2013		**117,410**	**319,015**	**436,425**
Acquisition of subsidiary	32	**350,000**	**-**	**350,000**
Transfer	9	**6,423**	**-**	**6,423**
Development costs		**-**	**13,896**	**13,896**
Net gain from fair value adjustments	27	**5,940**	**11,441**	**17,381**
At 31 December 2013		**479,773**	**344,352**	**824,125**
At 1 January 2012		324,750	-	324,750
Transfer		(231,400)	231,400	-
Development costs		-	40,015	40,015
Net gain from fair value adjustments	27	24,060	47,600	71,660
At 31 December 2012		117,410	319,015	436,425
Company				
At 31 December 2013 and 1 January 2013		**498**	**-**	**498**

Fair value adjustment

As at 31 December 2013, the Group's investment properties are stated at estimated fair value based on valuations carried out by independent professional valuers who have experience in the location and category of the properties being valued. Based on these valuations, fair value gain amounted to $17,381,000 (2012: $71,660,000) was recognised in profit or loss in accordance with *FRS 40* [note 27].

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at end of 31 December 2013, the fair value measurements of the Group's investment properties are classified within Level 3 of the fair value hierarchy.

There were no transfers between different levels during the year. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2013 are as follows:

Name of property	Fair value as at 31 December 2013 $'000	Valuation Methodology	Significant unobservable inputs (Level 3)	Range
Robinson Point 39 Robinson Road Singapore	350,000	Direct Comparison Method	Price per square metre of net lettable area(1)	$21,800 – $34,600
		Investment Method	Net income margin*(1)	72% - 84%
			Capitalisation rate(2)	3.0%-3.75%
The Oxley 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	63,300	Direct Comparison Method	Price per square metre of strata floor area(1)	$23,000 – $30,900
		Investment Method	Net income margin*(1)	86% – 90%
			Capitalisation rate(2)	3% - 3.25%
Century Warehouse 31 strata units (out of a total of 35 units) of the building 100E Pasir Panjang Road Singapore	38,000	Direct Comparison Method	Price per square metre of strata floor area(1)	$7,200 – $10,100
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	13,450	Direct Comparison Method	Price per square metre of strata floor area(1)	$5,800 – $6,500 $12,200 (ground floor)
Far East Finance Building #11-01/02 14 Robinson Road Singapore	8,600	Direct Comparison Method	Price per square metre of strata floor area(1)	$21,900 – $23,300
No.2950 Chun Shen Road Shanghai China	6,423	Direct Comparison Method	Price per square metre of gross floor area(1)	$1,800-$4,700
Robinson Tower redevelopment site	344,352	Residual Land Value Method	Gross development value per square metre(1)	Office: $23,700 - $42,500 Retail: $53,800 - $66,700
			Developer profit(2)	10%
			Land sale per square metre per plot ratio(1)	$9,600 - $12,000
			Construction cost per square metre of gross floor area(2)	$5,800
			Total development cost (exclude land cost) per square metre of gross floor area(2) #	$9,000
			Construction period(2)	Approximately 3 years

Notes:

* Net income margin = net property income/annual gross rental income

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

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

(2) Any significant isolated increases (decreases) in these inputs would result in a significantly lower (higher) fair value measurement

Generally, a change in the assumption made for the estimated net income margin (per square metre per annum) is accompanied by a similar change in the income growth per annum and capitalisation rate.

Operating lease disclosure

Rental income from the Group's investment properties which were all leased under operating leases amounted to $8,817,000 (2012: $10,020,000) [note 24]. Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $2,106,000 (2012: $3,182,000). Information on operating lease commitments is disclosed in note 34 to the financial statements.

Details of collateral

As at 31 December 2013, investment properties amounting to $817,702,000 (2012: $436,425,000) included in the above balances were mortgaged to banks as securities for borrowings. Information relating to the Group's loans and borrowings is disclosed in note 15 to the financial statements.

List of completed investment properties

The carrying amounts of completed investment properties held by the Group as at 31 December 2013 are as follows:

Name of property	Description	Tenure	Strata floor area (sq m)	Group's effective equity interest	2013 $'000	2012 $'000
Robinson Point* 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of car park	Freehold	15,724^	100%	**350,000**	-
The Oxley 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	3 floors of commercial space within a 10-storey building with residential units	Freehold	2,770	100%	**63,300**	63,300
Century Warehouse 100E Pasir Panjang Road Singapore	31 strata units out of a total of 35 units of the 8-storey warehouse	Freehold	4,690	100%	**38,000**	33,000
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	3 strata units out of a total of 24 units of the 5-storey warehouse building	999 years from 1885	2,285	100%	**13,450**	12,510
Far East Finance Building #11-01/02 14 Robinson Road Singapore	1 strata unit (floor) within a 13- storey commercial building and a basement storey	999 years from 1884	402	100%	**8,600**	8,600
No.2950 Chun Shen Road Shanghai China	A 3-storey commercial building	58 years from 2008	2,170	100%	**6,423**	-
					479,773	117,410

* Acquired on 1 October 2013 [note 32]
^ Gross floor area

List of investment properties under redevelopment

The carrying amounts of investment properties under redevelopment held by the Group as at 31 December 2013 are as follows:

Name of property	Description	Tenure	Planed gross floor area (sq m)	Group's effective equity interest	2013 $'000	2012 $'000
Robinson Tower redevelopment site	Proposed development of a 28-storey commercial building comprising office tower, retail podium, sky terrace and an automated underground mechanised carpark system	999-years from 1884 &1885 (Lots 167X, 616W, 691X, 99280A, 99287W and 99289P) 99-years from 2013 (Lots 485M, 488P)	24,086	100%	**344,352**	319,015

The Group is redeveloping the previous Robinson Towers, its annex and the immediately adjacent International Factors Building as a single commercial development as indicated above.

Finance costs of $2,599,000 (2012: $nil) was capitalised during the year at effective interest rate ranging from 1.6% to 1.9% per annum (2012: 1.2% to 1.3% per annum) [note 26].

11 Investments in subsidiaries

	Company 2013 $'000	Company 2012 $'000
Quoted shares, at cost	**115,976**	115,976
Unquoted shares, at cost	**548,917**	382,460
Deemed investment arising from financial guarantees provided to banks on behalf of subsidiaries	**45,014**	37,587
	709,907	536,023
Less: Allowance for impairment loss	**(125,527)**	(121,416)
	584,380	414,607
Fair value of investment in a subsidiary for which there were published price quotations	**33,775**	30,116

Details of the Company's significant subsidiaries at 31 December 2013 are disclosed in note 37 to the financial statements.

Financial guarantees

The Company issued financial guarantees to financial institutions for credit facilities obtained by certain of its subsidiaries and recorded a deemed financial guarantee fee income in accordance with FRS 39 Financial Instruments: Recognition and Measurement. The deemed income is amortised over the period of the guarantee. The unamortised financial guarantee fee income of $20,538,000 (2012: $20,112,000) is disclosed under the Company's non-trade payables in note 17 to the financial statements. The guarantee fee was not charged by the Company to the subsidiaries. The full amount of the guarantee fee is deemed to be the additional investment in subsidiaries.

Movements in allowance for impairment

	Company 2013 $'000	Company 2012 $'000
Allowance for impairment loss		
At 1 January	**(121,416)**	(127,580)
Allowance for impairment loss	**(20,147)**	(290)
Reversal of impairment	**9,916**	6,454
	(10,231)	6,164
Liquidation of subsidiaries	**6,120**	-
At 31 December	**(125,527)**	(121,416)

Investments in subsidiaries are assessed for impairment at each reporting date for any objective evidence or indication that these assets might be impaired or any indication that the previously impaired amounts had decreased or no longer exist. The recoverable amounts of the investment are then determined based on fair value less costs to sell after taking into account whether an impairment write-down is required of the underlying assets. In the case of a listed subsidiary, the closing price of its quoted shares at the end of the reporting period was used.

During the year, allowance for impairment loss amounting to $20,147,000 (2012: $290,000) was made in respect of the Company's investment in certain subsidiaries to reduce the carrying value of investment to the recoverable amounts. In addition, there was a reversal of impairment amounting to $9,916,000 (2012: $6,454,000) in relation to certain subsidiaries to write back the previously impaired amounts which no longer exist. The above assessment is after taking into account the current financial position of the subsidiaries.

12 Investments in equity accounted investees

	Group 2013 $'000	Group 2012 $'000
Quoted shares, at cost	-	65,843
Unquoted shares, at cost	**178,216**	112,373
Exchange differences on consolidation	**92**	17,925
Share of post-acquisition results and reserves, net of distributions received	**29,851**	14,157
	208,159	210,298
Represented by:		
Quoted shares #	-	39,213
Unquoted shares	**208,159**	171,085
	208,159	210,298

GulTech was delisted from the SGX-ST on 18 January 2013 and the Group's equity interest in GulTech remains unchanged.

Equity accounted investees

The Group equity accounted for the 50%-owned jointly-controlled company, Grand Hotel Group ("GHG"), 43.3%-owned associate, Gul Technologies Singapore Pte Ltd ("GulTech") and 49%-owned associate, Pan-West (Private) Limited. Details of the Group's significant associates and jointly-controlled company as at 31 December 2013 are disclosed in note 38 to the financial statements.

The Group's aggregated share of net assets and share of total comprehensive income of equity accounted investees are set out below:

	Note	Group 2013 $'000	Group 2012 $'000
Share of net assets			
At 1 January		**210,298**	199,531
Exchange differences on consolidation		**(17,833)**	(7,288)
Share of total comprehensive income (refer to below)		**20,421**	20,557
Distributions		**(4,727)**	(2,502)
At 31 December		**208,159**	210,298
Share of total comprehensive income			
Share of results before fair value adjustments		**14,757**	20,335
Share of fair value gain/(loss) on investment properties	27	**9,010**	(3,955)
Share of fair value gain/(loss) on financial instruments	27	**264**	(357)
		9,274	(4,312)
Share of net profit		**24,031**	16,023
Share of asset revaluation reserve	31	**(6,000)**	7,480
Share of cash flow hedging account	31	**2,390**	(2,946)
Share of other comprehensive (loss)/income		**(3,610)**	4,534
Share of total comprehensive income for the year		**20,421**	20,557

Details of asset revaluation reserve and cash flow hedging reserve are disclosed in note 22 to the financial statements. Share of capital commitments of equity accounted investees are disclosed in note 34 to the financial statements.

GulTech

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

	2013 $'000	2012 $'000
Total assets	**366,846**	347,025
Total liabilities	**(129,427)**	(164,432)
Non-controlling interests	**(111,971)**	(92,092)
Equity attributable to owners	**125,448**	90,501
Revenue for the year	**328,019**	332,904
Net profit for the year	**31,267**	31,650

Pan-West

As at 31 December 2013, the Group recognised its share of further losses in Pan-West of $5,853,000 being the Group's share of corporate guarantees given to certain banks in exchange for bank balances drawn by Pan-West and its subsidiary. After this recognition, the unrecognised accumulated losses at the end of the reporting period were $679,000 (2012: $5,247,000).

GHG

GHG comprises Grand Hotel Trust and its controlled entities (collectively known as "GHT") and Grand Hotel Company Limited and its controlled entities (collectively known as "GHC"). The units in the GHT are stapled to the shares of GHC.

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

	2013 $'000	2012 $'000
Total assets	**710,547**	782,272
Total liabilities	**(391,196)**	(440,102)
Net assets	**319,351**	342,170
Revenue for the year	**166,832**	173,913
Profit for the year	**32,673**	4,618
Other comprehensive (loss)/income for the year	**(7,221)**	9,070

Derivative financial instrument

One of the bank covenants GHG entered into stipulated that a minimum 75% of its existing borrowings facility should be hedged against changes in interest rate in Australian dollar. As at 31 December 2013 and 31 December 2012, 100% of its outstanding borrowings were hedged.

List of hotel properties

The hotel properties held by GHG as at 31 December 2013 are set out as follows:

Name of Property/Location	Description	Tenure	Land area (sq m)	No. of hotel rooms	Non-hotel Operations
Grand Hyatt, 121-131 Collins Street Melbourne, Victoria	Located at the "Paris end" of Collins Street and its intersection with Russell Street. The Property is built over 34 levels featuring one of Melbourne's largest 5-star hotel, and its associated facilities and retail/commercial space.	Freehold	5,776	546	Lettable retail area approximately 2,472.5 sq m; car parking for approximately 592 vehicles.
Hyatt Regency & Fortescue Center, 87-123 Adelaide Terrace & Vacant Land Lots 11 & 12 at 10 & 40 Terrace Road, East Perth Western Australia	On Swan River within walking distance from the central business district. The Property forms an integrated 5-star hotel, office, retail and parking complex. The hotel is built over 9 levels, comprising hotel rooms and associated facilities.	Freehold	25,826	367	3 levels of office premises in buildings with lettable area of 18,745 sq m; 29 ground floor retail/ commercial units with a total area of approximately 2,856 sq m leased to third parties; car parking for approximately 1,020 vehicles; two parcels of vacant land separately titled totalling 3,072 sq m suitable for future development into residential or commercial building.

13 Derivative financial instrument

	Group			
	2013		2012	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Interest rate swap				
- Current	-	-	-	696
- Non-current	-	-	-	-
	-	-	-	696

	Company			
	2013		2012	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Interest rate swap				
- Current	-	-	696	696
- Non-current	-	-	-	-
	-	-	696	696

The Company had entered into a 3 year interest rate swap contract with a bank on behalf of its wholly-owned subsidiary to manage the subsidiary's exposure to interest rate movements on borrowings from the bank by swapping a proportion of the bank borrowings from floating to fixed rate. The Group settles the net difference between the fixed and floating interest rate on a quarterly basis.

The interest rate swap contract was expired during the current year. The resultant gross gain of $569,000 (2012: gain of $310,000) was recognised in profit or loss [note 27].

14 Other non-current asset

	Group	
	2013 $'000	2012 $'000
Club membership, at cost	**14**	14

15 Loans and borrowings

	Note	Group 2013 $'000	Group 2012 $'000
Current			
Bank loans		**150,050**	30,300
Finance leases	16	**2**	23
		150,052	30,323
Non-current			
Bank loans		**767,604**	530,270
Finance leases	16	**-**	2
		767,604	530,272
Total borrowings		**917,656**	560,595
Represented by:			
Interest-bearing liabilities		**919,720**	561,995
Capitalised finance costs		**(2,064)**	(1,400)
		917,656	560,595

Security profile

	Group 2013 $'000	Group 2012 $'000
Secured borrowings		
Current	**150,052**	30,323
Non-current	**767,604**	530,272
	917,656	560,595

Details of collateral

Loans and borrowings from banks were secured over the Group's cash and bank balances [note 5] development properties [note 8], investment properties [note 10] and covered by corporate guarantees [note 35].

Interest rate profile

	Note	Group 2013 $'000	Group 2012 $'000
Loans and borrowings			
Fixed rate - Finance lease liabilities	16	**2**	25
Variable rate		**917,654**	560,570
		917,656	560,595

The Group's exposure to fair value interest rate risk as disclosed in note 36(b) to the financial statements as at 31 December 2013.

Fair value

The fair value of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period. Further details regarding foreign currency denomination and maturity dates, contractual and effective interest rates are disclosed in note 36(a) and 36(d) respectively to the financial statements.

16 Finance leases

		Group			
		Minimum lease payments		Present value of minimum lease payments	
	Note	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Finance leases					
Not later than one year		**2**	24	**2**	23
Later than one year but not later than five years		**-**	2	**-**	2
Total minimum lease payments		**2**	26	**2**	25
Less:					
Amounts representing future finance charges		-	(1)	-	-
Present value of minimum lease payments		2	25	2	25
Presented as:					
Current	15			**2**	23
Non-current	15			**-**	2
				2	25

The Group leases certain of its plant and equipment under finance leases on a fixed repayment basis. The lease obligations are denominated in Singapore dollar and there are no arrangements for contingent rental payments. The fair value of the Group's lease obligations approximate their carrying amounts at the end of the reporting period.

17 Trade and other payables

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Trade					
Trade payables		**38,953**	18,163	**281**	113
Amounts due to related parties	19	**6,902**	14,820	**-**	-
		45,855	32,983	**281**	113
Non-trade					
Other creditors		**4,980**	5,240	**264**	267
Advanced billings		**2,743**	5,263	**-**	-
Accrued operating expenses		**25,266**	22,096	**844**	825
Accrued interest expenses		**487**	201	**-**	-
Financial guarantees	11	**-**	-	**20,538**	20,112
Dividend payable to non-controlling interests		**-**	3	**-**	-
Amounts due to related parties	19	**344**	1,664	**7**	2
		33,820	34,467	**21,653**	21,206
		79,675	67,450	**21,934**	21,319

The Group is granted various credit terms on its purchases from its large number of suppliers who are geographically dispersed. Trade payables are generally on 14 to 90 days (2012: 14 to 90 days) credit term. The Group manages liquidity risk of trade payables primarily by maintaining sufficient cash and credit facilities [note 36].

The carrying amount of trade and other payables approximate their fair values at the end of the reporting periods. Further details regarding the contractual and effective interest rates, maturity dates and foreign currency denomination are disclosed in note 36 to the financial statements.

18 Amounts due from/(to) subsidiaries

	Company 2013 $'000	Company 2012 $'000
Amounts due from subsidiaries:		
- non-trade	**300,345**	298,186
Less: Allowance for impairment	**(11)**	(79,914)
	300,334	218,272
Amounts due to subsidiaries:		
- non-trade	**(320,734)**	(157,340)

Allowance for impairment

An analysis of allowance for impairment is as follows:

	Company 2013 $'000	Company 2012 $'000
Allowance for impairment		
At 1 January	**(79,914)**	(79,914)
Write back of allowance	**79,903**	-
At 31 December	**(11)**	(79,914)

The non-trade amounts due from/(to) subsidiaries are unsecured, interest-free and repayable on demand. During the financial year, a reversal of provision for impairment loss of $79,903,000 (2012: $nil) was made for amount due from subsidiaries. The above assessment is after taking into account the current financial position of the subsidiaries.

19 Amounts due from/(to) related parties

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Amounts due from:					
Associates					
Associates, non-trade		**9**	79	-	70
Other related parties					
Other related parties, trade		**1,013**	1,828	-	-
Other related parties, non-trade		**821**	486	-	-
Refundable deposits with other related parties		**7,575**	7,293	-	-
		9,409	9,607	-	-
Total		**9,418**	9,686	-	70
Presented as:					
Amounts due from related parties, trade	6	**1,013**	1,828	-	-
Amounts due from related parties, non-trade	6	**8,405**	7,858	-	70
		9,418	9,686	-	70
Amounts due to:					
Associates					
Associates, trade		**(3)**	-	-	-
Associates, non-trade		**(7)**	(2)	**(7)**	(2)
		(10)	(2)	**(7)**	(2)
Jointly-controlled company					
Jointly-controlled company, non-trade		-	(1,337)	-	-
Other related parties					
Other related parties, trade		**(6,899)**	(14,820)	-	-
Other related parties, non-trade		**(337)**	(325)	-	-
		(7,236)	(15,145)	-	-
Total		**(7,246)**	(16,484)	**(7)**	(2)
Presented as:					
Amounts due to related parties, trade	17	**(6,902)**	(14,820)	-	-
Amounts due to related parties, non-trade	17	**(344)**	(1,664)	**(7)**	(2)
		(7,246)	(16,484)	**(7)**	(2)

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

Included in amounts due to other related parties, trade and non-trade, are mainly balances with related companies. Further details regarding transactions with related parties are disclosed in note 33 to the financial statements.

Amounts due from associates

The trade and non-trade amounts due from associates are unsecured, interest-free and repayable within normal trade terms.

Amounts due to a jointly-controlled company

The non-trade amounts owed to a jointly-controlled company are unsecured, interest-free and repayable on demand.

Amounts due from/(to) other related parties

Included in the non-trade amounts due from related parties is a refundable deposit of US$6,000,000 or equivalent to $7,575,000 (2012: $7,293,000) placed by SP Corp, a listed subsidiary of the Group to secure coal supply allocation with a coal mine which is a related company as defined above.

The deposit is repayable within one year subject to yearly renewal by mutual agreement between the two parties. It is secured by a corporate guarantee issued by the holding company of the related company and bears an effective interest of 4.67% (2012: 5.04%) per annum. The deposit have been assessed to be placed with counterparties who are creditworthy and accordingly no allowance for potential non-recovery of these deposits is required.

The remaining trade and non-trade amounts due from/(to) other related parties were unsecured, interest-free, and repayable within normal trade terms.

20 Deferred tax liabilities

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

	Group 2013	Group 2012
	$'000	$'000
Deferred tax liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**463**	516
Profit recognised on percentage of completion of development properties for sale	**1,613**	-
Fair value changes of property, plant and equipment	**1,407**	-
Foreign income not remitted and which will be subject to tax if remitted in the future	**22,444**	22,634
	25,927	23,150
Deferred tax assets arising from		
Unutilised tax losses	**(2,331)**	(4,046)
Others	**(105)**	(105)
	(2,436)	(4,151)
Net deferred tax liabilities	**23,491**	18,999

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

	Note	Accelerated tax depreciation	Deferred development costs	Revaluation of property, plant and equipment	Foreign income not remitted	Unutilised tax losses	Others	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
At 1 January 2013		**516**	**-**	**-**	**22,634**	**(4,046)**	**(105)**	**18,999**
Exchange differences on consolidation		**(59)**	**-**	**-**	**(2,905)**	**577**	**-**	**(2,387)**
Charged to profit or loss	29	**6**	**1,613**	**-**	**3,485**	**1,138**	**-**	**6,242**
Charged/(credited) to other comprehensive income	31	**-**	**-**	**1,407**	**(770)**	**-**	**-**	**637**
At 31 December 2013		**463**	**1,613**	**1,407**	**22,444**	**(2,331)**	**(105)**	**23,491**
At 1 January 2012		537	-	-	21,412	(2,947)	(326)	18,676
Exchange differences on consolidation		(9)	-	-	(554)	2	-	(561)
Transfer to income tax payable		-	-	-	-	(405)	-	(405)
Charged/(credited) to profit or loss	29	(12)	-	-	599	(696)	221	112
Charged to other comprehensive income	31	-	-	-	1,177	-	-	1,177
At 31 December 2012		516	-	-	22,634	(4,046)	(105)	18,999

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 relating to equity interest in GHG

Deferred tax liabilities included an amount of $20,113,000 (2012: $18,638,000) on account of provision made by the Group to recognise the taxable gains determined by the excess of the Group's share of the fair value of net assets of GHG over its tax cost base of the securities in GHG held by the Group.

Deferred tax liabilities not recognised

At the end of the reporting year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was $223,000 (2012: $220,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

Deferred tax benefits not recognised

At the end of the reporting year, the Group had, subject to the agreement by the tax authorities, unutilised tax losses of $51,290,000 (2012: $60,580,000) which were available for carry forward and set-off against future taxable income. A deferred tax asset had been recognised on tax losses of $7,770,000 (2012: $12,653,000), whereas no deferred tax asset had been recognised in respect of the remaining tax losses of $43,520,000 (2012: $47,927,000) due to the unpredictability of the relevant future profit streams.

At the end of the reporting year, the Group had, subject to the agreement by the tax authorities, capital allowances of $1,831,000 (2012: $1,831,000) which were available for carry forward and set-off against future taxable income. Future tax benefits arising from these unutilised capital allowances had not been recognised in the financial statements as there was no reasonable certainty of their recovery in the future years.

21 Share capital

	Group and Company			
	2013	**2012**	**2013**	**2012**
	Number of ordinary shares ('000)		**$'000**	**$'000**
Issued and paid up:				
At 1 January	**1,161,277**	1,154,261	**164,545**	162,728
Shares issued under Scrip Dividend Scheme	**11,463**	7,016	**3,645**	1,817
At 31 December	**1,172,740**	1,161,277	**168,190**	164,545

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

Issue of shares

During the year, the Company allotted and issued 11,462,447 (2012: 7,016,583) ordinary shares at an issue price of 31.8 cents (2012: 25.9 cents) per share to eligible shareholders who have validly elected to participate in the Tuan Sing Scrip Dividend Scheme in respect of the first and final ordinary dividend of 0.5 cent per share for the financial year ended 31 December 2012.

22 Reserves

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Reserves				
Asset revaluation reserve	**76,909**	77,573	**-**	-
Foreign currency translation account	**(11,384)**	(2,214)	**-**	-
Other capital reserves:				
- Non-distributable capital reserves	**102,271**	101,545	**101,264**	101,264
- Cash flow hedging account	**(2,890)**	(4,770)	**-**	-
Non-distributable capital reserves	**99,381**	96,775	**101,264**	101,264
Revenue reserve	**416,585**	370,950	**273,221**	190,648
	581,491	543,084	**374,485**	291,912

Only revenue reserve is distributable to shareholders as dividend.

Foreign currency translation account

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

Asset revaluation reserve

Asset revaluation reserve comprises net cumulative surpluses arising from the revaluation of leasehold land, buildings and improvements held by the Group [note 9] and share of revaluation reserve of the jointly-controlled company, GHG [note 12]. These properties are held for the purpose of production or supply or goods and services.

Non-distributable capital reserves

Non-distributable capital reserves comprise capital reduction reserve of the Company and share of enterprise expansion fund reserve of an associate, GulTech.

Cash flow hedging account

Cash flow hedging account represents the net cumulative deficit arising from share of cash flow hedge reserve of the jointly-controlled company, GHG [note 12].

23 Dividend

	Group and Company	
	2013	2012
	$'000	$'000
Tax-exempt one-tier first and final dividend paid in respect of the previous year		
Cash	**2,161**	1,580
Share	**3,645**	1,817
	5,806	3,397

The directors proposed a tax exempt one-tier first and final dividend of 0.5 cent per share (2012: 0.5 cent per share) amounting to $5,864,000 (2012: $5,806,000), subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company, be paid in respect of the financial year ended 31 December 2013. The Tuan Sing Scrip Dividend Scheme will be applicable to this proposed tax exempt one-tier first and final dividend.

24 Revenue

	Note	Group	
		2013	2012
		$'000	$'000
Revenue			
Sale of products		**159,126**	178,114
Sale of development properties		**128,613**	174,837
Rental income of investment properties	10	**8,817**	10,020
Services rendered		**5,337**	8,600
Others		**380**	276
		302,273	371,847

Revenue represents the invoiced value of goods and services supplied. Intra-group revenue is eliminated on consolidation and is excluded from Group revenue. During the year, $113,982,000 (2012: $48,228,000) was recognised based on the percentage of completion method.

Revenue of associates and jointly-controlled company was not included as their results were equity accounted for. Information relating to the revenue of the associates and jointly-controlled company is provided in note 12 to the financial statements.

25 Finance income

	Group	
	2013	2012
	$'000	$'000
Finance income		
Interest income on bank deposits	**4,359**	3,709
Interest income on debtors	**179**	133
Interest income on related parties	**480**	808
	5,018	4,650

26 Finance costs

	Note	Group	
		2013	2012
		$'000	$'000
Finance costs			
Interest expense on loans and borrowings		**10,773**	9,260
Amortisation of upfront bank facility fees		**275**	425
		11,048	9,685
Less: Amounts capitalised			
- Development properties	8	**(4,369)**	(4,151)
- Investment properties	10	**(2,599)**	-
		(6,968)	(4,151)
		4,080	5,534

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

27 Fair value adjustments

	Note	Group 2013 $'000	Group 2012 $'000
Fair value adjustments			
Subsidiaries		**17,950**	71,970
Share of equity accounted investees	12	**9,274**	(4,312)
		27,224	67,658
Represented by:			
Fair value gain on investment properties		**26,391**	67,705
Fair value gain/(loss) on financial instrument		**833**	(47)
		27,224	67,658

The fair value adjustment is analysed as follows:

	Note	Gross $'000	Deferred tax $'000	Non-controlling interests $'000	Net $'000
2013					
Fair value gain on investment properties					
Subsidiaries	10	**17,381**	-	-	**17,381**
Share of equity accounted investees	12	**9,010**	**(2,550)**	-	**6,460**
		26,391	**(2,550)**	-	**23,841**
Fair value gain on financial instruments					
Subsidiaries	13	**569**	-	-	**569**
Share of equity accounted investees	12	**264**	**(18)**	-	**246**
		833	**(18)**	-	**815**
		27,224	**(2,568)**	-	**24,656**
2012					
Fair value gain/(loss) on investment properties					
Subsidiaries	10	71,660	-	-	71,660
Share of equity accounted investees	12	(3,955)	(166)	-	(4,121)
		67,705	(166)	-	67,539
Fair value gain/(loss) on financial instruments					
Subsidiaries	13	310	-	-	310
Share of equity accounted investees	12	(357)	(15)	-	(372)
		(47)	(15)	-	(62)
		67,658	(181)	-	67,477

28 Profit before tax

Profit before tax for the year has been arrived at after charging/(crediting) the following:

	Note	Group 2013 $'000	Group 2012 $'000
Depreciation			
Depreciation of property, plant and equipment	9	**699**	797
Impairment of assets			
Allowance for doubtful trade and other receivables, net	6	**119**	143
Allowance for inventory obsolescence, net	7	**20**	31
Acquisition of subsidiary			
Negative goodwill on acquisition	32	**(802)**	-
Disposal of assets			
Net (gain)/loss on disposal of property, plant and equipment		**(1,767)**	146
Plant and equipment written off		**2**	148
Foreign exchange loss, net		**1,957**	839
Cost of inventories recognised as an expense		**152,450**	169,685
Auditors' remuneration			
Audit fees			
- Auditors of the Company		**394**	384
- Other auditors		**91**	75
Non-audit fees			
- Auditors of the Company		**77**	72
- Other auditors		**76**	94
Underprovision of auditors' remuneration in prior year			
- Auditors of the Company		**-**	4
Directors' remuneration			
Of the Company			
- Salaries and wages		**1,392**	1,280
- Defined contribution plans		**-**	7
Of the subsidiaries			
- Salaries and wages		**2,336**	2,653
- Defined contribution plans		**79**	79
		3,807	4,019
Employees benefit expenses (excluding directors' remuneration)			
- Salaries and wages		**12,471**	13,964
- Defined contribution plans		**829**	909
- Others		**46**	(62)
		13,346	14,811

29 Income tax expenses

	Note	Group 2013 $'000	Group 2012 $'000
Current income tax			
- Singapore		**1,475**	5,819
- Foreign		**1,744**	1,295
- Under/(over) provision in prior years		**36**	(796)
		3,255	6,318
Withholding tax expense/(refund)		**218**	(394)
Deferred tax	20	**6,242**	112
		9,715	6,036

Singapore income tax is calculated at 17% (2012: 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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

	Group 2013 $'000	Group 2012 $'000
Profit before income tax	**62,769**	123,843
Income tax calculated at 17% (2012: 17%)	**10,671**	21,053
Adjustments:		
Share of results of equity accounted investees	**(4,085)**	(2,724)
Interest in a jointly-controlled company	**(94)**	(97)
Expenses not deductible for tax purposes	**1,626**	899
Tax losses not recognised as deferred tax assets	**284**	893
Tax losses not available for set-off against future income	**114**	246
Different tax rates of subsidiaries operating in other jurisdictions	**5,215**	1,187
Income that is not subject to tax	**(3,026)**	(13,855)
Utilisation of tax losses and capital allowance previously unrecognised	**(992)**	(604)
Under/(over) provision in prior years	**36**	(796)
Withholding tax expense/(refund)	**218**	(394)
Others	**(252)**	228
	9,715	6,036

30 Earnings per share

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

	Note	Group		
		Before fair value adjustments	Fair value adjustments	After fair value adjustments
		$'000	$'000	$'000
2013				
Profit before tax		**35,545**	**27,224**	**62,769**
Income tax expenses	29	**(7,147)**	**(2,568)**	**(9,715)**
Profit for the year		**28,398**	**24,656**	**53,054**
Less:				
Non-controlling interests		**(1,054)**	-	**(1,054)**
Profit attributable to owners of the Company		**27,344**	**24,656**	**52,000**
2012				
Profit before tax		56,185	67,658	123,843
Income tax expenses	29	(5,855)	(181)	(6,036)
Profit for the year		50,330	67,477	117,807
Less:				
Non-controlling interests		(8,275)	-	(8,275)
Profit attributable to owners of the Company		42,055	67,477	109,532

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

	Group	
	2013	2012
	$'000	$'000
Profit attributable to owners of the Company		
Before fair value adjustments	**27,344**	42,055
Fair value adjustments	**24,656**	67,477
After fair value adjustments	**52,000**	109,532
Basic and diluted earnings per share (cents)		
Excluding fair value adjustments	**2.4**	3.6
Including fair value adjustments	**4.5**	9.5
Weighted average number of ordinary shares (in '000 shares) for the purpose of computation of basic and diluted earnings per share	**1,167,401**	1,158,037

31 Other comprehensive income

	Note	Group Before tax $'000	Deferred tax $'000	After tax $'000
2013				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of property	9	**5,630**	**(1,407)**	**4,223**
Share of asset revaluation reserve of equity accounted investees	12	**(6,000)**	**1,280**	**(4,720)**
		(370)	**(127)**	**(497)**
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**(9,078)**	**-**	**(9,078)**
Exchange differences realised on disposal		**46**	**-**	**46**
		(9,032)	**-**	**(9,032)**
Share of cash flow hedging reserve of equity accounted investees	12	**2,390**	**(510)**	**1,880**
		(6,642)	**(510)**	**(7,152)**
		(7,012)	**(637)**	**(7,649)**
2012				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Share of asset revaluation reserve of equity accounted investees	12	7,480	(1,941)	5,539
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(12,244)	-	(12,244)
Share of cash flow hedging reserve of equity accounted investees	12	(2,946)	764	(2,182)
		(15,190)	764	(14,426)
		(7,710)	(1,177)	(8,887)

32 Acquisition of Subsidiary

On 1 October 2013, the Group acquired 100% of the issued share capital of Robinson Point Limited which legally and beneficially holds 100% of the issued share capital of 39 Robinson Road Pte Ltd, for a consideration of $171.6 million, net of long-term bank loan. This transaction has been accounted for by the acquisition method of accounting.

Robinson Point Limited is a private company limited by shares incorporated in Mauritius. 39 Robinson Road Pte Ltd is a private company limited by shares incorporated in Singapore and is the registered, legal and beneficial owner of a building known as Robinson Point located within the Central Business District of Singapore at 39 Robinson Road ("Robinson Point").

Robinson Point is a 21-storey freehold commercial building with a total gross floor area of approximately 15,724 square metres and a net lettable area of approximately 12,567 square metres. As on 31 December 2013, the building was fully rented to third party tenants with durations of approximately three years.

Consideration transferred (at acquisition date fair values)

	Total $'000
Cash	171,577
Contingent consideration arrangement	-
	171,577

Assets acquired and liabilities assumed at the date of acquisition

	Total $'000
Current assets	
Trade and other receivables	1,080
Cash and cash equivalents	709
Non-current assets	
Investment Property	350,000
Current liabilities	
Trade and other payables	(3,993)
Non-current liabilities	
Long term borrowings	(175,417)
Contingent liabilities	-
Net assets acquired and liabilities assumed	172,379

Goodwill on acquisition

Consideration transferred	171,577
Less: Net assets acquired and liabilities assumed	(172,379)
Negative goodwill on acquisition (included in other operating income)	(802)

Acquisition-related costs

Acquisition-related costs of $403,000 had been excluded from the consideration transferred and had been recognised as an expense in the year and included in the "administrative expenses" line in the statement of profit or loss and other comprehensive income.

Net cash outflow on acquisition of subsidiaries

	2013 $'000	2012 $'000
Consideration paid in cash	171,577	-
Less: Cash and cash equivalent balance acquired	(709)	-
Net cash outflow on acquisition	170,868	-

Impact of acquisition on the results of the Group

The acquired business contributed revenue and profit of $3,196,000 and $1,052,000 respectively for last three months of the year. Had the business combination been effected at 1 January 2013, the revenue of the Group from continuing operations would have increased by $12,785,000 and the profit for the year would have been $2,711,000.

33 Significant related party transactions

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

	Group	
	2013	2012
	$'000	$'000
Transactions with major shareholders		
Sale of products and services rendered	**4,653**	5,344
Rental income	**1,310**	1,283
Interest income	**368**	696
Purchase of products	**(65,308)**	(78,838)
Rental expense	**(455)**	(386)
Transactions with associates		
Management fee income	**180**	345
Rental income	**301**	240
Interest income	**112**	112
Purchase of products	**(10)**	(2)
Transactions with directors and their associates		
Sale of development properties	**216**	6,291
Rental income	**33**	91
Administrative expense	**(1)**	(5)

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

At the end of the reporting year, the Group had commitments to lease certain commercial properties to Nuri, and associates of the Group. These non-cancellable operating leases had remaining lease terms of between 1 to 25 months (2012: 1 to 26 months). Future minimum lease receivables under these leases not recognised as receivables at the end of each reporting period were as follows:

Commitment with related parties

	Group	
	2013	2012
	$'000	$'000
Commitment with related parties		
Sale of development properties	**2,932**	3,962
Operating leases		
- Within one year	**2,094**	1,788
- After one year but not more than five years	**739**	2,104
	2,833	3,892

Remuneration of directors and key management personnel

	Group 2013 $'000	Group 2012 $'000
Remuneration of directors and key management personnel		
Short-term benefits and fees	**3,728**	3,933
Post-employment benefits (defined contribution plan)	**79**	86
	3,807	4,019

34 Commitments

Capital commitments

	Group 2013 $'000	Group 2012 $'000
Capital commitments		
Development and investment properties expenditure contracted for but not provided in the financial statements	**228,817**	10,234
Share of commitments of jointly-controlled company		
- Capital expenditure contracted for but not provided in the financial statements	**3,132**	3,386

Operating lease commitments - where the Group is a lessor

The Group entered into commercial property leases on its investment property portfolio, consisting of commercial and industrial buildings under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. As at the end of the reporting period, these non-cancellable leases had remaining lease terms of between one and three years.

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

	Group 2013 $'000	Group 2012 $'000
Operating lease commitments – where the group is a lessor		
Within one year	**15,594**	6,624
After one year but not more than five years	**10,593**	3,812
After five years	**437**	-
	26,624	10,436

Operating lease commitments - where the Group is a lessee

The Group leases office premises, warehouse, and workshops under non-cancellable operating lease agreements. The leases have varying terms and renewal rights. They are generally negotiated for an average term of 1 to 2 years and rentals are generally fixed for an average of 1 to 2 years. Payment recognised as an expense during the year was $608,000 (2012: $884,000).

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

	Group	
	2013	**2012**
	$'000	**$'000**
Operating lease commitments – where the group is a lessee		
Within one year	**752**	910
After one year but not more than five years	**1,435**	830
	2,187	1,740

Derivative financial instrument

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

	Group	
	2013	**2012**
	$'000	**$'000**
Derivative financial instrument		
Foreign currency forward contracts	**11,400**	12,571

In 2013 and 2012, the change in the fair value of non-hedging currency derivative was insignificant and hence its amount was not charged to profit or loss.

35 Contingent liabilities

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Contingent liabilities				
Guarantees given to banks in respect of bank facilities utilised by an associate	-	2,859	-	2,859
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	-	-	**869,718**	560,620
	-	2,859	**869,718**	563,479

During the year, the Group recognised an amount of cumulative losses of its associate, Pan-West, equivalent to the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary [note 12]. As the liabilities had been recognised, there were no contingent liabilities as at 31 December 2013.

A subsidiary of the Company, Dillenia Land Pte Ltd ("Dillenia"), entered into a conditional contract with the Sales Committee of Gilstead Court, representing the consenting subsidiary proprietors, for the purchase of all strata units and common property of Gilstead Court. On 16 October 2013, purportedly three members of the Sales Committee made an application to the High Court of Singapore and alleged that Dillenia had breached the contract by making an offer of $135,000 to relieve the non-consenting subsidiary proprietors of their alleged liabilities under the collective sale agreement as an inducement for the latter to withdraw their objection to the collective sale. The application, claiming inter alia a sum of $15,016,800 as liquidated damages, had not been served to Dillenia. After consulting the legal counsel, management was of the view that the allegation was baseless and without merit. Accordingly, no amount was provided as at 31 December 2013 in respect of this allegation.

36 Financial risk management

Financial risk management policies and objectives

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

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

Factors behind financial risks

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

The Group's financial instruments comprise loans and borrowings, cash and liquid resources, trade and other receivables, trade and other payables that arise directly from its operations. The Group manages its exposure to currency and interest rate risks by using a variety of techniques and instruments as described in note 36(a) and 36(b) to the financial statements.

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

There has been no major change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analyses indicated in note 36(a) and note 36(b) to the financial statements.

Classification of financial instruments

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

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Loans and receivables (including cash and bank balances)	**338,690**	276,517	**300,645**	220,149
Derivative financial instrument	**-**	-	**-**	696
	338,690	276,517	**300,645**	220,845
Financial liabilities				
Loans and payables - amortised cost	**994,588**	622,782	**322,130**	158,547
Derivative financial instrument	**-**	696	**-**	696
Financial guarantee contracts	**-**	-	**20,538**	20,112
	994,588	623,478	**342,668**	179,355

(a) Currency risk

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

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

SP Corp, a listed subsidiary of the Group, uses forward foreign exchange contracts to protect against the effect of volatility in foreign currency exchange rates on foreign currency denominated assets and liabilities arising in the normal course of business. SP Corp enters into forward exchange contracts with maturities of less than twelve months. Further details on the forward exchange contracts are disclosed in note 34 to the financial statements.

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

Currency risk exposure

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

	SGD $'000	USD $'000	AUD $'000	Others $'000
Group				
At 31 December 2013				
Financial assets				
Cash and bank balances	**2,662**	**11,010**	**11,839**	**68**
Trade and other receivables	**28**	**2,766**	**380**	**50**
	2,690	**13,776**	**12,219**	**118**
Financial liabilities				
Trade and other payables	**(14,574)**	**(7,108)**	**-**	**(2)**
Net financial (liabilities)/assets	**(11,884)**	**6,668**	**12,219**	**116**
Less:				
Forward foreign exchange contracts	**11,400**	**-**	**-**	**-**
Net currency exposure	**(484)**	**6,668**	**12,219**	**116**
At 31 December 2012				
Financial assets				
Cash and bank balances	2,389	17,665	13,169	90
Trade and other receivables	62	4,266	-	188
	2,451	21,931	13,169	278
Financial liabilities				
Trade and other payables	(15,438)	(7,193)	-	(482)
Net financial (liabilities)/assets	(12,987)	14,738	13,169	(204)
Less:				
Forward foreign exchange contracts	12,571	-	-	-
Net currency exposure	(416)	14,738	13,169	(204)

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

	2013		2012	
	AUD $'000	MYR $'000	AUD $'000	MYR $'000
Company				
Financial assets				
Amounts due from subsidiaries	**-**	**182**	-	165
Financial liabilities				
Amounts due to subsidiaries	**(230)**	**-**	(258)	-
Net currency exposure	(230)	182	(258)	165

Currency sensitivity analysis

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

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

	SGD		USD		AUD		Others	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group								
Profit or loss	**48**	42	**(667)**	(1,474)	**(1,222)**	(1,317)	**12**	20
Company								
Profit or loss	**-**	-	**-**	-	**23**	26	**(18)**	(17)

The strengthening of the relevant foreign currency against the functional currency of each group entity at the end of the reporting year would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(b) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument may fluctuate because of changes in interest rates in the market. Fair value interest rate risk is the risk that the fair value of a financial instrument may fluctuate due to such changes.

The Group's exposure to cash flow interest rate risk arises mainly from bank borrowings. The Group aims to optimise net interest cost and to reduce volatility in the finance cost. The Group borrows mainly variable rate debts with varying tenures. A summary of the Group's interest-bearing financial instruments is disclosed in note 36(d) to these financial statements.

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

Interest rate sensitivity analysis

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

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit after tax would decrease or increase by $9,086,000 (2012: decrease or increase by $4,493,000). The Group's sensitivity to interest rates movement on borrowings which effective hedges have not been entered into increased during the year mainly due to new loans secured and drawn to finance the development properties in Singapore. In 2012, there was an arrangement for hedging of bank borrowings with a $100,000,000 interest rate swap contract [note 13] which expired in October 2013.

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

(c) Credit risk

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

There was no significant concentration of credit risk with respect to trade receivables at the end of the reporting year because of the Group's large number of customers who are in turn geographically dispersed and from a fairly different spectrum of industries. The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained and the guarantees given by the Group to banks in respect of bank facilities utilised by an associate.

The Company's maximum exposure to credit risk in the event the counterparties fail to perform their obligations as of the end of the reporting year in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statement of financial position.

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

	Group	
	2013	2012
	$'000	$'000
By geographical area		
Singapore	**23,460**	25,603
China	**997**	313
Malaysia	**3,601**	2,922
Indonesia	**11,646**	12,848
Thailand	**-**	165
Europe	**-**	7,779
Other ASEAN countries	**695**	1,453
Others	**401**	589
	40,800	51,672
By type of customers		
Related parties	**1,013**	1,828
Non-related parties	**39,787**	49,844
	40,800	51,672
By industry sector		
Property	**3,693**	7,544
Industrial services	**37,107**	44,128
	40,800	51,672

(d) Liquidity risk

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

Liquidity and interest risk analyses - non-derivative financial liabilities

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

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

	Effective interest Rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2013							
Non-interest bearing	-	**76,932**	-	-	-	-	**76,932**
Finance lease liability (fixed rate)	6.4	**2**	-	-	-	-	**2**
Variable interest rate instruments	1.1-1.9	**164,394**	**258,792**	**518,482**	**9,005**	**(33,019)**	**917,654**
		241,328	**258,792**	**518,482**	**9,005**	**(33,019)**	**994,588**
31 December 2012							
Non-interest bearing	-	62,186	-	-	-	-	62,186
Finance lease liability (fixed rate)	6.4	23	2	-	-	-	25
Variable interest rate instruments	1.2-1.9	38,896	113,662	423,400	11,146	(26,533)	560,571
		101,105	113,664	423,400	11,146	(26,533)	622,782
Company							
31 December 2013							
Non-interest bearing	-	**322,130**	-	-	-	-	**322,130**
Financial guarantee contracts	-	**869,718**	-	-	-	**(849,180)**	**20,538**
		1,191,848	-	-	-	**(849,180)**	**342,668**
31 December 2012							
Non-interest bearing	-	158,547	-	-	-	-	158,547
Financial guarantee contracts	-	560,620	-	-	-	(540,508)	20,112
		719,167	-	-	-	(540,508)	178,659

At the end of the reporting year, the maximum amount that the Company could be forced to settle under the financial guarantee contracts if the full guaranteed amounts were claimed by the counterparty to the various guarantees, was $869,718,000 (2012: $560,620,000). The earliest year that a guarantee could be called is as and when the guarantee is claimed by the counterparty. Based on the expectations at the end of this reporting year, the Company considered that it was more likely than not that no amount would be payable under the arrangement. However, this estimate was subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty suffer credit losses.

As at the end of the reporting year, the Group's total obligation on guarantee to Pan-West's bank facilities amounted to $5,853,000 (2012: $3,920,000).

Liquidity and interest risk analyses - non-derivative financial assets

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

	Effective interest rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2013							
Non-interest bearing	-	**85,746**	**2,884**	-	-	-	**88,630**
Variable interest rate instruments	0.1-3.5	**9,028**	-	-	-	-	**9,028**
Fixed interest rate instruments	0.3-5.0	**176,642**	**2,383**	**62,548**	-	**(541)**	**241,032**
		271,416	**5,267**	**62,548**	-	**(541)**	**338,690**
31 December 2012							
Non-interest bearing	-	139,158	-	-	-	-	139,158
Variable interest rate instruments	0.1-3.5	11,266	-	-	-	-	11,266
Fixed interest rate instruments	0.3–5.0	126,330	-	-	-	(237)	126,093
		276,754	-	-		(237)	276,517
Company							
31 December 2013							
Non-interest bearing	-	**300,645**	-	-	-	-	**300,645**
		300,645	-	-	-	-	**300,645**
31 December 2012							
Non-interest bearing	-	219,142	-	-	-	-	219,142
Fixed interest rate instruments	0.3	1,010	-	-	-	(3)	1,007
		220,152	-	-	-	(3)	220,149

Liquidity risk analysis - derivative financial instruments

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

	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
31 December 2013						
Gross settled:						
Foreign exchange forward contracts	**(80)**	-	-	-	-	**(80)**
	(80)	-	-	-	-	**(80)**
31 December 2012						
Net settled:						
Interest rate swap	(697)	-	-	-	1	(696)
Gross settled:						
Foreign exchange forward contracts	83	-	-	-	-	83
	(614)	-	-	-	1	(613)

(e) Fair value of financial assets and financial liabilities

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

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

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

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

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

The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the end of each reporting year, the Group and the Company's interest rate swap was measured based on Level 2.

(f) Capital risk

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

The capital structure of the Group consists of loans and borrowings disclosed in note 15, issued capital, reserves and retained earnings disclosed in note 22. In order to maintain or achieve an optimal capital structure, the Group may issue new shares, obtain new borrowings, sell assets to reduce borrowings, pay or adjust the amount of dividend payment or return capital to shareholders. The Group's overall strategy remains unchanged from the prior years.

The Group monitors capital based on the Group's gross gearing and net gearing. The Group's gross gearing is calculated as total borrowings divided by total equity, whilst net gearing is calculated as net borrowings divided by total equity. Net borrowings are calculated as total borrowings as disclosed in note 15, less cash and bank balances as disclosed in note 5 to the financial statements.

	Group	
	2013 **$'000**	**2012** **$'000**
Total borrowings	**917,656**	560,595
Total equity	**759,205**	720,561
Gross gearing (times)	**1.21**	0.78
Net borrowings	**640,784**	348,931
Total equity	**759,205**	720,561
Net gearing (times)	**0.84**	0.48

37 Listing of significant subsidiaries

Information relating to the significant subsidiaries in the Group is given below:

Name of company	Note	Principal activities	Country of Incorporation/ establishment	Effective equity interest & voting power held by the Group 2013 %	2012 %
Significant subsidiaries directly held by the Company					
Asiaview Properties Pte Ltd		Property investment	Singapore	**100**	100
Asplenium Land Pte. Ltd.		Property development and investment	Singapore	**100**	100
Clerodendrum Land Pte. Ltd.		Property development and investment	Singapore	**100**	100
Golden Cape Investments Ltd		Property development, investment and provision of consultancy services	Singapore	**100**	100
Hypak Sdn. Berhad	(i)	Manufacture and sale of polypropylene woven bags	Malaysia	**97.9**	97.9
Maylands Investment Pte Ltd		Property development	Singapore	**70**	70
Oxley Development Pte Ltd		Property investment	Singapore	**100**	100
Pemimpin Properties Pte. Ltd.		Property investment	Singapore	**100**	100
Silveridge Investments Pte Ltd		Investment holding	Singapore	**100**	100
SP Corporation Limited	(ii)	Investment holding	Singapore	**80.2**	80.2
Superluck Properties Pte Ltd		Property investment	Singapore	**100**	100
TSH Australia Holdings Pte Ltd		Investment holding	Singapore	**100**	100
TSH China Holdings Pte Ltd		Investment holding	Singapore	**100**	100
TS Planet Sports Pte. Ltd.		Investment holding	Singapore	**100**	100
TS Technologies Pte Ltd		Investment holding	Singapore	**100**	100

Name of company	Note	Principal activities	Country of incorporation/ establishment	Effective equity interest & voting power held by the Group	
				2013 %	2012 %
Other significant subsidiaries in the Group					
39 Robinson Road Pte. Ltd.	(iii)	Property investment	Singapore	**100**	-
Fujian Ji'Xing Real Estate Development Co. Ltd	(i)	Property development	China	**100**	100
Globaltraco International Pte Ltd		Distribution of tyres and auto products	Singapore	**80.2**	80.2
Habitat Properties (Shanghai) Ltd.	(i)	Property development	China	**100**	100
Premiera Development Pte. Ltd.		Property development and investment	Singapore	**100**	100
Qingdao Shenyang Property Co., Ltd	(i)	Property development	China	**100**	100
Shanghai Shenjia Property Management Co., Ltd.	(i)	Estate management	China	**100**	100
Shelford Properties Pte Ltd		Property development and investment	Singapore	**100**	100
SP Resources International Pte. Ltd.		Trading and marketing of industrial products	Singapore	**80.2**	80.2
Yewglade Pte Ltd		Investment holding	Singapore	**100**	100

Notes

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

(ii) Listed on the Singapore Exchange Securities Trading Limited

(iii) Acquired during the year (note 32)

All subsidiaries are audited by Deloitte & Touche LLP, Singapore, unless otherwise indicated in the preceding section.

38 Listing of significant associates and jointly-controlled company

Information relating to the significant associates and jointly-controlled company in the Group is given below:

Name of company	Note	Principal activities	Country of incorporation	Effective equity interest & voting power held by the Group	
				2013	**2012**
				%	**%**
Grand Hotel Group	(i)	Hotel properties owner	Australia	**50**	50
Gul Technologies Singapore Ltd	(ii)	Manufacture and sale of double-sided and multi-layered printed circuit boards	Singapore	**43.3**	43.3
Pan-West (Private) Limited	(iii)	Distributing, retailing and marketing of golf and golf-related lifestyle products	Singapore	**49**	49

Notes

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

(ii) Listed on the Singapore Exchange Securities Trading Limited up till 18 January 2013 (refer to note 12). In FY2012 it was audited by PricewaterhouseCoopers LLP, Singapore and in FY2013 it was audited by Deloitte & Touche LLP, Singapore.

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

7. by inserting the following as Appendix VI of the Information Memorandum:

"**APPENDIX VI**

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

The information set forth in this Appendix VI has been extracted and reproduced from the unaudited second quarter and half year financial statements announcement of Tuan Sing Holdings Limited and its subsidiaries for the financial period ended 30 June 2014 and has not been specifically prepared for inclusion in this Information Memorandum.

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FINANCIAL STATEMENTS ANNOUNCEMENT
- UNAUDITED RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

Singapore, 30 July 2014 - The Directors of Tuan Sing Holdings Limited ("the Company") announce the following unaudited results of the Group for the second quarter and half year ended 30 June 2014.

This announcement and 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 Mr. Chong Chou Yuen, Group CFO, at the following e-mail address*: chong_chouyuen@tuansing.com.*

Important Notes on Forward-Looking Statements:

This announcement may contain forward-looking statements. Words such as 'expects', 'anticipates', 'intends' or the negative use of these terms and other similar expressions of future performance or results and their negatives are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance or events.

These forward-looking statements involve assumptions, risks and uncertainties. The actual future performance or results may differ materially from those expressed or implied by these forward looking statements as a result of various important factors. These factors include but are not limited to, economic, political and social conditions in the geographic markets where the Group operates, interest rate and foreign currency exchange rate movements, cost of capital and availability of capital, competition from other companies and venues for sales / manufacturing / distribution of goods and services, shift in demands, customers and partners, and changes in operating costs. Further details of potential risks and uncertainties affecting the Group are discussed in the "BUSINESS DYNAMIC AND RISK FACTORS STATEMENT" section of this announcement. Unpredictable or unknown factors not discussed in this announcement could also have material adverse effects on forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revision to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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

		Group Second Quarter			Group First Half		
	Note	30.06.14 $'000	30.06.13 $'000	+/(-) %	30.06.14 $'000	30.06.13 $'000	+/(-) %
PROFIT OR LOSS							
Revenue	(a)	**81,577**	117,889	(31)	**142,874**	182,820	(22)
Cost of sales		**(67,599)**	(95,748)	(29)	**(118,588)**	(151,653)	(22)
Gross profit	(a)	**13,978**	22,141	(37)	**24,286**	31,167	(22)
Other operating income	(b)	**352**	2,171	(84)	**816**	3,426	(76)
Distribution costs	(c)	**(1,110)**	(6,580)	(83)	**(2,507)**	(9,693)	(74)
Administrative expenses	(d)	**(3,761)**	(3,616)	4	**(7,326)**	(7,358)	(0)
Other operating expenses	(b)	**(249)**	(1,730)	(86)	**(390)**	(2,240)	(83)
Share of results of equity accounted investees	(e)	**4,428**	5,092	(13)	**9,062**	9,944	(9)
Finance income	(f)	**1,115**	1,250	(11)	**2,402**	2,414	(0)
Finance costs	(g)	**(1,444)**	(963)	50	**(2,900)**	(2,288)	27
Profit before tax and fair value adjustments		**13,309**	17,765	(25)	**23,443**	25,372	(8)
Fair value adjustments	(h)	**213**	177	20	**(464)**	315	nm
Profit before tax		**13,522**	17,942	(25)	**22,979**	25,687	(11)
Income tax expenses	(j)	**(1,802)**	(2,618)	(31)	**(3,485)**	(3,873)	(10)
Profit for the period		**11,720**	15,324	(24)	**19,494**	21,814	(11)
OTHER COMPREHENSIVE INCOME							
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translation of foreign operations	(k)	**(1,519)**	(10,530)	(86)	**269**	(2,553)	nm
Share of cash flow hedging account of equity accounted investees	(e)	**576**	(241)	nm	**1,524**	1,152	32
Income tax relating to components of other comprehensive income that may be reclassified subsequently		**(156)**	39	nm	**(440)**	(379)	16
Other comprehensive (loss) / income, net of tax		**(1,099)**	(10,732)	(90)	**1,353**	(1,780)	nm
Total comprehensive income for the period		**10,621**	4,592	131	**20,847**	20,034	4
Profit attributable to:							
Owners of the Company		**11,591**	15,155	(24)	**19,299**	20,944	(8)
Non-controlling interests		**129**	169	(24)	**195**	870	(78)
		11,720	15,324	(24)	**19,494**	21,814	(11)
Total comprehensive income attributable to:							
Owners of the Company		**10,570**	4,351	143	**20,710**	18,999	9
Non-controlling interests		**51**	241	(79)	**137**	1,035	(87)
		10,621	4,592	131	**20,847**	20,034	4
Basic and diluted earnings per share (in cents)							
Excluding fair value adjustments	(m)	**1.0**	1.3	(25)	**1.7**	1.8	(5)
Including fair value adjustments	(m)	**1.0**	1.3	(24)	**1.6**	1.8	(9)
Return on shareholders' funds ^					**5.1%**	5.9%	

nm : not meaningful

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

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

		Group Second Quarter		Group First Half	
		30.06.14	**30.06.13**	**30.06.14**	**30.06.13**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]		**(172)**	(170)	**(338)**	(353)
Gain on disposal of property, plant and equipment [included in other operating income]	(b)	**-**	1,704	**-**	1,701
(Allowance) / write-back of allowance for doubtful receivables, net [included in other operating income / (expenses)]		**(37)**	8	**(37)**	31
(Allowance) / write-back of allowance for inventory obsolescence, net [included in other operating income / (expenses)]		**(33)**	-	**(62)**	1
Foreign exchange (loss) / gain, net [included in other operating income / (expenses)]	(b)	**(38)**	(1,672)	**233**	(1,191)

Explanatory notes

(a) Group revenue was $81.6 million and $142.9 million in 2Q2014 and 1H2014 respectively, down 31% and 22% over the corresponding periods last year as there was lower revenue from Property and Industrial Services. Gross profit decreased in tandem to $14.0 million and $24.3 million respectively in 2Q2014 and 1H2014,with gross profit margin at 17% for the two periods.

	Group Second Quarter		Group First Half	
	30.06.14	**30.06.13**	**30.06.14**	**30.06.13**
	$'000	**$'000**	**$'000**	**$'000**
Gross profit margin				
Property	**26%**	26%	**26%**	28%
Industrial Services	**5%**	6%	**6%**	6%
Group total	**17%**	19%	**17%**	17%

Revenue of associates and jointly-controlled entities, being that of Grand Hotel Group ("GHG"), Gul Technologies Singapore Ltd ("GulTech") and Pan-West (Private) Limited ("Pan-West") was not included as their results were equity accounted for. Had their revenue been included, the Group's total revenue would have been $208.9 million and $395.4 million in 2Q2014 and 1H2014 respectively, as compared to the respective revenue of $248.8 million and $432.5 million in the prior year.

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

(b) Other operating income decreased due to the absence of last year's gain on disposal of fixed assets. Other operating expenses decreased due primarily to lower foreign exchange losses in 2Q2014 and 1H2014.

(c) Lower distribution costs reflect lower advertising and promotion expenses relating to development property sales.

(d) Administrative expenses, including manpower costs and professional fees, remained relatively unchanged.

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

		Group Second Quarter		Group First Half	
		30.06.14	30.06.13	30.06.14	30.06.13
	Note	$'000	$'000	$'000	$'000
Share of net profit					
Share of results before fair value adjustments		**4,428**	5,092	**9,062**	9,944
Share of fair value gain / (loss) on financial instruments	(h)	**213**	(14)	**(464)**	4
Share of other comprehensive income / (loss)					
Share of cash flow hedge gain / (loss)		**576**	(241)	**1,524**	1,152
Share of total comprehensive income		**5,217**	4,837	**10,122**	11,100

Share of other comprehensive income represents the Group's share of GHG's cash flow hedge gains and losses.

(f) Finance income was comparable to last year as higher level of cash balances was offset by lower weighted average deposit rates.

(g) Finance costs include amortisation of upfront bank facility fees. Higher finance costs were in line with higher level of borrowings to fund development and investment properties in Singapore.

	Group Second Quarter		Group First Half	
	30.06.14	30.06.13	30.06.14	30.06.13
	$'000	$'000	$'000	$'000
Finance costs				
Interest expense on loans and borrowings	**3,625**	2,264	**7,177**	4,514
Amortisation of upfront bank facility fees	**99**	69	**199**	173
	3,724	2,333	**7,376**	4,687
Less:				
Amounts capitalised as project costs	**(2,280)**	(1,370)	**(4,476)**	(2,399)
	1,444	963	**2,900**	2,288

(h) Fair value adjustments arose from the mark-to-market adjustments of financial derivative instruments held by the Group including its equity-accounted GHG and GulTech [refer to note (e)]. These 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.

		Group Second Quarter		Group First Half	
		30.06.14	30.06.13	30.06.14	30.06.13
	Note	$'000	$'000	$'000	$'000
Fair value gain / (loss) on financial instruments					
Subsidiaries		**-**	191	**-**	311
Share of equity accounted investees	(e)	**213**	(14)	**(464)**	4
Total		**213**	177	**(464)**	315

(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 carrying amount of the Group's investment in GHG versus its tax cost base.

	Group Second Quarter		Group First Half	
	30.06.14 $'000	**30.06.13 $'000**	**30.06.14 $'000**	**30.06.13 $'000**
Income tax expenses				
Current income tax				
- Singapore	**770**	1,379	**1,075**	1,802
- Foreign	**(135)**	791	**85**	1,064
- Overprovision in prior years	**(54)**	-	**(137)**	(16)
	581	2,170	**1,023**	2,850
Withholding tax expense	**11**	272	**60**	411
Deferred tax	**1,210**	176	**2,402**	612
	1,802	2,618	**3,485**	3,873

(k) Exchange differences arose from the translation of the financial statements of foreign operations whose functional currencies are not denominated in the Singapore dollar as well as from the translation of foreign currency loans that form part of the Group's net investment in foreign operations.

The translation gain recognised in 1H2014 was attributable to the appreciation of Australian dollar, offset partly by the depreciation of Renminbi and United States dollar. For comparison, translation loss in 1H2013 was due mostly to the weakening of Australian dollar, mitigated partly by the strengthening of Renminbi and United States dollar.

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

	Group First Half 2014			Group First Half 2013		
	Before Fair Value Adjustments	**Fair Value Adjustments**	**After Fair Value Adjustments**	**Before Fair Value Adjustments**	**Fair Value Adjustments**	**After Fair Value Adjustments**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Profit before tax	**23,443**	**(464)**	**22,979**	25,372	315	25,687
Income tax expenses	**(3,454)**	**(31)**	**(3,485)**	(3,872)	(1)	(3,873)
Profit after tax	**19,989**	**(495)**	**19,494**	21,500	314	21,814
Less:						
Non-controlling interests	**(195)**	**-**	**(195)**	(870)	-	(870)
Profit attributable to owners of the Company	**19,794**	**(495)**	**19,299**	20,630	314	20,944
Basic and diluted earnings per share (in cent)	**1.7**	@	**1.6**	1.8	@	1.8

@ Less than 0.1 cent

2. STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		30.06.14	31.12.13	30.06.14	31.12.13
	Note	$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and bank balances	(n)	**276,190**	276,872	**186**	298
Trade and other receivables	(p)	**62,625**	62,262	**71**	50
Amounts due from subsidiaries	(aa)	**-**	-	**295,982**	300,334
Inventories	(q)	**3,420**	4,090	**-**	-
Development properties	(r)	**398,786**	404,285	**-**	-
Total current assets		**741,021**	747,509	**296,239**	300,682
Non-current assets					
Property, plant and equipment	(s)	**3,591**	3,504	**-**	-
Investment properties	(t)	**830,443**	824,125	**498**	498
Investments in subsidiaries	(aa)	**-**	-	**584,380**	584,380
Investments in equity accounted investees	(u)	**215,008**	208,159	**-**	-
Other non-current asset		**14**	14	**-**	-
Total non-current assets		**1,049,056**	1,035,802	**584,878**	584,878
Total assets		**1,790,077**	1,783,311	**881,117**	885,560
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	(w)	**136,073**	150,052	**-**	-
Trade and other payables	(y)	**67,930**	79,675	**22,386**	21,934
Amounts due to subsidiaries		**-**	-	**321,033**	320,734
Income tax payable		**2,997**	3,284	**111**	217
Total current liabilities		**207,000**	233,011	**343,530**	342,885
Non-current liabilities					
Loans and borrowings	(w)	**780,730**	767,604	**-**	-
Deferred tax liabilities	(z)	**27,089**	23,491	**-**	-
Total non-current liabilities		**807,819**	791,095	**-**	-
Capital, reserves and non-controlling interests					
Share capital		**169,260**	168,190	**169,260**	168,190
Reserves	(ab)	**596,337**	581,491	**368,327**	374,485
Equity attributable to owners of the Company		**765,597**	749,681	**537,587**	542,675
Non-controlling interests		**9,661**	9,524	**-**	-
Total equity		**775,258**	759,205	**537,587**	542,675
Total liabilities and equity		**1,790,077**	1,783,311	**881,117**	885,560
Working capital		**534,021**	514,498		
Total borrowings	(w)	**916,803**	917,656		
Gross gearing (times) ^		**1.18**	1.21		
Net borrowings ^^		**640,613**	640,784		
Net gearing (times) ^		**0.83**	0.84		
Net asset value per share (in cents)		**65.1**	63.9		

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

Explanatory notes

(n) Cash and bank balances stood at $276.2 million for the Group as at 30 June 2014. Included therein were amounts held under the Project Accounts of Seletar Park Residence, Sennett Residence and Cluny Park Residence, whose withdrawals are restricted to payments for expenditure incurred on those projects as dictated by the provisions in the Housing Developers (Project Account) Rules in Singapore.

	Group		Company	
	30.06.14	**31.12.13**	**30.06.14**	**31.12.13**
	$'000	**$'000**	**$'000**	**$'000**
Cash and bank balances				
Cash at banks and on hand	**31,567**	29,351	**186**	298
Fixed deposits	**96,186**	114,768	**-**	-
Amounts held under the Housing Developers (Project Account) Rules	**148,437**	132,753	**-**	-
	276,190	276,872	**186**	298

(p) Trade and other receivables stood at $62.6 million at 30 June 2014, as compared to $62.3 million at the previous year-end. Included in the carrying amount were tender deposits amounting to $7.8 million (31 December 2013: $7.9 million) relating to land acquisitions in Jiaozhou, China and Gilstead Court, Singapore. The completion of Gilstead Court collective sale is subject to, *inter alia*, the outcome of a ruling by the High Court.

(q) Inventories, comprising mainly inventories held by the Industrial Services segment, decreased by 16% to $3.4 million as at 30 June 2014.

(r) Development properties decreased to $398.8 million as compared to $404.3 million at the previous year-end due to progressive billing received and receivable, offset partly by development costs capitalised.

	Group	
	30.06.14	**31.12.13**
	$'000	**$'000**
Development properties		
Land cost	**476,051**	476,980
Development costs incurred to-date	**85,754**	49,141
Interest and others	**19,776**	16,176
	581,581	542,297
Attributable profit	**51,375**	37,659
Progress billings received and receivable	**(240,425)**	(182,413)
Properties in the course of development	**392,531**	397,543
Completed properties held for sale	**6,255**	6,742
	398,786	404,285
Represented by:		
Singapore, in the course of development	**367,523**	371,599
China, in the course of development	**25,008**	25,944
China, completed	**6,255**	6,742
	398,786	404,285

(s) Property, plant and equipment remained relatively unchanged at $3.6 million as compared to the previous year-end.

(t) Investment properties include those under redevelopment. They are carried at an aggregate value of $830.4 million as compared to $824.1 million at the previous year-end. The increase was attributable to redevelopment costs and interest capitalised under Robinson Tower site redevelopment. There was no fair value adjustment made for the quarter as the Group's practice is to assess the fair value of investment properties on the basis of valuations carried out at the year-end.

	Group	
	30.06.14	**31.12.13**
	$'000	**$'000**
Investment properties		
Completed investment properties	**479,520**	479,773
Investment properties under redevelopment	**350,923**	344,352
	830,443	824,125
Represented by:		
Singapore, completed investment properties	**473,350**	473,350
Singapore, investment properties under redevelopment	**350,923**	344,352
China, completed investment properties	**6,170**	6,423
	830,443	824,125

(u) The Group's investments in equity accounted investees comprise the 50% interest in GHG, 43.3% interest in GulTech and 49% interest in Pan-West. Investments in equity accounted investees increased by 3% to $215.0 million at 30 June 2014. This was due mainly to share of total comprehensive income and foreign currency translation gain, less distribution from GHG of A$7.5 million (approximately S$8.7 million) in 1H2014.

(w) Loans and borrowings comprise interest-bearing liabilities less capitalised finance costs, stood at $916.8 million at 30 June 2014. The decrease over the previous year-end was due mainly to scheduled repayment and amortisation of capitalised finance costs.

	Group	
	30.06.14	**31.12.13**
	$'000	**$'000**
Interest-bearing liabilities	**918,610**	919,720
Capitalised finance costs	**(1,807)**	(2,064)
	916,803	917,656

(y) Trade and other payables decreased by 15% to $67.9 million as compared to $79.7 million at the previous year-end, reflecting lower trading activities by the Industrial Services segment.

(z) Deferred tax liabilities increased to $27.1 million at 30 June 2014, as compared to $23.5 million at the previous year-end. Deferred tax liabilities arose mainly from the recognition of profit from the development projects in Singapore whose tax liabilities are not expected to arise within twelve months as well as the Group's equity interest in GHG, Australia.

(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. No impairment loss or write-back was recognised in profit or loss as a result of the above assessment for 1H2014.

(ab) Composition of reserves

	Group		Company	
	30.06.14 $'000	**31.12.13 $'000**	**30.06.14 $'000**	**31.12.13 $'000**
Reserves				
Asset revaluation reserve	**76,909**	76,909	**-**	-
Foreign currency translation account	**(11,057)**	(11,384)	**-**	-
Other capital reserves:				
- Non-distributable capital reserves	**102,271**	102,271	**101,264**	101,264
- Cash flow hedging account	**(1,806)**	(2,890)	**-**	-
	100,465	99,381	**101,264**	101,264
Revenue reserve	**430,020**	416,585	**267,063**	273,221
	596,337	581,491	**368,327**	374,485

Only revenue reserve is distributable to shareholders as dividend.

Asset revaluation reserve comprises net cumulative surpluses arising from the revaluation of leasehold land, buildings and improvements held by the Group and share of revaluation reserve of the jointly-controlled company, GHG. These properties 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 Company (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 capital reduction reserve of the Company and share of enterprise expansion fund reserve of an associate, GulTech. Cash flow hedging account represents the net cumulative deficit arising from share of cash flow hedge reserve of GHG.

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

3. GROUP'S BORROWINGS AND DEBT SECURITIES

		Group	
	Note	30.06.14 $'000	31.12.13 $'000
Secured borrowings			
Amount repayable in one year or less, or on demand		**136,073**	150,052
Amount repayable after one year		**780,730**	767,604
	(w)	**916,803**	917,656

The Group's borrowings as at 30 June 2014 and as at 31 December 2013 were denominated in Singapore dollar and were for the financing of properties in Singapore. As at 30 June 2014, 15% (31 December 2013: 16%) of the Group's borrowings were repayable within one year.

No debt securities were in issue as at 30 June 2014 and 31 December 2013, although a S$900 million Multicurrency Medium Term Note Programme has been established which allows the Group to obtain funds from the capital market as and when required.

<u>Details of any collateral</u>

As at 30 June 2014, the net book value of assets pledged or mortgaged to banks amounted to $1,254.6 million (31 December 2013: $1,253.5 million).

4. CONSOLIDATED STATEMENT OF CASH FLOWS

		Group		Group	
		Second Quarter		First Half	
	Note	30.06.14 $'000	30.06.13 $'000	30.06.14 $'000	30.06.13 $'000
OPERATING ACTIVITIES					
Profit before tax		**13,522**	17,942	**22,979**	25,687
Adjustments for:					
Fair value (gain) / loss		**(213)**	(177)	**464**	(315)
Share of results of equity accounted investees		**(4,428)**	(5,092)	**(9,062)**	(9,944)
Depreciation of property, plant and equipment		**172**	170	**338**	353
Allowance / (write-back of allowance) for inventory obsolescence, net		**33**	-	**62**	(1)
Allowance / (write-back of allowance) for doubtful receivables, net		**37**	(8)	**37**	(31)
Gain on disposal of property, plant and equipment		**-**	(1,704)	**-**	(1,701)
Finance income		**(1,115)**	(1,250)	**(2,402)**	(2,414)
Finance costs		**1,444**	963	**2,900**	2,288
Operating cash flows before movements in working capital		**9,452**	10,844	**15,316**	13,922
Development properties less progressive billings receivable		**12,376**	43,084	**6,779**	31,831
Inventories		**494**	(145)	**623**	(642)
Trade and other receivables		**(1,411)**	(13,102)	**683**	2,223
Trade and other payables		**(4,327)**	(8,878)	**(10,503)**	(2,546)
Cash generated from operations		**16,584**	31,803	**12,898**	44,788
Interest received		**525**	500	**1,633**	914
Income tax paid		**(1,829)**	(2,887)	**(2,498)**	(3,815)
Net cash from operating activities		**15,280**	29,416	**12,033**	41,887
INVESTING ACTIVITIES					
Additions to property, plant and equipment		**(111)**	(184)	**(421)**	(193)
Disposal of property, plant and equipment		**-**	2,055	**-**	2,055
Additions to investment properties		**(3,294)**	(1,018)	**(4,522)**	(1,080)
Deposit paid for acquisition of subsidiaries		**-**	(30,050)	**-**	(30,050)
Distribution received from a jointly-controlled company		**2,885**	3,501	**8,670**	3,501
Net cash (used in) / from investing activities		**(520)**	(25,696)	**3,727**	(25,767)
FINANCING ACTIVITIES					
Repayment of finance lease obligations		**-**	(5)	**(2)**	(11)
Proceeds from loans and borrowings		**-**	49,000	**15,000**	50,000
Repayment of loans and borrowings		**(270)**	(321)	**(16,108)**	(628)
Interest paid		**(3,730)**	(2,246)	**(7,175)**	(4,481)
Bank deposits pledged as securities for bank facilities		**(784)**	(56,482)	**(1,043)**	(62,558)
Dividends paid to shareholders		**(4,794)**	(2,161)	**(4,794)**	(2,161)
Distribution paid to non-controlling interests		**-**	-	**-**	(3,603)
Net cash used in financing activities		**(9,578)**	(12,215)	**(14,122)**	(23,442)
Net increase / (decrease) in cash and cash equivalents		**5,182**	(8,495)	**1,638**	(7,322)
Cash and cash equivalents:					
At the beginning of the period		**208,507**	210,317	**212,626**	207,077
Foreign currency translation adjustments		**(296)**	2,874	**(871)**	4,941
At the end of the period	(ac)	**213,393**	204,696	**213,393**	204,696

Explanatory notes

(ac) Cash and cash equivalents

Fixed deposits and bank balances of $62.8 million held by banks as security for credit facilities in China and Singapore were excluded from the cash and cash equivalents at 30 June 2014 (30 June 2013: $67.1 million).

		Group	
	Note	30.06.14 $'000	30.06.13 $'000
Cash and cash equivalents per consolidated statement of cash flows			
Cash and bank balances (as per statement of financial position)	(n)	**276,190**	271,841
Less:			
Encumbered fixed deposit and bank balances		**(62,797)**	(67,145)
		213,393	204,696

As at 30 June 2014, the Group had cash placed with banks in China amounting to $82.8 million (30 June 2013: $87.8 million); of which, $60.1 million (30 June 2013: $62.4 million) was pledged to a bank as security for banking facilities in Singapore. The repatriation of cash from China to Singapore is subject to the Foreign Exchange Control Regulations in China.

(ad) Free cash flow

	Group Second Quarter		Group First Half	
	30.06.14 $'000	30.06.13 $'000	30.06.14 $'000	30.06.13 $'000
Net cash from operating activities	**15,280**	29,416	**12,033**	41,887
Net cash (used in) / from investing activities	**(520)**	(25,696)	**3,727**	(25,767)
Free cash inflow for the period	**14,760**	3,720	**15,760**	16,120

^ Free cashflow = operating cash flow + investing cash flow

There were lower cash inflows from operating activities in 1H2014 compared to 1H2013 as the percentage of construction claims relating to the development properties during 1H2014 was lower than the 20% initial payment made by the purchasers under the sales and purchase agreements in 1H2013.

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
2014								
At 1 January 2014	**168,190**	**76,909**	**(11,384)**	**99,381**	**416,585**	**749,681**	**9,524**	**759,205**
Total comprehensive income for the period								
Profit for the period	**-**	**-**	**-**	**-**	**19,299**	**19,299**	**195**	**19,494**
Other comprehensive income / (loss), net of tax	**-**	**-**	**327**	**1,084**	**-**	**1,411**	**(58)**	**1,353**
	-	**-**	**327**	**1,084**	**19,299**	**20,710**	**137**	**20,847**
Transaction with owners, recognised directly in equity								
Issue of shares under the Scrip Dividend Scheme	**1,070**	**-**	**-**	**-**	**-**	**1,070**	**-**	**1,070**
Dividend paid to shareholders								
- Cash	**-**	**-**	**-**	**-**	**(4,794)**	**(4,794)**	**-**	**(4,794)**
- Share	**-**	**-**	**-**	**-**	**(1,070)**	**(1,070)**	**-**	**(1,070)**
At 30 June 2014	**169,260**	**76,909**	**(11,057)**	**100,465**	**430,020**	**765,597**	**9,661**	**775,258**
2013								
At 1 January 2013	164,545	77,573	(2,214)	96,775	370,950	707,629	12,932	720,561
Total comprehensive income for the period								
Profit for the period	-	-	-	-	20,944	20,944	870	21,814
Other comprehensive (loss) / income, net of tax	-	(154)	(2,718)	773	154	(1,945)	165	(1,780)
	-	(154)	(2,718)	773	21,098	18,999	1,035	20,034
Transaction with owners, recognised directly in equity								
Transfer from revenue reserve to other capital reserves	-	-	-	389	(389)	-	-	-
Issue of shares under the Scrip Dividend Scheme	3,645	-	-	-	-	3,645	-	3,645
Dividend paid to shareholders								
- Cash	-	-	-	-	(2,161)	(2,161)	-	(2,161)
- Share	-	-	-	-	(3,645)	(3,645)	-	(3,645)
Dividend to non-controlling interests	-	-	-	-	-	-	(3,600)	(3,600)
At 30 June 2013	**168,190**	**77,419**	**(4,932)**	**97,937**	**385,853**	**724,467**	**10,367**	**734,834**

The Company

	Share capital	Other capital reserve	Revenue reserve	Total equity
	$'000	$'000	$'000	$'000
2014				
At 1 January 2014	**168,190**	**101,264**	**273,221**	**542,675**
Total comprehensive loss for the period	**-**	**-**	**(294)**	**(294)**
Issue of shares under the Scrip Dividend Scheme	**1,070**	**-**	**-**	**1,070**
Dividend paid to shareholders				
- Cash	**-**	**-**	**(4,794)**	**(4,794)**
- Share	**-**	**-**	**(1,070)**	**(1,070)**
At 30 June 2014	**169,260**	**101,264**	**267,063**	**537,587**
2013				
At 1 January 2013	164,545	101,264	190,648	456,457
Total comprehensive income for the period	-	-	1,065	1,065
Issue of shares under the Scrip Dividend Scheme	3,645	-	-	3,645
Dividend paid to shareholders				
- Cash	-	-	(2,161)	(2,161)
- Share	-	-	(3,645)	(3,645)
At 30 June 2013	**168,190**	**101,264**	**185,907**	**455,361**

6. SHARE CAPITAL

Share Capital
Total number of issued ordinary shares as at 30 June 2014 was 1,176,155,916 as compared to 1,172,739,606 as at 31 December 2013. The increase represented 3,416,310 new shares allotted and issued on 25 June 2014 at an issue price of $0.313 per share to eligible shareholders who have elected to participate in the Company's Scrip Dividend Scheme in respect of the first and final tax exempted one-tier ordinary dividend of 0.5 cent per share for the financial year ended 31 December 2013 (the "FY2013 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 31 March 2014, being the end of the preceding period reported on. There were no outstanding convertibles for which shares may be issued.

Treasury Shares
The Company did not hold any treasury shares as at 30 June 2014 and as at 31 December 2013, the end of the corresponding period of the immediate preceding year. There were also no sales, transfers, disposal, cancellation and / or use of treasury shares during 1H2014 and FY2013.

7. AUDIT

The financial statements have not been audited nor reviewed by the Company's external auditors.

8. AUDITORS' REPORT

Not applicable.

9. BASIS OF PREPARATION

The financial statements are prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") and are on historical cost basis except for the revaluation of certain non-current assets and financial instruments that have been measured at their fair values and amortised costs respectively.

10. ACCOUNTING POLICIES

Except as disclosed in Item 11 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those of the audited financial statements for the financial year ended 31 December 2013.

11. CHANGES IN ACCOUNTING POLICIES

In the current financial period, the Group adopted all the new and revised FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014. The adoption of these new or revised FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods / years.

12. EARNINGS PER ORDINARY SHARE

	Group Second Quarter		Group First Half	
	30.06.14	**30.06.13**	**30.06.14**	**30.06.13**
(a) Earnings per ordinary share based on the weighted average number of ordinary shares in issue (in cents):				
Excluding fair value adjustments	**1.0**	1.3	**1.7**	1.8
Including fair value adjustments	**1.0**	1.3	**1.6**	1.8
Weighted average number of ordinary shares in issue (in millions)	**1,173.0**	1,162.7	**1,172.9**	1,162.0
(b) Earnings per ordinary share based on fully diluted basis (in cents)				
Excluding fair value adjustments	**1.0**	1.3	**1.7**	1.8
Including fair value adjustments	**1.0**	1.3	**1.6**	1.8
Adjusted weighted average number of ordinary shares (in millions)	**1,173.0**	1,162.7	**1,172.9**	1,162.0

There were no outstanding dilutive potential ordinary shares; 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	
	30.06.14	**31.12.13**	**30.06.14**	**31.12.13**
Net asset value per ordinary share (in cents)	**65.1**	63.9	**45.7**	46.3
Total number of issued shares as on the date (in millions)	**1,176.2**	1,172.7	**1,176.2**	1,172.7

14. REVIEW OF GROUP PERFORMANCE

Overview

Despite the property cooling measures in Singapore, the Group continues to recognise revenue and profit from development properties already sold based on percentage of completion method.

For the second quarter ended 30 June 2014, the Group recorded revenue of $81.6 million; this brought the first half year 2014 revenue to $142.9 million. Profit after tax for the quarter amounted to $11.7 million; first half year was $19.5 million. Earnings per share were 1.0 cent for the quarter and 1.6 cents for the first half year; down from 1.3 cents and 1.8 cents respectively a year earlier. However, net asset value per share rose to 65.1 cents at 30 June 2014, up from 63.9 cents at the previous year-end.

Financial Performance

For the half year, Group revenue of $142.9 million was 22% lower than the same period in 2013 due to lower sales in Property and Industrial Services. For Property, lower revenue was due to lower sales from development properties. As compared to last year same period, progressive revenue recognition for, instead of sales of, units already sold at Seletar Park Residence and Sennett Residence formed the bulk of the revenue in the current period; in addition to rental income from Robinson Point.

As a result, gross profit decreased by 22% to $24.3 million, and distribution costs reduced by 74% to $2.5 million. Administrative expenses remained relatively unchanged at $7.3 million. The Group's associates and jointly-controlled company contributed a share of profit before fair value adjustments of $9.1 million, down 9% from last year due to lower contribution from GulTech mitigated partly by higher contribution from GHG.

Finance income of $2.4 million and finance costs of $2.9 million were reported, as compared to finance income of $2.4 million and finance costs of $2.3 million a year earlier. Separately, there was a net fair value loss of $0.5 million reported in the current period, as compared to a net fair value gain of $0.3 million a year ago.

Overall, profit after tax decreased by 11% to $19.5 million. After deducting non-controlling interests, the Group recorded a net profit attributable to shareholders of $19.3 million, as compared to $20.9 million reported in the first half of previous year.

Financial Position

Group total assets of $1,790.1 million represented a marginal increase from the previous year-end due to development costs capitalised and higher carrying amount of investments in GHG and GulTech, offset by progressive billings for development properties. Group total liabilities of $1,014.8 million represented a marginal decrease from the previous year-end due mainly to lower level of trade and other payables.

Total borrowings edged down by $0.9 million to $916.8 million, whereas cash and bank balances decreased by $0.7 million to $276.2 million. Consequently, the Group's net borrowings reduced slightly by $0.2 million to $640.6 million, as compared to $640.8 million at the previous year-end. Gross gearing ratio reduced to 1.18 times, and net gearing ratio decreased to 0.83 times.

Shareholders' funds grew 2% over the six-month period or by $15.9 million to $765.6 million at end June 2014. The increase reflected profit recognised, Australian dollar translation gain, and share of other comprehensive income of GHG. The impact was offset partially by the Company's payment of dividend to shareholders, net of new shares issued under the Tuan Sing Scrip Dividend Scheme.

Accordingly, 3.4 million new shares were issued and the Company's share capital increased by $1.1 million.

Cash Flow

Net cash from operating activities was $12.0 million for the first half 2014, attributable to operating profit, progressive billings for development properties, receipt of interest income less payment of income tax. For comparison, net cash of $41.9 million was generated for the corresponding period last year attributable mainly to higher level (20%) of sales proceeds received from development properties upon signing of the sale and purchase agreements.

Net cash from investing activities was $3.7 million. The Group received $8.7 million distribution from GHG, but paid $4.5 million on the Robinson Tower redevelopment and $0.4 million on other capital expenditure projects. In contrast, net cash of $25.8 million was used in the corresponding period last year due largely to the payment of deposit relating to the acquisition of Robinson Point.

Financing activities accounted for a net cash outflow of $14.1 million due mainly to a net loan repayment, payment of interest expense and dividend paid to shareholders. For comparison, a net cash outflow of $23.4 million was reported in the same period last year due mainly to the pledging of fixed deposits in China for banking facilities in Singapore, payment of interest, dividend but offset by a net loan drawdown.

Overall, cash and cash equivalents increased to $213.4 million at 30 June 2014 from $212.6 million at the previous year-end. Free cash flow of $15.8 million was generated in the first half 2014.

15. REVIEW OF SEGMENT PERFORMANCE

Property

For the first half year, Property revenue declined 19% to $74.2 million, but profit after tax increased 8% to $13.7 million as compared to the same period last year. The current period revenue and profit were derived mainly from the progressive recognition based on percentage of construction completion on units sold at Seletar Park Residence and Sennett Residence, as well as the initial recognition of new bookings at Cluny Park Residence.

Revenue from investment properties grew 61% to $8.2 million as rental income from Robinson Point has commenced since October 2013. Overall, Property contributed 52% of the Group's total revenue and 70% of the Group's total profit after tax for the period.

Hotels Investment

GHG's net property income increased by 3% to A$20.6 million on account of higher contribution from Grand Hyatt Melbourne but offset by lower contribution from Hyatt Regency Perth. The combined hotel Revenue Per Available Room ("RevPar") for the two hotels was up by 1% year-on-year on account of higher average rate notwithstanding lower occupancy rate. Rental income from non-hotel properties increased by 2% and interest expenses dropped by 2% as compared to the corresponding period last year.

Including a fair value gain on interest rate hedging, net profit reported by GHG increased by 31% to A$5.8 million. Consequently, the Group's share of GHG's profit and fair value gain increased to S$3.3 million, from S$2.8 million a year earlier. After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed a profit after tax of S$2.1 million, up 79% from S$1.2 million posted a year ago.

Industrial Services

For the first half year, Industrial Services reported revenue of $69.0 million and profit after tax of $0.8 million. In comparison, revenue of $91.3 million and profit after tax of $1.4 million were reported in the previous corresponding period. Revenue from SP Corp fell by 25% to $64.5 million due to lower tyre distribution and commodities trading activities. As a result, SP Corp's profit after tax dipped to $1.0 million, from $1.4 million a year earlier.

Other Investments

GulTech reported a 5% increase in revenue to US$134.1 million. However, profit after tax dropped by 25% to US$17.9 million due mainly to non-cash fair value losses on exchange rate hedging. Consequently, GulTech's net profit attributable to shareholders declined to US$9.6 million from US$13.4 million a year ago. This translated into a lower share of profit (including fair value loss) of S$5.3 million for the Group.

16. VARIANCE FROM PROSPECT STATEMENT

Not applicable.

17. OUTLOOK

While property cooling measures in Singapore and China had affected market sentiments, the Group will continue to strengthen its property portfolio and grow strong, related and resilient businesses. The Group will also explore opportunities in the region.

For development properties in Singapore, the Group had secured total order book of $749.5 million on Seletar Park Residence, Sennett Residence and Cluny Park Residence as at end-June 2014. The progress of construction work has been generally on track and this would enable revenue and profits from the projects to be progressively recognised, which in turn would form the bulk of the revenue and profit for the current year and in 2015. Temporary Occupation Permit for the Seletar Park Residence is expected to be in 1Q2015 and Sennett Residence by end of 2015.

For investment properties, the redevelopment of Robinson Tower site is on-going. The proposed redevelopment shall comprise a 28-storey commercial building with 1-level sky terrace, retail podium and 6-level of fully automatic mechanised basement carpark. It would be a platform for future growth of the Group's investment property contributing steady recurring income upon its completion in the year 2016/17.

In China, the Group tendered successfully the third plot of residential-cum-commercial land of approximately 60,000 sq. m. in Jiaozhou, Qingdao. Together with the two existing and abutting plots, the site is currently about 179,400 sq. m. in size. In Australia, the Group is negotiating the acquisition of the remaining 50% stake in GHG.

For Other Investments, GulTech's third plant, in Wuxi, has commenced construction. When completed, it will add additional capacity to meet growing customers demand. GulTech is expected to achieve satisfactory performance for the year.

Barring unforeseen circumstances, the Group is optimistic of achieving better operational performance before fair value adjustments for the year 2014, as compared to 2013.

18. BUSINESS DYNAMIC AND RISK FACTORS STATEMENT

The risks identified by the Group vary widely and a number of them are beyond the control of the Board and the management. The Group believes that its commitment to maintaining the group-wide Enterprise Risk Management (ERM) system has enhanced its operational resilience and ensured that it is well-placed to sustain earnings and drive long-term increase in shareholder value.

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

Strategic Risk

- The Group may not be able to successfully implement its business strategy due to limited opportunities, foreign ownership restrictions, government policies, political considerations or specific preference of sellers
- The Group's operations are subject to country-specific risks, including political, regulatory, economic and currency risks
- Regulatory issues and changes in law may have an adverse impact on the Group's businesses
- 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 property business is exposed to inherent construction and property development risks
- The Group's property and hotels investment businesses are capital intensive and rely on the availability of a sizable quantum of external funding
- The Group may face reputation risk arising from negative publicity over adverse happenings or events

Operational Risk

- The Group is exposed to alliance risk due to possible conflict of interests between the Group and its business associates or joint venture partners
- The Group relies on third-party contractors for various services and there is no assurance that the services rendered by such third-parties will match the quality and timing the Group requires
- The Group is exposed to efficiency risk arising from inefficient operations
- The Group may incur additional cost or liability arising from climatic and environmental issues
- Unexpected loss of key personnel or a failure in the execution of succession plans may jeopardise the successful implementation of business plans
- The Group may encounter vendors whose services are not satisfactory or match the quality level required
- The Group is exposed to work health and safety risks arising from process incidents, pandemics, general operational hazards
- The Group is subject to operational risks that may not be insurable or risk of having insufficient insurance coverage

Financial Risk

- The Group is exposed to volatility in the underlying market factors such as interest rates, foreign exchange and equity prices
- The Group is exposed to interest rate and foreign exchange risks arising from its operations and use of financial instruments
- The Group is exposed to liquidity risks arising mainly from bank borrowings
- The Group is exposed to risk of policy changes which may render its capital structure ineffective or inefficient
- The Group faces credit risks when counterparties default on their contractual obligations resulting in financial loss to the Group
- The Group is exposed to risks associated with the utilisation of derivative financial instruments
- The Group is subject to tax exposure in foreign jurisdictions in which the tax regulations are complex and subject to changes at short notice

- The Group's investment value may fluctuate due to changes in the economic conditions

Compliance Risk
- The Group may be held responsible for any liabilities arising as a result of non-compliance with laws and regulations, prescribed practices or ethical standards
- The Group may be exposed to the risk of inappropriate documentation of contractual relationships
- The Group may face compliance risk as its internal control systems and related framework may not be kept up-to-date in this dynamic business environment

The Group takes proactive measures to manage the risks arising from its existing and growing businesses, as well as from the constantly changing business environment. Despite best efforts, the Group recognises that risks can never be entirely eliminated, especially in an evolving landscape of uncertainties and vulnerabilities. Moreover, the cost of minimising these risks may also outweigh potential benefits.

For the period under review, the Group is satisfied that there were no risks that could threaten the ability of the Group to continue as a going concern.

19. DIVIDEND

(a) Current financial period reported on

No dividend has been recommended or declared for the second quarter and half year ended 30 June 2014.

(b) Corresponding period of the immediately preceding financial year

No dividend was declared for the second quarter and half year ended 30 June 2013, being the corresponding period of the immediately preceding year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

20. SEGMENTAL ANALYSIS

For management purpose, the Group is organised into strategic business units based on its 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 and property consultancy services.
Hotels Investment	Investment in 5-star hotels through GHG, a jointly-controlled company in Australia.
Industrial Services	Trading and marketing of selected 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
1H2014							
Revenue							
External revenue	**73,831**	**@**	**68,953**	**@**	**90**	**-**	**142,874**
Inter-segment revenue	**404**	**-**	**-**	**-**	**3,958**	**(4,362)**	**-**
	74,235	**-**	**68,953**	**-**	**4,048**	**(4,362)**	**142,874**
Results							
Gross profit	**19,423**	**-**	**3,902**	**-**	**700**	**261**	**24,286**
Other operating income	**496**	**131**	**161**	**-**	**39**	**(11)**	**816**
Distribution costs	**(1,205)**	**-**	**(1,302)**	**-**	**-**	**-**	**(2,507)**
Administrative expenses	**(1,862)**	**(94)**	**(2,026)**	**(2)**	**(1,020)**	**(2,322)**	**(7,326)**
Other operating expenses	**(150)**	**(53)**	**(136)**	**(37)**	**(14)**	**-**	**(390)**
Share of results of equity accounted investees	**-**	**3,011**	**-**	**6,051**	**-**	**-**	**9,062**
Finance income	**2,548**	**54**	**352**	**55**	**-**	**(607)**	**2,402**
Finance costs	**(2,894)**	**(608)**	**(5)**	**-**	**-**	**607**	**(2,900)**
Profit before tax and fair value adjustments	**16,356**	**2,441**	**946**	**6,067**	**(295)**	**(2,072)**	**23,443**
Fair value adjustments	**-**	**302**	**-**	**(766)**	**-**	**-**	**(464)**
Profit before tax	**16,356**	**2,743**	**946**	**5,301**	**(295)**	**(2,072)**	**22,979**
Income tax expenses	**(2,677)**	**(683)**	**(122)**	**(3)**	**-**	**-**	**(3,485)**
Profit for the period	**13,679**	**2,060**	**824**	**5,298**	**(295)**	**(2,072)**	**19,494**
Profit attributable to:							
Owners of the Company	**13,682**	**2,060**	**626**	**5,298**	**(295)**	**(2,072)**	**19,299**
Non-controlling interests	**(3)**	**-**	**198**	**-**	**-**	**-**	**195**
Profit for the period	**13,679**	**2,060**	**824**	**5,298**	**(295)**	**(2,072)**	**19,494**
1H2013							
Revenue							
External revenue	91,477	@	91,251	@	92	-	182,820
Inter-segment revenue	576	-	-	-	12,261	(12,837)	-
	92,053	-	91,251	-	12,353	(12,837)	182,820
							-
Results							
Gross profit	25,429	-	5,140	-	9,549	(8,951)	31,167
Other operating income	3,096	105	207	-	30	(12)	3,426
Distribution costs	(8,323)	-	(1,370)	-	-	-	(9,693)
Administrative expenses	(3,708)	(47)	(2,447)	(2)	(1,701)	547	(7,358)
Other operating expenses	(1,823)	(310)	(106)	-	(6,821)	6,820	(2,240)
Share of results of equity accounted investees	-	2,784	-	7,160	-	-	9,944
Finance income	2,709	20	276	55	-	(646)	2,414
Finance costs	(2,297)	(639)	-	-	-	648	(2,288)
Profit before tax and fair value adjustments	15,083	1,913	1,700	7,213	1,057	(1,594)	25,372
Fair value adjustments	311	4	-	-	-	-	315
Profit before tax	15,394	1,917	1,700	7,213	1,057	(1,594)	25,687
Income tax (expenses) / write-back	(2,773)	(765)	(341)	(2)	8	-	(3,873)
Profit for the period	12,621	1,152	1,359	7,211	1,065	(1,594)	21,814
Profit attributable to:							
Owners of the Company	12,035	1,152	1,075	7,211	1,065	(1,594)	20,944
Non-controlling interests	586	-	284	-	-	-	870
Profit for the period	12,621	1,152	1,359	7,211	1,065	(1,594)	21,814

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

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
30.06.14						
Assets						
Segment assets	**1,494,260**	**8,822**	**71,206**	**26**	**755**	**1,575,069**
Investment in equity accounted investees	**-**	**162,116**	**-**	**52,892**	**-**	**215,008**
Total assets	**1,494,260**	**170,938**	**71,206**	**52,918**	**755**	**1,790,077**
Liabilities						
Segment liabilities	**(48,736)**	**(49)**	**(18,004)**	**(34)**	**(1,107)**	**(67,930)**
Loan and borrowings	**(916,803)**	**-**	**-**	**-**	**-**	**(916,803)**
Current and deferred tax liabilities	**(7,216)**	**(22,046)**	**(595)**	**(32)**	**(197)**	**(30,086)**
Total liabilities	**(972,755)**	**(22,095)**	**(18,599)**	**(66)**	**(1,304)**	**(1,014,819)**
Net assets	**521,505**	**148,843**	**52,607**	**52,852**	**(549)**	**775,258**
31.12.13						
Assets						
Segment assets	1,494,489	3	79,778	36	846	1,575,152
Investment in equity accounted investees	-	159,655	-	48,504	-	208,159
Total assets	1,494,489	159,658	79,778	48,540	846	1,783,311
Liabilities						
Segment liabilities	(51,766)	(299)	(26,956)	(35)	(619)	(79,675)
Loan and borrowings	(917,656)	-	-	-	-	(917,656)
Current and deferred tax liabilities	(5,315)	(20,413)	(711)	(32)	(304)	(26,775)
Total liabilities	(974,737)	(20,712)	(27,667)	(67)	(923)	(1,024,106)
Net assets	519,752	138,946	52,111	48,473	(77)	759,205

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

In the opinion of the Directors, no factor has arisen between 1 July 2014 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 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 second quarter and half year ended 30 June 2014 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

Mary Goh Swon Ping
Group Company Secretary
30 July 2014