IMPORTANT NOTICE

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

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

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the notes, investors must not be (i) a U.S. person (within the meaning of Regulation S under the Securities Act (as defined below)) or (ii) located within the United States ("**U.S.**"). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") nor are you acting on behalf of a U.S. person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the notes described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting the e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**")) under Section 274 of the SFA, a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or a person to whom an offer is being made pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, and (B) agree to be bound by the limitations and restrictions described therein. Any reference to the "SFA" is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

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

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

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

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

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

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

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

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

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

Tuan Sing Holdings Limited

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

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

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by Tuan Sing Holdings Limited (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, 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 or securities-based derivatives contracts (each term as defined in Section 2(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, 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 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

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, opinions expressed, or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Notes.

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

Joint Arrangers

DBS UOB

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NOTICE

DBS Bank Ltd. and United Overseas Bank Limited (together, the "**Arrangers**") have been authorised by the Issuer to arrange the Programme described herein. United Overseas Bank Limited has been appointed pursuant to the Amendment and Restatement Programme Agreement (as defined herein) by the Issuer as a joint arranger of the Programme. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in Singapore dollars and/or any other currencies.

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

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

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

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

The Notes have not been, and will not be, registered under the Securities Act (as defined herein) 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 and restrictions. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

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

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

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

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

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

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

In connection with the issue of any tranche or series of Notes, one or more Dealer(s) named as stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant series of Notes is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant series of Notes and 60 days after the date of the allotment of the relevant series of Notes. Any stabilisation action will be conducted in accordance with the law.

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

Copies of the most recent published audited consolidated financial statements of the Issuer are available on the website of the SGX-ST at www.sgx.com.

Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein).

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

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

The distribution of this Information Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions. The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section "Subscription, Purchase and Distribution" on pages 135 to 141 of this Information Memorandum.

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

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

Prospective investors should pay attention to the risk factors set out in the section on "Risk Factors".

Notification under Section 309B of the SFA

Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II PRODUCT GOVERNANCE/TARGET MARKET – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers, the Dealer(s) or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers, the Dealer(s) or any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of

Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NON-SFRS(I) FINANCIAL MEASURES

Adjusted EBIT as presented in this Information Memorandum is a supplemental measure of the performance and liquidity of the Issuer and the Group that is not required by, or presented in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). Adjusted EBIT in this Information Memorandum is based on a measure of the Issuer's and the Group's adjusted profit before interest and taxes, excluding the effects of (i) gain or loss on disposal of subsidiaries, joint venture/associate, investment properties, and property, plant and equipment, (ii) fair value gain or loss on investment properties and derivative financial instruments, (iii) revaluation deficit on property, plant and equipment, (iv) impairment/writeback of impairment on investment in joint venture/associate and property, plant and equipment and (v) net foreign exchange gain or loss. Adjusted EBIT is not a measurement of financial performance or liquidity under SFRS(I) and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with SFRS(I) or as an alternative to cash flow from operating activities as a measure of liquidity. In addition, Adjusted EBIT is not a standardised term, hence a direct comparison between companies using such terms may not be possible. Adjusted EBIT has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of, the financial condition or results of operations of the Issuer and the Group, as reported under SFRS(I). Because of these limitations, Adjusted EBIT should not be considered as a measure of discretionary cash available to invest in the growth of the Issuer and the Group's business.

FORWARD-LOOKING STATEMENTS

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

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

Some of these factors are discussed in greater detail in this Information Memorandum under, in particular, but not limited to, the section on "Risk Factors".

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

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

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

DEFINITIONS

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

"**18 Robinson**"	:	Collectively, the whole of Lots (i) 167X; (ii) 691X; (iii) 99280A; (iv) 99287W; (v) 99289P; (vi) 616W; (vii) 485M; and (viii) 488P all of Town Subdivision 1, located at 18 Robinson Road, together with the building(s) erected or to be erected thereon.
"**Agency Agreement**"	:	The Agency Agreement dated 18 February 2013 between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, (3) the Agent Bank, as agent bank, and (4) the Trustee, as trustee, as amended and restated by an amendment and restatement agency agreement dated 24 March 2020 made between the same parties and as further amended, varied or supplemented from time to time.
"**Agent Bank**"	:	DBS Bank Ltd.
"**Arrangers**"	:	DBS Bank Ltd. and United Overseas Bank Limited.
"**BCA**"	:	The Building and Construction Authority of Singapore.
"**Board**"	:	The board of directors of the Issuer.
"**Business Day**"	:	In respect of each Note, (1) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (2) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office and (3) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
"**Calypso**"	:	Calypso Construction Management Pte. Ltd.
"**CDP**" or the "**Depository**"	:	The Central Depository (Pte) Limited.
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.

"**Conditions**"	:	In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part II of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Note, by the provisions of such Global Note, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part II of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The interest coupons appertaining to an interest-bearing Definitive Note.
"**CTBUH**"	:	Council on Tall Buildings and Urban Habitat.
"**Dealers**"	:	The persons appointed as dealers under the Programme.
"**Definitive Note**"	:	A definitive Note, in bearer form, being substantially in the form set out in Part I of Schedule 1 to the Trust Deed and having, where appropriate, Coupons attached on issue.
"**Directors**"	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.
"**Euro**"	:	The currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
"**EUWA**"	:	European Union (Withdrawal) Act 2018.
"**FEFB Units**"	:	The strata units (#11-01 and #11-02) of Strata Lot U68P of Town Subdivision 1 with an aggregate strata floor area of approximately 402.0 square metres located at 14 Robinson Road.
"**FY**"	:	Financial year ended or ending 31 December.
"**GFA**"	:	Gross Floor Area.
"**GHG**"	:	Grand Hotel Group.

"**Global Note**"	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons.
"**Group**"	:	The Issuer and its subsidiaries.
"**GulTech**"	:	Gul Technologies Singapore Pte. Ltd.
"**Hyatt International**"	:	Hyatt International Corporation.
"**Hypak**"	:	Hypak Sdn Berhad.
"**Issuer**" or "**Tuan Sing**"	:	Tuan Sing Holdings Limited.
"**Issuing and Paying Agent**"	:	DBS Bank Ltd.
"**ITA**"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
"**Latest Practicable Date**"	:	9 August 2021.
"**LRT**"	:	Light Rail Transit.
"**MAS**"	:	The Monetary Authority of Singapore.
"**MICE**"	:	Meetings, incentives, conventions and exhibitions.
"**MRT**"	:	Mass Rapid Transit.
"**Noteholders**"	:	The holders of the Notes.
"**Notes**"	:	The multicurrency medium term notes of the Issuer issued or to be issued pursuant to the Programme Agreement and constituted by the Trust Deed (and shall, where the context so admits, include the Global Notes and the Definitive Notes).
"**PAM**"	:	Pertubuhan Akitek Malaysia (the Malaysian Institute of Architects).
"**Pan-West**"	:	Pan-West (Private) Limited.
"**PCB**"	:	Printed circuit board.
"**Permanent Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note, being substantially in the form set out in Schedule 3 to the Trust Deed.

“**Pricing Supplement**”	:	In relation to any Tranche or Series, a pricing supplement supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series, substantially in the form of Appendix 2 to the Programme Agreement.
“**Programme**”	:	The S$900,000,000 Multicurrency Medium Term Note Programme established by the Issuer pursuant to the Programme Agreement.
“**Programme Agreement**”	:	The Programme Agreement dated 18 February 2013 made between (1) the Issuer, as issuer, (2) DBS Bank Ltd., as arranger, and (3) DBS Bank Ltd., as dealer, as supplemented by a supplemental programme agreement dated 12 May 2017 made between the same parties and as amended and restated by an amendment and restatement programme agreement dated 24 March 2020 made between (1) the Issuer, as issuer, (2) the Arrangers, as arrangers, and (3) DBS Bank Ltd. and United Overseas Bank Limited, as dealers, and as further amended, varied or supplemented from time to time.
“**RevPAR**”	:	Revenue per available room.
“**Securities Act**”	:	Securities Act of 1933 of the United States, as amended or modified from time to time.
“**Series**”	:	(1) (in relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
“**SFA**”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
“**SGX-ST**”	:	Singapore Exchange Securities Trading Limited.
“**Shares**”	:	Ordinary shares in the capital of the Issuer.
“**SIA**”	:	Singapore Institute of Architects.
“**SP Corp**”	:	SP Corporation Limited.
“**SSRE**”	:	Sanya Summer Real Estate Co Ltd.
“**subsidiary**”	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).

"**TARGET System**"	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
"**Temporary Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 to the Trust Deed.
"**TOP**"	:	Temporary Occupation Permit.
"**Tranche**"	:	Notes which are identical in all respects (including as to listing).
"**Trust Deed**"	:	The trust deed dated 18 February 2013 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as supplemented by a supplemental trust deed dated 3 July 2013 and a second supplemental trust deed dated 12 May 2017, as amended and restated by an amendment and restatement trust deed dated 24 March 2020 and as supplemented by a fourth supplemental trust deed dated 18 August 2021, in each case, made between the same parties, and as further amended, varied or supplemented from time to time.
"**Trustee**"	:	DBS Trustee Limited.
"**United States**" or "**U.S.**"	:	United States of America.
"**A$**" or "**AUD**"	:	The lawful currency of the Commonwealth of Australia.
"**IDR**"	:	The lawful currency of the Republic of Indonesia.
"**MYR**"	:	The lawful currency of Malaysia.
"**Renminbi**" or "**RMB**"	:	The lawful currency of the People's Republic of China.
"**S$**" and "**cents**"	:	The lawful currency of the Republic of Singapore.
"**US$**" or "**US dollars**" or "**USD**"	:	The lawful currency of the United States of America.
"**%**" or "**per cent.**"	:	Per centum.

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

CORPORATE INFORMATION

Issuer	:	Tuan Sing Holdings Limited
Board of Directors	:	Mr Richard Eu Yee Ming Mr William Nursalim alias William Liem Mr Cheng Hong Kok Ms Michelle Liem Mei Fung Mr Ooi Joon Hin
Company Secretaries	:	Ms Ding Tsui Eng, Florence Ms Tan Sock Kiang
Registered Office	:	9 Oxley Rise #03-02 The Oxley Singapore 238697
Auditors to the Issuer	:	Deloitte & Touche LLP 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809
Arrangers of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982 United Overseas Bank Limited 80 Raffles Place #03-01 UOB Plaza 1 Singapore 048624
Legal Advisers to the Arrangers	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer	:	Drew & Napier LLC 10 Collyer Quay #10-01 Ocean Financial Centre Singapore 049315
Legal Advisers to the Trustee, the Issuing and Paying Agent and the Agent Bank	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Issuing and Paying Agent and Agent Bank	:	DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) DBS Asia Gateway Singapore 608838
Trustee for the Noteholders	:	DBS Trustee Limited 12 Marina Boulevard, Level 44 Marina Bay Financial Centre Tower 3 Singapore 018982

SUMMARY OF THE PROGRAMME

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

Issuer	:	Tuan Sing Holdings Limited.
Arrangers	:	DBS Bank Ltd. and United Overseas Bank Limited.
Dealers	:	DBS Bank Ltd., United Overseas Bank Limited and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DBS Trustee Limited.
Issuing and Paying Agent	:	DBS Bank Ltd.
Description	:	S$900,000,000 Multicurrency Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding at any time shall be S$900,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the terms of the Programme Agreement.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Purpose	:	Net proceeds arising from the issue of the Notes under the Programme (after deducting issue expenses) will be used for property development and investment, refinancing of indebtedness, as well as for general corporate purposes of the Issuer and/or its subsidiaries, including financing acquisitions, investments and/or asset enhancement works, and general working capital requirements of the Issuer and/or its subsidiaries.
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.

Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ Swap Rate (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ Swap Rate (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).

Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	:	The Notes will be issued in bearer form only and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or Definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein.
Custody of the Notes	:	Notes which are to be listed on the SGX-ST may be cleared through CDP. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.
Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Optional Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.

Redemption at the Option of Noteholders upon Change of Shareholding Event	:	If, for any reason, a Change of Shareholding Event occurs, the Issuer will within seven days of such occurrence give notice to the Noteholders of the occurrence of such event (the "**Notice**") and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Issuing and Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable), no later than 30 days from the date of the Notice. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. For the purposes of this paragraph: (a) a "**Change of Shareholding Event**" occurs when Ms Michelle Liem Mei Fung, Mr William Nursalim alias William Liem and Mr Tan Enk Ee and their respective Immediate Family Members cease to own in aggregate (whether directly or indirectly) at least 40 per cent. of the issued share capital of the Issuer; and (b) "**Immediate Family Members**" means the father, mother, siblings, spouse, son(s) and daughter(s).
Redemption at the Option of Noteholders upon Cessation or Suspension of Trading of Shares	:	In the event that (a) the shares of the Issuer cease to be traded on the SGX-ST or (b) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than 14 days (other than by reason of holiday, statutory or otherwise), the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 30 days after (in the case of (a)) the date of cessation of trading or (in the case of (b)) the business day immediately following the expiry of such continuous period of 14 days.
Negative Pledge	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, save for: (a) liens or rights of set-off arising in the ordinary course of business or by operation of law (or by an agreement evidencing the same);

(b) any security over any of its assets provided that the aggregate principal amount of indebtedness secured by the security over such asset shall not at any time exceed 80 per cent. of the current market value of such asset at the time of the creation of the security (as shown in the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee);

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

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

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

Non-Disposal Covenant	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 15.28 of the Trust Deed, is substantial in relation to its assets, or those of itself and its Principal Subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on it. The following disposals shall not be taken into account under Clause 15.28 of the Trust Deed:

(a) disposals in the ordinary course of business on arm's length and normal commercial terms;

(b) any disposal of assets which (1) either alone or when aggregated with all other disposals required to be taken into account under Clause 15.28.2 of the Trust Deed does not exceed 15 per cent. of the total assets of the Group (as shown by the most recent audited financial statements of the Group delivered by the Issuer to the Trustee pursuant to Clause 15.5 of the Trust Deed), (2) is made on an arm's length basis and on normal commercial terms and (3) does not have a material adverse effect on the Group;

(c) disposals pursuant to any solvent internal reorganisation or solvent restructuring exercise provided that the assets remain within the Group;

(d) any disposal of assets to any real estate investment trust, business trust, property fund or other entity or vehicle in which the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 40 per cent. of the interests, units or, as the case may be, shares of such real estate investment trust, business trust, property fund, entity or vehicle;

(e) any disposal of assets which are obsolete, excess or no longer required for the purpose of its business on an arm's length basis and on normal commercial terms; and

(f) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

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

(a) the Consolidated Tangible Net Worth shall not at any time be less than S$800,000,000; and

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

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

Events of Default : See Condition 9 of the Notes.

Taxation : All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Singapore Taxation" herein.

Listing	:	Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 or its equivalent in foreign currencies.
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law and Jurisdiction	:	The Programme and any Notes issued under the Programme are governed by, and shall be construed in accordance with, the laws of Singapore. The courts of Singapore are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Programme and any Notes issued under the Programme.

TERMS AND CONDITIONS OF THE NOTES

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

The Notes are constituted by a Trust Deed dated 18 February 2013 made between (1) Tuan Sing Holdings Limited (the "**Issuer**") and (2) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below) (as amended and supplemented by a supplemental trust deed dated 3 July 2013 and a second supplemental trust deed dated 12 May 2017, as further amended and restated by an amendment and restatement trust deed dated 24 March 2020, and as supplemented by a fourth supplemental trust deed dated 18 August 2021, in each case, made between the parties to the Trust Deed and as further amended, restated and supplemented, the "**Trust Deed**"), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended and supplemented, the "**Deed of Covenant**") dated 18 February 2013, relating to the Notes executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes and Coupons referred to below. The Issuer has entered into an Agency Agreement dated 18 February 2013 made between (1) the Issuer, as issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**") and agent bank (in such capacity, the "**Agent Bank**"), and (3) the Trustee, as trustee (as amended and restated by an amendment and restatement agency agreement dated 24 March 2020 made between the same parties and as further amended, restated and supplemented, the "**Agency Agreement**"). The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

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

1. Form, Denomination and Title

(a) Form and Denomination

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

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

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

(b) Title

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

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

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

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

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

2. Status

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

3. Negative Pledge, Financial Covenants and Disposals

(a) Negative Pledge

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

(i) liens or rights of set-off arising in the ordinary course of business or by operation of law (or by an agreement evidencing the same);

(ii) any security over any of its assets provided that the aggregate principal amount of indebtedness secured by the security over such asset shall not at any time exceed 80 per cent. of the current market value of such asset at the time of the creation of the security (as shown in the most recent valuation report prepared by an independent professional valuer and delivered by the Issuer to the Trustee);

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

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

(b) Financial Covenants

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

(i) the Consolidated Tangible Net Worth shall not at any time be less than S$800,000,000; and

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

For the purposes of these Conditions:

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

(aa) the amount paid up or credited as paid up on the issued share capital of the Issuer; and (bb) the amounts standing to the credit of the capital and revenue reserves (including profit or loss and other comprehensive income) of the Group on a consolidated basis,

all as shown in the then latest audited consolidated statement of financial position of the Group but after:

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

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

(III) deducting:

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

(BB) all goodwill and other intangible assets; and

(CC) any debit balances on consolidated statement of profit or loss and other comprehensive income; and

(IV) excluding any amount attributable to non-controlling interests;

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

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

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

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

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

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

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

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

(c) Disposals

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 15.28 of the Trust Deed, is substantial in relation to its assets, or those of itself and its Principal Subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on it. The following disposals shall not be taken into account under Clause 15.28 of the Trust Deed:

(i) disposals in the ordinary course of business on arm's length and normal commercial terms;

(ii) any disposal of assets which (1) either alone or when aggregated with all other disposals required to be taken into account under Clause 15.28.2 of the Trust Deed does not exceed 15 per cent. of the total assets of the Group (as shown by the most recent audited financial statements of the Group delivered by the Issuer to the Trustee pursuant to Clause 15.5 of the Trust Deed), (2) is made on an arm's length basis and on normal commercial terms and (3) does not have a material adverse effect on the Group;

(iii) disposals pursuant to any solvent internal reorganisation or solvent restructuring exercise provided that the assets remain within the Group;

(iv) any disposal of assets to any real estate investment trust, business trust, property fund or other entity or vehicle in which the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 40 per cent. of the interests, units or, as the case may be, shares of such real estate investment trust, business trust, property fund, entity or vehicle;

(v) any disposal of assets which are obsolete, excess or no longer required for the purpose of its business on an arm's length basis and on normal commercial terms; and

(vi) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

4. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

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

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

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

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount (as defined in Condition 4(II)(d)) for any Fixed Rate Interest Period (as defined below) in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the relevant currency (with halves rounded up).

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

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

(a) Interest Payment Dates

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

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

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

(b) Rate of Interest – Floating Rate Notes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

and as adjusted by the Spread (if any);

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

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

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

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

(c) Rate of Interest – Variable Rate Notes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Definitions

As used in these Conditions:

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

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

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

(b) Fixed Rate Period

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

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

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

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

(c) Floating Rate Period

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

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

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

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

(IV) Zero Coupon Notes

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

(V) Calculations

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

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

(b) Notification

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

(c) Determination or Calculation by the Trustee

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

(d) Agent Bank and Reference Banks

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

(VI) Benchmark Discontinuation and Replacement

(a) Independent Adviser

Notwithstanding the provisions above in this Condition 4, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(VI)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(VI)(c)) and any Benchmark Amendments (in accordance with Condition 4(VI)(d)). An Independent Adviser appointed pursuant to this Condition 4(VI) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Trustee, the Issuing and Paying Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(VI).

If the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours, or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate prior to the relevant Interest Determination Date or Interest Payment Date (as the case may be), the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(VI)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(VI)(c)) and any Benchmark Amendments (in accordance with Condition 4(VI)(d)).

(b) Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) determines that:

(i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(VI)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(VI)); or

(ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(VI)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(VI)).

(c) Adjustment Spread

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(d) Benchmark Adjustments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(VI) and the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) determines (i) that amendments to these Conditions and/or the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(VI)(e), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent of a certificate in English signed by two directors or a director and a duly authorised officer of the Issuer pursuant to Condition 4(VI)(e), the Trustee and (if applicable) the Issuing and Paying Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), provided that neither the Trustee nor the Issuing and Paying Agent shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Issuing and Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(VI). Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee, the Agent Bank or the Issuing and Paying Agent (if required).

In connection with any such variation in accordance with Condition 4(VI)(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(VI) will be notified promptly by the Issuer to the Trustee, the Agent Bank, the Issuing and Paying Agent and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date for such Successor Rate, such Alternative Rate (as the case may be), any related Adjustment Spread and the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent a certificate in English addressed to the Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and signed by two directors or a director and a duly authorised officer of the Issuer:

(i) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate and, (3) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(VI); and

(ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agent Bank, the Issuing and Paying Agent and the Noteholders.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(VI)(a), 4(VI)(b), 4(VI)(c) and 4(VI)(d), the Original Reference Rate and the fallback provisions provided for in Condition 4 will continue to apply unless and until the Agent Bank has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(VI)(e).

(g) Definitions

As used in this Condition 4(VI):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(2) in the case of a Successor Rate for which no such recommendation has been made, or in the case of an Alternative Rate, the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(3) if no such industry standard is recognised or acknowledged, the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) determines to be appropriate;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) determines in accordance with Condition 4(VI)(b) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes;

"**Benchmark Amendments**" has the meaning given to it in Condition 4(VI)(d);

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

(v) it has become unlawful for the Issuing and Paying Agent, the Agent Bank, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 4(VI)(a);

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means the rate that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

5. Redemption and Purchase

(a) Final Redemption

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

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the

Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

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

(c) Purchase at the Option of Noteholders

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

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

(d) Redemption at the Option of the Issuer

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

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

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

(e) Redemption at the Option of Noteholders

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

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

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

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

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

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

(f) Redemption for Taxation Reasons

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

(g) Purchases

The Issuer or any of its related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf of the Issuer and/or any of its related corporations shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

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

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

(h) Early Redemption of Zero Coupon Notes

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

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

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

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

(i) Cancellation

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

6. Payments

(a) Principal and Interest

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

(b) Payments subject to law etc.

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

(c) Appointment of Agents

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

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

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

(d) Unmatured Coupons

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

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

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

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

(e) Non-business days

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

(f) Default Interest

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

7. Taxation

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

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

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

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

8. **Prescription**

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

9. **Events of Default**

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

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

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents or any of the Notes and, if that default is capable of remedy, it is not remedied within 30 days of the earlier of (i) the Trustee giving written notice of the failure to perform or comply to the Issuer and (ii) the Issuer becoming aware of the failure to perform or comply;

(c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and, if the event resulting in such non-compliance or incorrect representation, warranty or statement is capable of remedy, it is not remedied within 30 days of the earlier of (i) the Trustee giving written notice of such non-compliance or incorrect representation, warranty or statement and (ii) the Issuer becoming aware of such non-compliance or incorrect representation, warranty or statement;

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

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

No Event of Default will occur under paragraph (d)(i) or (d)(ii) above if the aggregate amount of the indebtedness for borrowed moneys or guarantee of indebtedness for borrowed moneys falling within paragraphs (d)(i) and (d)(ii) above is less than S$25,000,000 (or its equivalent in any other currency or currencies);

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

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

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

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

(i) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or a substantial part of its business or (except as permitted by, and in accordance with, Clause 15.28 of the Trust Deed) disposes or threatens to dispose of the whole or any part of its property or assets;

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

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

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

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

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

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

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

In these Conditions:

(1) "**Principal Subsidiary**" means any subsidiary of the Issuer whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 15 per cent. of the total assets of the Group as shown by such audited consolidated accounts, provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or the Issuer (the "**transferee**") then:

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

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

    Any subsidiary which becomes a Principal Subsidiary by virtue of (aa) above or which remains or becomes a Principal Subsidiary by virtue of (bb) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets as shown by the accounts of such subsidiary (consolidated (if any) in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the total assets of the Group, as shown by such audited consolidated accounts. A report by the Auditors (as defined in the Trust Deed), who shall also be responsible for reviewing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

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

10. Enforcement of Rights

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

11. Meeting of Noteholders and Modifications

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

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

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

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

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

12. Replacement of Notes and Coupons

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

13. Further Issues

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

14. Indemnification of the Trustee

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

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

15. Notices

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

In the case where the Issuer is listed on the SGX-ST or where the Notes are listed on the SGX-ST, notices to the holders of such Notes shall also be valid if made by way of an announcement on the SGX-ST. Any such notice shall be deemed to have been given to the Noteholders on the date on which the said notice was uploaded as an announcement on the SGX-ST. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of the Notes in accordance with this Condition 15. In the case where notices to holders of Notes are made by more than one of the prescribed forms above, notice would be deemed to have been given on the first date in which the notices were validly given in accordance with the paragraphs above.

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

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

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

16. Governing Law and Jurisdiction

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

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

17. Contracts (Rights of Third Parties) Act

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

THE ISSUER

A. OVERVIEW AND HISTORY

Tuan Sing was incorporated in 1969 as “Hytex Limited” and listed on the Mainboard of the SGX-ST in 1973. Tuan Sing adopted its current name in 1983 following a restructuring exercise, and is currently headquartered in Singapore.

Since the 1990s, Tuan Sing has developed high-end residential projects in prime residential areas. These include Limau Villas (56 units completed in 1998), Kingsville (106 units completed in 1999), Leedon Park Bungalows (6 units completed in 2002) and Adam Park Condominium (118 units completed in 2004) in Singapore; as well as Lu Yin Yuan and Xin Shen Gardens in Shanghai, China. In 2007, the Group completed the sale of all units of Botanika on Holland Road, which won the Best Residential Design at the 11th SIA Architectural Design Awards in 2011.

In 2008, the Board undertook a strategic review of the Group’s businesses and decided to redirect its major resources and energy to the real estate sector, leading to the expansion and growth of what has become Tuan Sing’s core businesses of real estate investment, real estate development and hospitality today.

In 2011 Tuan Sing launched and fully sold Mont Timah, a limited-edition luxury development known for its unique cluster housing design. Following the successful launch and development of Seletar Park Residence (276 residential units completed in 2015), Sennett Residence (332 residential units and 3 shop units completed in 2016) and Cluny Park Residence (52 units completed in 2016), all of which have been fully sold, the Group continues to design and develop other exclusive projects such as Kandis Residence, Mont Botanik Residence and Peak Residence. All the units in Kandis Residence have been sold and the project obtained TOP in 2021 while the other two projects are expected to be completed in 2022 and 2023, respectively.

To pursue its recurring income strategy, the Group acquired Robinson Point in 2013 and Link@896 (previously known as Sime Darby Centre) in 2017. Since then, Link@896 has undergone several phases of asset enhancement initiatives (“**AEI**”). In 2019, Tuan Sing completed the redevelopment of 18 Robinson, which is a premium commercial building comprising office and retail spaces situated at the prominent junction of Robinson Road and Market Street (diagonally opposite Lau Pau Sat). Designed by the internationally acclaimed architects, Kohn Pedersen Fox Associates in conjunction with Architects 61, 18 Robinson has won many prestigious awards such as the MIPIM Asia Awards – Best Futura Project (Silver) in 2014 and Universal Design (UD) Gold^{PLUS} Award by the BCA in 2020.

On 6 November 2020, the Group entered into a sale and purchase agreement with One South Bay Group Company Limited (“**Original Purchaser**”) to divest Robinson Point by disposing all the issued shares in 39 Robinson Road Pte. Ltd. (“**39 Robinson**”) to the Original Purchaser. Upon the request of the Original Purchaser, the sale and purchase agreement was novated to Viva Ventures Pte. Ltd. as the new purchaser in 2021. The sale of 39 Robinson was completed on 7 June 2021.

Tuan Sing made its entry into the hospitality industry when it acquired a 50% equity stake in GHG in 2001. In 2009, the Group commenced the refurbishment of Grand Hyatt in Melbourne, Australia (“**Grand Hyatt Melbourne**”) and Hyatt Regency in Perth, Australia (“**Hyatt Regency Perth**”) and the refurbishment project was completed in 2011. The Group further increased its stake in the hospitality industry when it completed the acquisition of the remaining 50% equity stake in GHG in 2014.

Mixed-development opportunities which the Group has acquired strategic interests in include a 7.8% equity stake in an integrated mixed-development in Sanya, China, and a 2.26% equity stake in a potential mixed-development site at Kura Kura Bali, Bali, Indonesia. These acquisitions were completed in 2018 and 2019 respectively.

The Group also holds an 80.2% equity interest in SP Corp, a company which is listed on SGX-ST and engages primarily in commodities trading. As at the Latest Practicable Date, SP Corp has a market capitalisation of approximately S$25.4 million.

The Group's non-core businesses include GulTech, Pan-West and Hypak. The Group currently holds a 44.5% and 49.0% equity interest in GulTech and Pan-West, respectively and does not exercise management control over these two entities.

The Group is not averse to considering options and opportunities to divest, develop, streamline, restructure and/or reorganise its non-real estate investment and business when opportunities arise with the view to potential value maximisation.

The Group's key milestones in recent years are summarised below:

Year	Event
2011	• Awarded the government land tender site for Sennett Residence • Secured a plot of land in Jiaozhou, Qingdao, China through its wholly-owned subsidiary, Qingdao Shenyang Property Co., Ltd • Completed the refurbishment project for Hyatt Regency Perth and Grand Hyatt Melbourne
2012	• Announced the redevelopment of Robinson Towers & Annex Building and International Factors Building as 18 Robinson • Launched the sale of Seletar Park Residence
2013	• Established the S$900 million MTN programme • Launched the sale of Sennett Residence • Completed the acquisition of Robinson Point
2014	• Issued S$80 million 4.5% notes due in 2019 • Completed the acquisition of the remaining 50% equity stake in the Grand Hotel Group • Launched the sale of Cluny Park Residence
2015	• Completed the development of Seletar Park Residence • Completed the acquisition of the remaining 38.6% equity interest in Gultech (Suzhou) Electronics Co., Ltd
2016	• Awarded the government land tender site for Kandis Residence • Completed the development of Sennett Residence • Completed the development of Cluny Park Residence • Commenced the acquisition of Batam Opus Bay Land (I)
2017	• Acquired the site for Mont Botanik Residence via private treaty • Acquired Sime Darby Centre via private tender, renamed now as Link@896 • Issued S$150 million 6.00% notes due in 2020
2018	• Completed the divestment of Qingdao Shenyang Property Co., Ltd • Acquired via public tender the site for Peak Residence through a joint venture in which the Group holds a 70% equity stake • Launched the sale of Mont Botanik Residence • Completed the acquisition of Batam Opus Bay Land (I) • Completed the acquisition of an equity interest of 7.8% in Sanya Summer Real Estate Co Ltd • Completed the acquisition of the remaining 49% equity interest in Gultech (Wuxi) Electronics Co., Ltd
2019	• Obtained the TOP of 18 Robinson • Completed the divestment of Century Warehouse • Completed the acquisition of Batam Opus Bay Land (II) • Commenced the asset enhancement initiative of Link@896 • Completed the acquisition of an equity interest of 2.26% in Goodwill Property Investment Limited • Incorporated a wholly-owned subsidiary Calypso Construction Management • Establishment of Superluck's MTN programme and issuance of S$200 million 2.50% senior secured notes due 2022
2020	• Issued S$65 million 7.75% notes due in 2022 • Entered into a sale and purchase agreement to dispose all the issued shares in 39 Robinson Road Pte. Ltd.
2021	• Completed the divestment of 39 Robinson Road Pte Ltd • Obtained the TOP for Kandis Residence • Gultech China Pte Ltd entered into sale and purchase agreements to divest approximately 15.5% of the total shares in the issued share capital of Gultech (Jiangsu) Electronics Co., Ltd • Awarded a private tender for a freehold site at 870 Dunearn Road

Over the years, the Group has developed a portfolio of strategically located real estate assets in Singapore and across the region, establishing a reputation for delivering high-quality and iconic developments. The Group currently serves a broad spectrum of customers through its workforce across Southeast Asia, China and Australia.

Since marking its golden jubilee in 2019, Tuan Sing has embarked on a business transformation to reposition itself from a niche developer to a major regional player in real estate investment, real estate development and hospitality in various key Asia-Pacific cities across Singapore, China, Indonesia and Australia. The Group intends to participate in large-scale integrated developments and townships as it enters the next phase of growth.

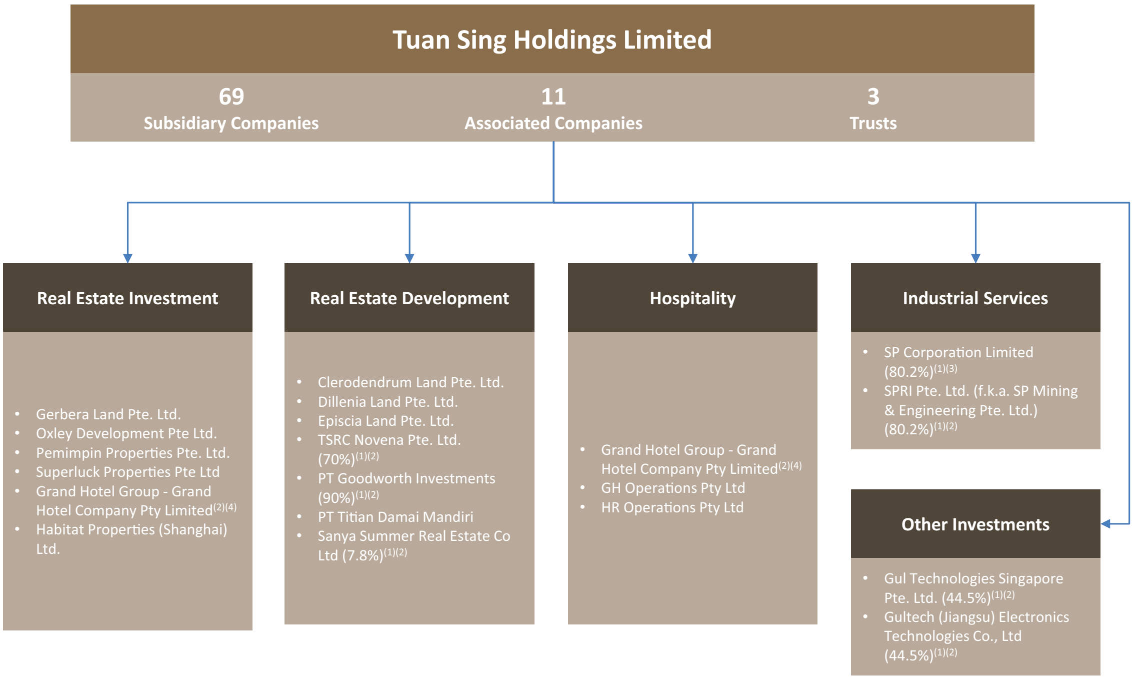
As at 30 June 2021, the Group has total assets of approximately S$2.8 billion, and as at the Latest Practicable Date, Tuan Sing has a market capitalisation of approximately S$661.6 million.

B. CORPORATE STRUCTURE

As at the Latest Practicable Date, the Group comprises 69 subsidiaries and 11 associated companies.

Below is the Group's corporate structure showing the Group's significant subsidiaries and associated companies and the Group's effective equity interests in them (if they are not wholly-owned) as at the Latest Practicable Date.

For the purposes of this Information Memorandum, a subsidiary or associated company is considered significant if its (i) assets represent 5% or more of the Group's total assets; (ii) liabilities represent 5% or more of the Group's total liabilities; (iii) net tangible assets represent 5% or more of the Group's total net tangible assets; (iv) pre-tax profit accounts for 5% or more of the Group's total pre-tax profit; or (v) revenue represents 5% or more of the Group's total revenue.



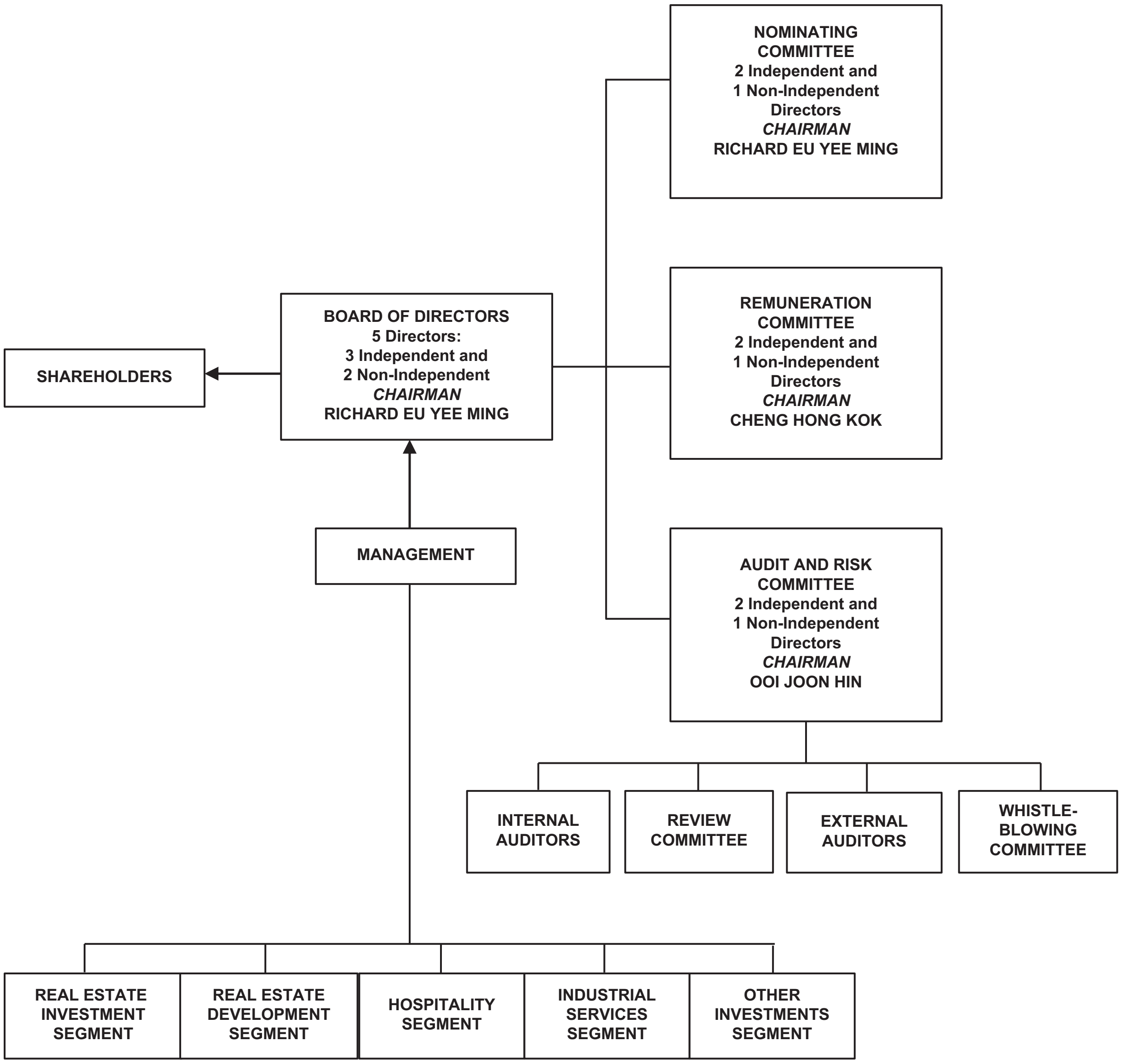
(1) *Effective interest is shown if ownership is not 100%*

(2) *Indirect ownership*

(3) *Public listed company*

(4) *Grand Hotel Group – Grand Hotel Company Pty Limited is engaged in both Real Estate Investment and Hospitality businesses*

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



Effective from FY2021, the Group reorganised its business segments into five segments by segregating the development and investment arms of the Property segment. The five business segments are: (i) Real Estate Investment; (ii) Real Estate Development; (iii) Hospitality (formerly known as Hotels Investment); (iv) Industrial Services and (v) Other Investments.

(i) Real Estate Investment

The Real Estate Investment segment focuses on the investment in properties in Singapore, Australia, Indonesia, and China. The Group's main investment properties are 18 Robinson, Link@896 and The Oxley in Singapore; and commercial buildings in Melbourne and Perth, which are respectively adjacent to its two hotels, Grand Hyatt Melbourne and Hyatt Regency Perth.

(ii) Real Estate Development

The Real Estate Development segment focuses on the development of properties for sale in Singapore and Indonesia. Having sold most of its completed development properties in Singapore, the Group has embarked on regional development opportunities in Batam, Indonesia and Sanya, China. The Group's ongoing development properties are Mont Botanik Residence, Peak Residence and Opus Bay.

(iii) Hospitality

The Hospitality segment comprises two hotels in Australia, namely the Grand Hyatt Melbourne and the Hyatt Regency Perth. The two hotels are located in the prime areas of Melbourne and Perth respectively, and cater to the business and high-end tourism sectors of the respective cities they are located in.

(iv) Industrial Services

The Industrial Services segment includes an 80.2% equity stake in SP Corp, an SGX-ST listed company, and a 100% equity stake in Hypak. SP Corp is engaged primarily in commodities trading, while Hypak is in the business of manufacturing and marketing polypropylene packaging bags in Malaysia.

(v) Other Investments

The Group's Other Investments segment comprises a 44.5% equity interest in GulTech and a 49% stake in Pan-West. GulTech is a Singapore-headquartered printed circuit board manufacturer with three manufacturing plants in China. Pan-West is a retailer of golf-related lifestyle products.

On 30 April 2021, Gultech China Pte. Ltd. ("**Gultech China**"), a subsidiary of GulTech, entered into sale and purchase agreements to divest approximately 13% of the total shares in the issued share capital of Gultech (Jiangsu) Electronics Co., Ltd ("**Gultech Jiangsu**") to Yonghua Capital and Wens Capital for a consideration of approximately RMB435 million. This implies a valuation for the equity of Gultech Jiangsu (on a 100% basis) of approximately RMB3,350 million compared to the carrying book value of Gultech Jiangsu and its subsidiaries of approximately US$230 million or RMB1,489 million (based on the exchange rate of RMB6.4744:US$1) on 30 June 2021. On 6 August 2021, Tuan Sing announced that Gultech China entered into sale and purchase agreements to divest approximately 2.5% of the total shares in the issued share capital of Gultech Jiangsu to the investment arm of the local authority, Xishan Economic and Technology Development Zone, for a consideration of approximately RMB83,750,000. These divestments are pending completion. The aggregate consideration from these transactions is held in escrow pending payment of withholding tax in China and completion of the transactions. The divestment will allow the Group to monetise part of its longstanding investment in GulTech and is in line with the Group's plan to strengthen its balance sheet and focus on its core real estate business in the region. Gultech China and Gultech Jiangsu will remain as associated companies of the Group upon completion of the proposed transactions.

As announced on SGXNet by the Issuer on 6 August 2021, the Issuer has been informed that the onboarding of new shareholders as part of a broader restructuring of Gultech Jiangsu's shareholding capital is in line with Gultech Jiangsu's strategic review and positions Gultech Jiangsu for a possible listing in China. There is no certainty that such transaction would be consummated.

The Group is not averse to considering options and opportunities to divest, develop, streamline, restructure and/or reorganise its non-real estate investment and business when opportunities arise with the view to potential value maximisation.

C. PROPERTIES AND PRINCIPAL ACTIVITIES

(i) Real Estate Investment

Tuan Sing acquires commercial, industrial and retail properties for long term investment returns. Acquisitions of properties are made based on the Group's projection of the total returns of each property's rental yield and potential capital appreciation. The process through which the Group evaluates an investment option focuses on several factors, including the supply and demand, the current and potential rental movements, and the possible competition that the property may face in the future. The asset's rental yield is then evaluated against other comparable properties and other investment options to determine its attractiveness. Apart from the rental yield, the potential for future capital appreciation also plays a significant role in determining the attractiveness of the investment option.

Tuan Sing's current portfolio consists of 11 investment properties in Singapore, Australia and China.

18 Robinson, the Group's flagship building, is designed by the internationally acclaimed architects, Kohn Pedersen Fox Associates in conjunction with Architects 61. Having obtained its TOP in January 2019, the building has approximately 17,786 sq m of net lettable area.

18 Robinson is a Grade A 28-storey premium commercial building that comprises a tower from the 10th to 28th storey and a podium from the ground to seventh storey and has a sky terrace level with six basement levels. The podium comprises a mix of retail, food and beverage and office spaces, while the tower comprises mainly office spaces located on the 10th to 27th storey (save for 25th storey) and retail and food and beverage spaces on the 28th storey. The basement levels consist of one basement level of vehicular drop-off and car lift access and five basement levels of an automated guided vehicle car parking system.

18 Robinson features urban windows revealing its interior functions and serves to connect with the street activities. For occupiers on all office floors, the low-iron glass facade provides sweeping, all-around panorama of city vistas and marina views. The building's energy-and-water saving features are aimed at achieving and maintaining BCA Green Mark Gold^{PLUS} standards, and are part of the Group's green and sustainability initiatives. Some of the green and sustainability initiatives include the use of energy-efficient variable-speed drives in the air-conditioning system and the extensive use of LED lighting throughout the building. The building also has passive energy-saving design features including a curtain wall facade system that uses low-emissivity, double-glazed insulating glass units to minimise heat gain into the building. Equipped with a fully automated carpark system that uses battery-powered automated guided vehicle, 18 Robinson employs a laser-guided positioning system instead of conventional automatic parking systems that require conveyor belts to transport the cars. 18 Robinson was rated "CONQUAS Star" by the BCA under its Construction Quality Assessment System in 2020.

For the six months ended 30 June 2021, the average occupancy rate was 72% with average gross rental of approximately S$116.3 per sq m per month.

Link@896 (formerly known as "Sime Darby Centre") is a commercial building located at 896 Dunearn Road in Bukit Timah connected to King Albert Park MRT and situated on a part-freehold, part-999-year leasehold site of 13,089 sq m with an allowable gross plot ratio of 1.8 and a maximum permissible gross floor area of 23,560 sq m. Acquired in June 2017, it is a five-storey building comprising approximately 17,973 sq m of net lettable area, with a mixture of retail and office tenancies. The repositioning of the property to introduce more lifestyle, retail and food and beverage tenants through additions and alterations works is ongoing and expected to be completed by 2022. For the six months ended 30 June 2021, the average occupancy rate was 74% with average gross rental of approximately S$54.6 per sq m per month. On 18 August 2021, Tuan Sing announced that its wholly-owned subsidiary, Gerbera Land Pte. Ltd., was awarded a private tender for a freehold site with a land area of approximately 1,592.4 sq m located at 870 Dunearn Road, at a purchase price of S$56 million. The site is located next to and shares the same boundary as Link@896. Completion of the acquisition is expected to take place in 1H2022.

The Oxley is a freehold 10-storey mixed commercial-cum-residential building along Oxley Rise, which lies in the prime "District 9" residential area and is just a few minutes' walk from the entertainment, shopping and hotel belt of Orchard Road. The building, which was completed in 1996, includes a podium block that houses commercial premises from the first to the third storey, a tower block with residential units from the fourth to the 10th storey, and a three-storey basement car park. The Group was the developer of the building and currently owns the three-storey office space, which has a net lettable area of 2,557 sq m and is used as the Group's corporate headquarters. The first and second floors are fully leased out to the Group's major shareholder, Nuri Holdings (S) Pte Ltd, while the third floor currently houses Tuan Sing's corporate headquarters. For the six months ended 30 June 2021, the average occupancy rate was 100% with an average gross rental of approximately S$86.1 per sq m per month.

FEFB Units are situated on level 11 of the Far East Finance Building which is located next to 18 Robinson on the north-western side of Robinson Road, near its junction with Cecil Street/ Finlayson Green. Far East Finance Building is a 13-storey commercial building with a basement and features mainly office units on all levels except for parts of the ground floor, which accommodates shop space. The FEFB Units comprise an office unit which is further subdivided into smaller units, and has a net lettable area of 284 sq m. For the six months ended 30 June 2021, the average occupancy rate is 34% with an average gross rental of approximately S$65.9 per sq m per month.

L&Y Building is a five-storey light industrial building with a basement car park at Jalan Pemimpin, located close to the Marymount MRT station. The Group owns three of the 24 strata units in the building with a net lettable area of 2,100 sq m. As at 30 June 2021, the average occupancy rate is 26% with an average gross rental of approximately S$28.0 per sq m per month.

Two shop units within Sennett Residence comprise an estimated lettable area of 61 sq m. For the six months ended 30 June 2021, the average occupancy rate is 100% with an average gross rental of approximately S$101.6 per sq m per month.

Commercial Centre and Carpark within Grand Hyatt Melbourne complex located at 123 Collins Street comprises four retail tenancies fronting Collins Street, four retail tenancies fronting the Grand Hyatt Melbourne porte-cochere (with return driveway to Russell Street), a basement tenancy space and a 589-bay basement car park with a total lettable area of 3,024 sq m. In 2020, the Group achieved an average occupancy rate of 98%, with a tenant portfolio of well-known luxury and high-end operators such as Chanel, Bvlgari, Paspaley Pearls and Giorgio Armani whose lease terms range from two to six years. In late 2020, the Group acquired an adjoining property located at 25 George Parade comprising an additional standalone retail area of 135 sq m which will be marketed for lease in 2021. The Group has self-managed the car park operation since October 2020. For the six months ended 30 June 2021, the average occupancy rate for the commercial building was 98% with an average gross rental of approximately A$133.1 per sq m per month.

Commercial Centre and Carpark within Hyatt Regency Perth complex (also known as **Fortescue Centre**) located at 99 Adelaide Terrace comprises a three-level office, two basement levels of car park and a retail component. The commercial centre faces Terrace Road and Plain Street and overlooks the Swan River. The total lettable area (excluding the carpark) is approximately 19,064 sq m. Fortescue Metals Group is a major tenant occupying approximately 76% of the total lettable office area (excluding the carpark). The carpark, which is managed by Secure Parking under a management agreement, can accommodate approximately 883 cars.

The Group is currently carrying out an AEI on the retail component of the commercial centre and part of the car park area. Upon completion of the AEI, it will be an iconic commercial and retail hub in the Eastern Perth central business district, which is in close proximity to the Crown Casino and the Perth Optus Stadium. The proposed development is expected to be completed by the fourth quarter of 2023. For the six months ended 30 June 2021, the average occupancy rate for the Commercial Centre was 79% with an average gross rental of approximately A$32.5 per sq m per month.

The 2 vacant freehold land plots (Lots 11 and 12) along Terrace Road have a land area of 1,405 sq m and 1,667 sq m respectively. These two parcels of land adjoin the commercial centre and carpark and are slated for future developments.

No. 2950 Chun Shen Road, Shanghai, China is a three-storey commercial building occupying a land area of approximately 1,741 sq m and has an estimated lettable area of 2,170 sq m. For the six months ended 30 June 2021, the average occupancy rate was 100% with an average gross rental of approximately RMB72 per sq m per month.

Lakeside Ville Phase III, Qingpu District, Shanghai, China. The Group owns six shop units with an estimated lettable area of 278 sq m in the Lakeside Ville development which is in proximity to the Hongqiao Airport and Transportation Hub. For the six months ended 30 June 2021, the average occupancy rate was 100% with an average gross rental of approximately RMB75 per sq m per month. The Group also owns basement commercial spaces within Lakeside Ville development which have an estimated lettable area of 3,618 sq m. For the six months ended 30 June 2021, the basement commercial spaces were vacant. In addition, the Group owns two apartment units at Lakeside Ville development which occupies an estimated gross floor area of 634 sq m. For the six months ended 30 June 2021, the average occupancy rate was 100% with an average gross rental of approximately RMB92 per sq m per month.

Underground carpark, Lane 558, Baochun Road, Minhang District, Shanghai, China. The Group owns an underground carpark which occupies the basement of a 17-storey building and has a land area of approximately 2,403 sq m with 55 car park lots. For the six months ended 30 June 2021, the average gross rental was approximately RMB219 per lot per month.

The key tenants of the above investment properties whose individual rents contributed more than 5% of the rental income of the respective investment properties for the six-month period ended 30 June 2021 include the following:

Investment Property	**Key Tenant(s)**
18 Robinson	Singapore Tanjong Pagar Centre No. 4 Pte Ltd
Commercial Centre & Carpark within Melbourne Grand Hyatt Complex	Bulgari Australia Pty Ltd
	Giorgio Armani Australia Pty Ltd
	Paspaley Pearls Pty Ltd
Fortescue Centre	Fortescue Metals Group
Link@896	Cold Storage Singapore (1983) Pte Ltd
The Oxley	Nuri Holdings (S) Pte Ltd

The following table sets forth details of these investment properties.

Name of Property	**Location**	**Tenure**	**Type**	**Estimated Lettable Area/ Strata Area (sq m)**	**Average Occupancy Rate(1)**	**Group's Effective Equity Interest**	**Valuation (S$'000)**
18 Robinson	Singapore	999 years from 1884 and 1885 (83% of the land area) and 99 years from 2013 (17% of the land area)	Retail & Office	17,786 (Retail – 4,297 Office – 13,489)	72%	100%	681,500(2)

Name of Property	Location	Tenure	Type	Estimated Lettable Area/ Strata Area (sq m)	Average Occupancy Rate[(1)]	Group's Effective Equity Interest	Valuation (S$'000)
Link@896	Singapore	Estate in Fee Simple (Lot1182K), Estate in Fee Simple and 999 years from 7 May 1879 (Lot1185L), Estate in Perpetuity (Lot99907P), 999 years from 7 May 1879 (Lot99891X)	Retail & Office	17,973	74%	100%	388,000[(2)]
The Oxley	Singapore	Freehold	Office & Residential	2,557	100%	100%	65,000[(2)]
FEFB Units	Singapore	999 years from 1884	Office	284	34%	100%	10,000[(2)]
L&Y Building (3 strata units)	Singapore	999 years from 1885	Office	2,100	26%	100%	14,820[(2)]
Sennett Residence (2 Shops)	Singapore	99 years from 2011	Shops	61	100%	100%	1,590[(2)]
Commercial Centre and Carpark within Melbourne Grand Hyatt complex	Melbourne, Australia	Freehold	Office & Retail	3,024	98%	100%	162,578[(3)] (A$161,000,000)[(6)]
Commercial Centre and Carpark within Hyatt Regency Perth complex (including 2 vacant freehold land plots of 3,072 sq m in land size) (also known as Fortescue Centre)	Perth, Australia	Freehold	Office	19,064	79%	100%	102,798[(4)] (A$101,800,000)[(6)]
25 George Parade	Melbourne, Australia	Freehold	Substation	135 (Building area)	–	100%	4,645[(5)] (A$4,600,000)[(6)]
No. 2950 Chun Shen Road, Shanghai	Shanghai, China	58 years from 2008	Retail	2,170	100%	100%	6,752[(2)] (RMB33,100,000)[(7)]
6 shop units and basement commercial spaces within Lakeside Ville Phase III, Qingpu district, Shanghai, China	Shanghai, China	70 years from 1997	Retail	3,896	7%[(8)]	100%	5,467[(2)] (RMB26,800,000)[(7)]
Two apartment units within Lakeside Ville Phase III, Qingpu district, Shanghai, China	Shanghai, China	70 years from 1997	Residential	634	100%	100%	6,365[(2)] (RMB31,200,000)[(7)]

Name of Property	Location	Tenure	Type	Estimated Lettable Area/ Strata Area (sq m)	Average Occupancy Rate[1]	Group's Effective Equity Interest	Valuation (S$'000)
Underground carpark, Lane 558, Baochun Road, Minhang district, Shanghai, China	Shanghai, China	61 years from 2005	Carpark	2,403	N.A.[9]	100%	2,836[2] (RMB13,900,000)[7]

Notes:

(1) *Average occupancy rate as at 30 June 2021.*

(2) *The valuation was conducted on 31 December 2020.*

(3) *The valuation was conducted on 18 November 2020.*

(4) *The valuation was conducted on 14 December 2020.*

(5) *The valuation was conducted on 25 November 2020.*

(6) *Based on the exchange rate of A$1.0098:S$1 taken as at 31 December 2020.*

(7) *Based on the exchange rate of RMB0.2040:S$1 taken as at 31 December 2020.*

(8) *The basement commercial spaces within Lakeside Ville are currently not leased.*

(9) *It is not meaningful to state the average occupancy rate for the underground carpark.*

(ii) Real Estate Development

Tuan Sing has earned a reputation for developing projects of distinction. In 2007 it held an international auction for uncompleted condominium units of Botanika on Holland Road, which was the first of its kind among developers in Singapore. All remaining units were sold with an average selling price of approximately S$189.52 per sq m – a benchmark price in the area at that time. Designed by renowned architectural firm SCDA Architects, the project went on to win the SIA Architectural Design Award in 2011. Following the successful launch of Botanika, Tuan Sing introduced Mont Timah, a 32-unit limited-edition luxury development, in 2011. Nestled at the foot of Bukit Timah Hill, it features a unique cluster-housing design which was until then unheard of in Singapore, bringing together modern contemporary tropical aesthetics with the experience of private residential living. Tuan Sing made its first foray into larger-scale developments after successfully securing a site for the development of Cluny Park Residence in 2010 and sites by way of government land tender for the development of Seletar Park Residence and Sennett Residence in 2010 and 2011 respectively. More recent additions to the Group's property portfolio include a leasehold residential site at Jalan Kandis, a freehold residential site at 1 Jalan Remaja, and a freehold residential site at 333 Thomson Road.

Over the years, the Group has also broadened its presence overseas by acquiring, through its subsidiaries, (a) approximately 1.25 million sq m of land in Batam, Indonesia, (b) a 7.8% equity stake in an integrated mixed-development in Sanya, China, and (c) 2.26% equity stake in a potential mixed-development site on Kura Kura Bali, Bali, Indonesia and for which Tuan Sing is the lead development partner. These development projects are expected to strengthen the Group's property portfolio and profitability in the future.

Tuan Sing takes pride in the high quality premium homes it has developed over the last three decades. The Group believes that its attention to detail, from site planning to the development of the finishes of each project, is critical to ensure that its products exude an outstanding yet timeless appeal. Tuan Sing also prides itself in its discerning eye for identifying and selecting world-class, renowned architects for its projects. In partnership with these professionals, the Group aims to create cutting-edge architecture using breakthrough and visually exciting designs that cater to sophisticated individuals and investors, as well as to deliver products that set new benchmarks for quality and living.

In December 2019, Tuan Sing incorporated a wholly-owned subsidiary, Calypso, to manage the Group's construction projects such as Kandis Residence, Mont Botanik Residence and Peak Residence.

The Group's portfolio comprises a number of development projects at various stages, and are located across Singapore, China and Indonesia.

Completed Development Projects

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

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

The development of Lakeside Ville was carried out over three phases. Phase I, comprising 173 units of villas and a clubhouse, was completed in December 2003 while Phase II, comprising 123 units of villas, was completed in December 2004. All units of the Phase I and Phase II developments have been sold. Phase III comprised 148 units of quality condominiums, 24 units of three-storey townhouses and eight units of retail and commercial space. In 2011, Lakeside Ville Phase III was awarded the Green Mark Gold Award by the BCA. Phase III was completed in 2010 and 168 units (98% of the number of residential units) have been sold as at 30 June 2021. Of the remaining four unsold residential units, two are leased out and one is used internally by the Group.

Mont Timah is a 99-year leasehold development occupying an area of approximately 7,842 sq m on an elevated ground at Hindhede Drive abutting the Bukit Timah Nature Reserve. The development comprises 32 exclusive strata units of spacious cluster housing, each fitted with a courtyard, a private lift and roof terrace with a commanding view of the nature reserve. Designed by Chan Sau Yan & Associates, this cluster of homes offers residents a modern lifestyle and convenience while situated close to nature. Common facilities include a spacious basement car park, swimming pool, gymnasium and outdoor functional areas. Mont Timah was awarded the Green Mark Gold Award by the BCA, the Best Residential Design (Cluster Housing) at the 12th SIA Architectural Design Awards in 2012, the PAM Award Gold (Overseas) at the PAM Awards 2012, and the Best Housing (Singapore) Award at the 11th South East Asia Property Awards 2012. The project was completed in 2011 and has been fully sold.

Seletar Park Residence is a three-block, five-storey, 276-unit residential development occupying approximately 17,456 sq m of land with a basement car park and communal facilities. The 99-year leasehold development is located within the established Seletar Hills private estate, close to the Seletar Aerospace Park and near the Yio Chu Kang MRT and Fernvale LRT stations. The project won the Asia Pacific Property Awards under the Architecture Multiple Residence for Singapore category in 2016. The project was completed in 2015 and has been fully sold.

Sennett Residence comprises three blocks of 19-storey and one block of five-storey condominium housing (332 residential units and three shop units) with two basement car parks, roof terraces and other facilities. The 99-year leasehold land, which has an area of approximately 8,664 sq m, is located at Pheng Geck Avenue, immediately next to the Potong Pasir MRT station and overlooks the landed Sennett estate. Designed by MKPL Architects, Sennett Residence was launched for sale in March 2013 and the project was completed in 2016. All residential units have been sold and two of the three commercial units are leased out as at 30 June 2021.

Cluny Park Residence is a 52-unit luxury residential development located directly opposite the Singapore Botanic Gardens and designed by SCDA Architects. It is the only condominium along Cluny Park Road. Occupying a land area of approximately 4,544 sq m, this freehold development faces the Bukit Timah entrance to the Singapore Botanic Gardens. The project was completed in 2016 and all units have been fully sold.

Kandis Residence comprises one three-storey block and three seven-storey blocks, offering a total of 130 residential units, ranging from one to three-bedroom units. Occupying an area of approximately 7,046 sq m at Jalan Kandis, the 99-year leasehold development is well-placed within the North Coast Innovation Corridor earmarked by the Urban Redevelopment Authority of Singapore and lies just a short drive away from key commercial centres along the North Coast Innovation Corridor – the Woodlands Regional Centre, the future Seletar Regional Centre and the Punggol Creative Cluster. Designed by Ong & Ong, Kandis Residence provides condominium housing with full facilities. Tuan Sing was awarded the BCI Asia Awards Top Ten Developers 2016 – Singapore for this project. Kandis Residence was launched in August 2017 and all units are fully sold as of 30 June 2021. The project obtained TOP in March 2021.

The following table sets forth details of these completed development properties[3].

Project	Location	Tenure	Proposed Use	Total Planned GFA (sq m)	No. of Units	No. of Units Booked/ Sold[1]	Group's Effective Equity Interest	Completion Year
Botanika	Singapore	Freehold	Residential	5,797	34	34	100%	2008
Lakeside Ville Phase III	Shanghai, China	70 years from 1997	Residential and commercial	41,584	172 residential units, and 8 commercial units	168[2]	100%	2010
Mont Timah	Singapore	99 years from 2004	Residential	8,527	32	32	70%	2011
Seletar Park Residence	Singapore	99 years from 2011	Residential	26,862	276	276	100%	2015
Sennett Residence	Singapore	99 years from 2011	Residential	33,328	332 residential units and 3 shop units	332	100%	2016
Cluny Park Residence	Singapore	Freehold	Residential	6,997	52	52	100%	2016
Kandis Residence	Singapore	99 years from 2016	Residential	10,850	130	130	100%	2021

Notes:

(1) *As at 30 June 2021.*

(2) *Of the four unsold residential units, two are leased out and one is used internally by the Group.*

(3) *Average equity internal rate of return of over 14% achieved on development projects that obtained TOP in the last 10 years.*

Projects under Development

Mont Botanik Residence is a freehold condominium with 108 residential units, occupying a land area of approximately 4,047 sq m at Jalan Remaja. It is within walking distance of the Hillview MRT station and is surrounded by lush greenery – the neighbouring Bukit Timah Nature Reserve, Bukit Batok Nature Park and Bukit Gombak's "Little Guilin". Designed by AGA Architects, Mont Botanik Residence was launched in August 2018 and 93 units (86% of the number of residential units) have been booked or sold as at 30 June 2021. The project is expected to be completed in the second quarter of 2022.

Peak Residence is located at 333 Thomson Road and is a freehold residential site, occupying a land area of approximately 5,331 sq m, and has a plot ratio of 1.4. The site is located near the Novena MRT station and the upcoming Mount Pleasant MRT station along the Thomson-East Coast Line. This project is a joint venture in which the Group holds a 70% equity stake, with the remaining 30% held by Rich Capital Realty Pte. Ltd. The land was acquired by collective sale tender for a purchase consideration of S$118.9 million and the acquisition was completed in August 2018. Designed by AGA Architects, the project has 90 exclusive residential units ranging from one-bedroom unit to four-bedroom unit. The project was launched for sale in April 2021 with three units sold as of 30 June 2021. It is expected to be completed in the fourth quarter of 2023.

Opus Bay is an integrated mixed-development township project in Batam, Indonesia, comprising various forms of residential living, retail with food and beverage, hotels with MICE facilities, offices, tourist attractions, international schools, medical facilities as well as outlet mall, amusement and recreational parks. It is an international collaboration with world acclaimed architect firm, New-York based Kohn Pedersen Fox Associates (KPF) as the master planner, the Singapore-based RT+Q Architects Pte Ltd for the apartment buildings, Ong & Ong for the exclusive villas, Park + Associates for the ferry terminal and Lead8 for the outlet mall.

The first phase of the project accounts for about 200,000 sq m of the Group's 1.25 million sq m of land bank in Batam and has a potential gross development value of close to S$200 million. It comprises condotel and villas and was soft-launched for sales in February 2021. The 37-storey Balmoral Tower has 559 residential units, which are made up of studio units, one-bedroom units and two-bedroom units. Out of the 381 units which were soft-launched for sale, 50 units have been booked or sold as of 30 June 2021. Balmoral Tower, together with Ardmore Tower and Claymore Tower, is a series of apartment buildings designed by widely acclaimed Singapore firm, RT+Q Architects Pte Ltd while Cluny Villas are designed by Ong & Ong and comprise a total of 227 detached villas. 52 villas under the first phase were soft-launched and five units have been booked or sold as of 30 June 2021. The outlet mall is expected to begin operation in 2023/2024.

There is significant future growth potential in developing the remaining 1.05 million sq m of the Group's land bank in Batam.

The following table sets forth details of these projects under development.

Project	Location	Tenure	Proposed Use	Estimated Planned GFA (sq m)	Estimated No. of Units	No. of Units Booked/ Sold[(1)]	(Expected) Launch Date	Group's Effective Equity Interest	Estimated Completion
Mont Botanik Residence	Singapore	Freehold	Residential	8,546	108	93	August 2018	100%	2022
Peak Residence	Singapore	Freehold	Residential	8,209	90	3	April 2021	70%	2023
Balmoral Tower, Opus Bay	Batam, Indonesia	30 years from 2004	Residential	31,830	559	50[(2)]	February 2021 (Soft-Launch)	90%	2025

Project	Location	Tenure	Proposed Use	Estimated Planned GFA (sq m)	Estimated No. of Units	No. of Units Booked/ Sold[(1)]	(Expected) Launch Date	Group's Effective Equity Interest	Estimated Completion
Cluny Villas, Opus Bay	Batam, Indonesia	30 years from 2004	Residential	76,616	227	5[(3)]	February 2021 (Soft-Launch)	90%	2023[(4)]

Notes:

(1) As at 30 June 2021.

(2) This is out of the 381 units which were soft-launched for sale.

(3) This is out of the 52 units which were soft-launched for sale.

(4) This relates to the 52 units which were soft-launched for sale.

Land Bank

Batam Opus Bay Land (I) was acquired through the acquisition of 90% of the total issued share capital of two special purpose vehicles, namely Goodworth Investments Pte Ltd and Splendourland Pte Ltd, for consideration of S$39.15 million in June 2018. The leasehold site is approximately 849,748 sq m, comprising four plots of land. About 200,000 sq m of land has been planned for the development of apartments and villas under Phase 1.

Batam Opus Bay Land (II) was acquired through the acquisition of 49% of the equity interest in P.T. Titian Damai Mandiri ("**TDM**") via Lantana Pte. Ltd. on 31 January 2019 and the balance of 51% via Lachenalia Pte Ltd on 8 April 2019. Under a land allocation letter from the Batam authorities, TDM has the right to acquire approximately 401,229 sq m of land in Batam. Batam Opus Bay Land (II) adjoins Batam Opus Bay Land (I) and both land banks are located next to the Waterfront Ferry Terminal in Batam which is about a 45-minute ferry ride from the HarbourFront Cruise and Ferry Terminal in Singapore.

The Group holds a total of approximately 1.25 million sq m of land in Batam.

Land plots at Sanya Yuxiu Road and Hairun Road were acquired through an equity interest of 7.8% in Sanya Summer Real Estate Co Ltd. The Hainan-based property development company owns two plots of land in Hainan, namely (i) the Sanya Yuxiu Road land plot of approximately 44,485 sq m, which is adjacent to the Sanya High-Speed Railway Station, and (ii) the Hairun Road land plot of approximately 28,569 sq m. The land at Yuxiu Road is currently under construction for an integrated development comprising commercial, residential and retail components, which would be an iconic landmark when it is expected to be completed in 1H2023. When completed, the development is expected to have a saleable and leasable area of approximately 242,000 sq m. The land at Hairun Road is under design and planning for a proposed residential and commercial development, which is expected to be completed progressively in three to five years' time.

Fuzhou Land is a parcel of undeveloped residential land measuring approximately 163,740 sq m in the mountainous ridge of the Shoushan County, Jin-an District of Fuzhou, China. The site is about 400 metres above the sea level (from the foot of the mountain), and it is about a 30-minute drive to the Fuzhou city centre.

Land plot in Kura Kura Bali was acquired through an equity interest of 2.26% in Goodwill Property Investment Limited ("**GPI**") in 2019, with the aim of seeking opportunities to grow the Group's portfolio of well-located assets in Indonesia. GPI owns 80% of PT Bali Turtle Island Development, a developer in Indonesia that owns approximately 4.91 million sq m of land in Kura Kura Bali, located at Turtle Island in the South Eastern part of Bali. Kura Kura Bali is easily accessible from popular resort destinations and is a 15-minute drive away from Denpasar International Airport. Tuan Sing is the lead development partner and infrastructure works are currently in progress for roads, bridges, foot path, power, telecommunication, and storm water, in order to enable diversification for a variety of potential projects in retail, hotels, condotel and apartments.

The following table sets forth details of the location, tenure, proposed use, total land area of, as well as the Group's interest in, these land banks.

Name of Property	Location	Tenure	Proposed Use	Total Land Area (sq m)	Group's Effective Equity Interest
Batam Opus Bay Land (I)	Batam, Indonesia	30 years from 2004	Integrated mixed-development township	849,748[(1)]	90%
Batam Opus Bay Land (II)	Batam, Indonesia	30 years from 2019	Integrated mixed-development township	401,229	100%
Land plot at Yuxiu Road	Sanya, China	40 years from 2017	Mixed-use development	44,485	7.8%
Land plot at Hairun Road	Sanya, China	70 years from 2019	Residential	28,569	7.8%
Fuzhou Land	Fuzhou, China	70 years from 1994	Residential	163,740	100%
Kura Kura Bali	Bali, Indonesia	30 years from 1993, 1994, 1995, 2002, 2003, 2004, 2015 & 2019	Integrated mixed-development township	4,910,000	2.26%

Note:

(1) Approximately 200,000 sq m of land is planned for development under Phase 1.

(iii) Hospitality

The Group's Hospitality segment is represented by its wholly-owned subsidiary, GHG. GHG owns two internationally recognised five-star hotels: Grand Hyatt Melbourne and Hyatt Regency Perth. The hotel management agreement for Grand Hyatt Melbourne commenced on 8 August 1996 and expires on 31 December 2022. The Group has received and is currently deliberating and evaluating management proposals from a number of international operators of classic luxury brands, including the proposal from the incumbent operator, in relation to the management of the Melbourne hotel after the expiry of the current hotel management agreement. The Group will make the appropriate announcement in relation to the matter in due course. Hyatt Regency Perth's hotel management agreement commenced on 1 July 1996 and will expire on 31 December 2026. Hyatt International has the option to extend the management agreement for Hyatt Regency Perth.

Grand Hyatt Melbourne is located within Melbourne's central business district, at the "Paris End" of Collins Street, with access to both Russell Street and Flinders Lane. The internationally recognised five-star hotel, which opened in 1986 and has been extensively renovated in recent years, comprises a total of 550 guestrooms and suites over 34 levels. The hotel also features four food and beverage outlets, 15 meeting rooms, a day spa, a fully equipped health and fitness club with a swimming pool, a tennis court, a basketball court and a golf driving area. Retail space and a car park are also integrated within the Grand Hyatt Melbourne complex. Lauded as an outstanding hospitality service provider, Grand Hyatt Melbourne has received a slew of awards over the years. Some of the awards received by Grand Hyatt Melbourne include: (a) 2018 Business Traveller Asia-Pacific Awards for Best Business Hotel in Melbourne and 2018 World Travel Awards for Australia's Leading Business Hotel; (b) 2019 Tourism Accommodation Australia (Victoria) Accommodation Awards for Excellence for (i) Outstanding Community Service Achievement, (ii) Outstanding Achievement in Training, (iii) Excellence in Innovation, (iv) Sales Employee of the Year, and (v) Back of House Employee of the Year; (c) 2019 Spice Hot 100 Hotels, Resorts & Venue Awards; (d) 2019 Australian Hotels Association (AHA) National Awards for Excellence for Best Outstanding Achievement in Training; (e) 2019 Business Traveller Asia-Pacific Awards for (i) Best Business Hotel in Melbourne; and (ii) Best Business Hotel Brand in the World (Grand Hyatt); (f) 2019 World Luxury Hotel Awards – Australasia's Luxury City Hotel; and (g) 2019 Jay A. Pritzker Award for Leadership, General manager of the Year, Hyatt Worldwide. It also received the 2020 Business Traveller Asia-Pacific Awards for Best Business Hotel in Melbourne in 2020. Its service was suspended during mid-April 2020 to mid-November 2020 due to the outbreak of Covid-19. It has resumed business since mid-November 2020. For 2019, 2020 and the first six months of 2021, it achieved an average room occupancy rate of 91%, 22% and 32%, respectively. The low occupancy rate in 2020 and 2021 is due to the outbreak of Covid-19 in Australia.

Hyatt Regency Perth is located at the eastern end of Perth's central business district, with three road frontages to Adelaide Terrace, Plain Street and Terrace Road. It commands expansive views of the Swan River. Completed in 1984, it features an integrated five-star hotel, office, retail, and parking complex, along with an adjacent commercial centre known as Fortescue Centre. It comprises 367 hotel rooms and suites over the upper nine levels. Facilities and amenities include four food and beverage outlets, 15 conference and meeting rooms and numerous recreation facilities, including an outdoor heated swimming pool and a fitness centre. Over the years, the hotel has also received many hospitality awards such as (a) 2019 WA Catering Institute of Australia Gold Plate Awards 2019 for excellence in health and high tea; and (b) 2019 WA Perth Airport WA Accommodation Awards for Excellence – winner of the (i) hotel conference and events award, (ii) hotel housekeeping award and (iii) hotel engineering and maintenance award. It is utilised as a quarantine hotel since March 2020. For 2019, 2020 and the first six months of 2021, it achieved an average room occupancy rate of 76%, 50% and 52%, respectively. The low occupancy rate in 2020 and 2021 is due to the outbreak of Covid-19 in Australia.

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

Name of Property	**Location**	**Tenure**	**Land Area (sq m)**	**No. of Hotel Rooms**	**Group's Effective Equity Interest**	**Latest Valuation (S$'000)**[(1)]
Grand Hyatt Melbourne 121-131 Collins Street Melbourne, Victoria	Melbourne, Australia	Freehold	5,776	550	100%	350,401 (A$347,000,000)[(2)]
Hyatt Regency Perth 87-123 Adelaide Terrace East Perth, Western Australia	Perth, Australia	Freehold	22,754	367	100%	45,441 (A$45,000,000)[(2)]

Notes:

(1) Latest valuations on Grand Hyatt Melbourne and Hyatt Regency Perth were carried out by CBRE Valuations Pty Limited on 18 November 2020 and 14 December 2020 respectively.

(2) Based on an exchange rate of A$1.0098:S$1 taken as at 31 December 2020.

(iv) Industrial Services

SP Corp is an 80.2% owned subsidiary listed in Singapore with primary business activities of commodities trading. The commodities trading unit primarily trades in commodities such as coal, rubber, metals and other commodities and products used by manufacturers in the energy, tyre, metal and automotive industries in Asia.

Hypak is a 100% owned subsidiary of the Group. Hypak is an industrial packaging producer and supplier of polypropylene woven bags and laminated bags in Malaysia for products such as fertilisers, sugar, chemicals, flour and feed meal. Hypak owns a 99-year leasehold industrial building in Malacca, Malaysia with a land area of approximately 19,100 sq m.

(v) Other Investments

GulTech is a 44.5% owned associate of the Group. GulTech is a respected manufacturer in the printed circuit boards market, serving customers in the automotive, computer peripheral, consumer electronics, telecommunications, healthcare and instrument and control sectors. It has three manufacturing plants in Suzhou and Wuxi, China. Leveraging on its innovative designs and prototype expertise, GulTech continues to work in partnership with multinational clients to provide leading-edge solutions in a highly dynamic and fast-paced technological environment. Its customers include leading suppliers and manufacturers for automotive systems such as Visteon Corporation, Continental AG and Wistron Corporation.

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

D. BUSINESS STRATEGY

In line with its strategic direction, the Group plans to strengthen its core competencies in real estate development, real estate investment and hospitality businesses, leverage its growth platform, and build a robust earnings strategy into its business models. The Group intends to continue expanding its property development business while also retaining and acquiring quality investment and hotel properties that will enhance the Group's income flow. To achieve this, the Group resolves to:

- **Scale up and strengthen the "Tuan Sing" brand name**

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

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

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

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

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

- **Focus on integrated mix-use developments**

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

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

- **Diversify property portfolio to achieve a balanced revenue profile and recurring income stream**

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

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

- **Expand its property business in the region in a capital efficient approach**

The Group currently has property businesses and interests in Singapore, Australia, Indonesia and China. It believes the region's economic growth and rising affluence will lead to an increased demand for quality properties at affordable prices.

The Group intends to enter new markets or increase its investment in existing markets when opportunities arise, and will do so in a capital efficient and financially disciplined approach including but not limited to (i) co-investments in projects with third parties or majority shareholders to reduce upfront capital outlay; and (ii) engage in strategic development that focuses on the Group's existing landbank.

- **Acquire or divest investments/properties in a disciplined manner**

The Group intends to continue to adopt a disciplined approach to acquisition or divestment of investments/properties. It will make decisions based on thorough research and analysis of a given project's expected returns in the context of future property and economic trends.

- **Obtain suitable financing options for projects and investments**

The Group finances its projects through a combination of bank loans, issuance of debt securities and internal cash flows, including proceeds from the sale of its units in the development properties and divestment proceeds from low-yielding or non-core assets. The Group's practice is to finance its development and investment properties using internal resources to the extent practicable, so as to reduce the level of external funding required as far as possible. New investments are structured with an appropriate mix of equity and debt after careful assessment of relevant risks.

The Group intends to continue leveraging on its strong brand name and financial track record to obtain attractive financing and refinancing opportunities while maintaining an acceptable gearing ratio. As of 30 June 2021, the outstanding borrowings amounted to S$1,345.0 million. Debt securities from the Group's MTN Programme and Superluck Properties Pte Ltd's MTN Programme amounted to S$64.2 million and S$199.2 million respectively. Gross and net gearing ratios were 1.05x and 0.79x, respectively. The average cost of financing from financial institutions for the year ended 31 December 2020 was 2.7% per annum.

E. COMPETITIVE STRENGTHS

The competitive strengths of the Group are set out below:

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

Tuan Sing is a recognised and reputable property developer with an established track record in developing and managing high quality projects and has built high-end residential development in prime locations in Singapore and China. The strength of its brand is evident from repeated sales referrals from its existing customers, and the numerous accolades won by the Group's developments for their excellent design and exceptional architectural standards. For example, Seletar Park Residence was awarded the Asia Pacific Property Awards under the Architecture Multiple Residence for Singapore category in 2016; Mont Timah was awarded, among others, the Best Residential Design (Cluster Housing) at the 12th SIA Architectural Design Awards in 2012 and the PAM Award Gold (Overseas) at the PAM Awards 2012; Botanika was awarded the Best Residential Design at the 11th SIA Architectural Design Awards in 2011; and 18 Robinson was awarded the Green Mark Gold^{PLUS} Award by the BCA in 2017 and 2021, the Universal Design Mark GoldPLUS (Design) Award for Ongoing Projects (Non-Residential) by the BCA in 2018, the Singapore Landscape Architecture Awards Silver Award (Commercial and Industrial Landscape) by Singapore Institute of Landscape Architects (SILA) in 2019, the Universal Design (UD) Gold^{PLUS} Award by the BCA in 2020, the Award of Excellence for Best Tall Building (100-199 metres) by the CTBUH in 2021 and the Award of Excellence for Urban Habitat – Single Site Scale by the CTBUH in 2021. Moreover, Tuan Sing was recognised as the Top Ten Developers (Singapore) at the BCI Asia Awards 2016. Tuan Sing was also granted the MIPIM Asia Awards – Best Futura Project (Silver) in 2014. Tuan Sing believes that its brand is of tremendous value to the Group as it expands its business and geographic reach to cities and regions outside Singapore. Tuan Sing continues to pursue excellence in what it does, and its efforts have been recognised through the awards and accolades received.

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

Tuan Sing has established cordial working relationships with renowned architects and designers that are among the best in their class. Notable projects include Lakeside Ville, Botanika, Seletar Park Residence and Cluny Park Residence designed by SCDA Architects; Mont Timah designed by Chan Sau Yan & Associates, Sennett Residence designed by MKPL Architects; Kandis Residence designed by Ong & Ong, Mont Botanik Residence designed by AGA Architects; and the completed 18 Robinson designed by Kohn Pedersen Fox Associates in conjunction with Architects 61. Tuan Sing believes that its collaborative efforts with such internationally-renowned architects and design consultants has enabled the Group to attain a consistently high quality design in its property projects.

Tuan Sing believes the Group's experience and expertise in the real estate investment, development and hospitality segments, coupled with potential collaboration with its extensive network of potential partners in the region including those with extensive local and international networks and pipeline of real estate holdings across the region, will enhance growth. Such network includes a leading retailer in Indonesia with over 2,600 retail stores and a diversified portfolio of more than 150 world class brands which may allow for potential collaboration into the Indonesian retail mall business, the respective owners of a ferry terminal in Batam, Indonesia, a sizeable land bank in Bali, Indonesia, two integrated malls in China, an extensive land bank in Shanghai and Hainan with development opportunities, a prime land bank in Jakarta's CBD, including Wisma Sudirman which is directly connected to the MRT station and is a joint development with a major sovereign wealth fund and the Group was appointed as the development manager for the joint development, and a sizeable land bank in Karawang which is currently being explored for potential mixed-use opportunities with significant real estate investors. The Group believes its access and ability to leverage on such network and pipeline allows it to explore potential opportunities for collaboration and significant value creation.

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

Tuan Sing believes that every home should inspire its inhabitants, and that its customers deserve the best. The Group's philosophy is to develop prime location properties of high quality standards in terms of design, construction, and ancillary recreational facilities, as part of its strategy to continually build on the Tuan Sing brand name.

To raise the value and appeal of its property development projects, Tuan Sing has invested, and will continue to invest significant effort into the overall architectural design and layout of its projects as well as the efficiency in space utilisation of the individual units to cater to the preferences of the targeted buyers and homeowners. To achieve outstanding quality in design, the Group engages internationally-renowned architects and designers to create innovative and differentiated properties. To ensure construction excellence for its development projects, Tuan Sing uses premium materials and fittings, and closely supervises the work of its chosen contractors.

As such, Tuan Sing believes its overall focus on quality has enabled it not only to differentiate its properties and achieve favourable pricing, but more importantly, has allowed its customers to associate Tuan Sing with prestige and trustworthiness. The establishment of its wholly-owned subsidiary, Calypso, will also allow Tuan Sing to have greater control over the construction of the projects developed by the Group.

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

The Group, through GHG, owns Grand Hyatt Melbourne and Hyatt Regency Perth in Australia. These two five-star hotels are strategically located in or near the central business district of each city where their prime locations enable the hotels to cater to both business and leisure travellers.

Both hotels enjoy significant revenue contribution from the high-yield corporate segments and capture what the Group believes to be a more profitable segment of the hospitality market. As part of the Group's proactive asset management initiatives and to explore opportunities for significant value creation, the Group intends to reposition and enhance the office and retail plaza at the Hyatt Regency Perth complex through refurbishment so as to reinforce the hotel's upmarket image and contribute positively to the Group. The Group also plans to explore potential repositioning of the Grand Hyatt Melbourne complex as an iconic mixed-use development comprising premium grade office space, luxury retail and dining experiences on the existing podium and upper-upscale hotel-cum-serviced residences. There is also potential to increase the existing floor area ratio of approximately 9.72x to more than 18x through redevelopment, which could result in potential additional gross floor area of between 50,000 sq m and 74,000 sq m.

- **Wide property portfolio range**

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

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

The Board and management team possess significant knowledge, expertise and experience in their respective fields and are committed to the growth and success of the Group. Key members of the Board and management team have been with the Group for years and have in-depth experience in the area of real estate investment, development, asset management, marketing, financial and capital management.

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

F. BOARD AND MANAGEMENT OF TUAN SING

(i) Board of Directors

The Board of Tuan Sing is made up of five Directors, comprising (a) one Executive Director, (b) one Non-Independent and Non-Executive Director and (c) three Independent and Non-Executive Directors.

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

Mr Richard Eu Yee Ming
Non-Executive Chairman and Independent Director, Chairman of the Nominating Committee and Member of the Audit and Risk Committee and the Remuneration Committee

Mr Eu joined Tuan Sing in August 2019 as an Independent and Non-Executive Director and was appointed as Non-Executive Chairman in February 2021. He is also the Chairman of the Nominating Committee and a member of the Audit and Risk Committee and Remuneration Committee.

Mr Eu is currently the Chairman of Eu Yan Sang International Ltd. He is also an Independent and Non-Executive Director of Broadway Industrial Group Limited. His other directorships include Reliance Asset Management (Singapore) Pte. Ltd., Thye Hwa Kuan Moral Charities Limited, and chair of the Board of Trustees at the Singapore University of Social Sciences.

Mr Eu was the former Group Chief Executive Officer of Eu Yan Sang International Ltd from 2002 to September 2017. He was awarded the Best Chief Executive Officer Award (companies with market capitalisation of less than S$300 million) at the Business Times Singapore Corporate Awards 2010. He was also named Ernst & Young Entrepreneur of the Year (Singapore) 2011.

Mr Eu holds a Bachelor of Laws (LL.B) Hons from the University of London.

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

Mr Liem joined Tuan Sing in January 2004 as an Executive Director and was appointed as Chief Executive Officer in January 2008.Mr Liem is currently the interim Executive Director of SP Corp. He is also a Non-Executive Director of GulTech and Nuri Holdings (S) Pte Ltd. Mr Liem had worked in Lehman Brothers and held management roles in GT Asia Pacific Holdings Pte Ltd and Habitat Properties Pte Ltd prior to joining Tuan Sing in 2004. He holds a Bachelor of Science in Business from the University of California at Berkeley and holds a Master of Business Administration from the Massachusetts Institute of Technology.

Mr Liem was awarded the Best Chief Executive Officer Award (companies with market capitalisation of S$300 million to less than S$1 billion) at the Singapore Corporate Awards 2016.

Mr Cheng Hong Kok
Independent and Non-Executive Director, Chairman of the Remuneration Committee and Member of the Nominating Committee

Mr Cheng joined Tuan Sing in August 2017 as an Independent and Non-Executive Director and was appointed the Chairman of the Remuneration Committee and a Member of the Nominating Committee. He is currently an Independent and Non-Executive Director of SP Corp.

Prior to joining Tuan Sing, Mr Cheng was on the boards of Far East Orchard Limited and the Singapore Economic Development Board. He also served as a member of the Government Economic Planning Committee and held senior positions in Singapore Petroleum Company Limited (including as President and Chief Executive Officer, board director and executive committee member).

Mr Cheng was a Singapore State Scholar/Colonial Welfare and Development Scholar and Eisenhower Fellow. He holds a Bachelor of Science (Chemical Engineering) Degree with First Class Honours from University of London. Mr Cheng also attended the Advanced Executive Management Programme of Kellogg Graduate School of Management, Northwestern University in the United States of America.

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

Ms Liem joined Tuan Sing in April 2001 as a Non-Executive Director and became a Member of the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee in July 2020, November 2002 and July 2012 respectively.

Ms Liem is the Managing Director of Nuri Holdings (S) Pte Ltd and Habitat Properties Pte Ltd. She is also a director of Giti Tire Pte. Ltd., GT Asia Pacific Holdings Pte Ltd and other private companies. Ms Liem is the Honorary Consul of the Grand Duchy of Luxembourg in Singapore, the Patron of the Bukit Timah Citizens' Consultative Committee, Holland-Bukit Timah GRC, Singapore, a Council Member of the University of Chicago Booth School of Business, a Trustee of the Singapore LSE Trust, and a director of Conservation International Singapore, Ltd. She holds a Bachelor of Science (Economics) (Hons) degree from the London School of Economics and a Master of Business Administration from the University of Chicago. She was conferred the Public Service Medal (PBM) by the President of Singapore in 2016.

Mr Ooi Joon Hin
Independent and Non-Executive Director, Chairman of the Audit and Risk Committee

Mr Ooi joined Tuan Sing as an Independent and Non-Executive Director and was appointed as Chairman of the Audit and Risk Committee in May 2021.

Mr Ooi has been a Managing Director and Co-founder of Millennia Investment Management Pte Ltd since August 2003. He is currently a director of Areca Partners Limited, Millennia China Technology Pte. Ltd., Haciendas Pte. Ltd, Millennia-VFT Ventures Pte. Ltd., NACT Engineering Pte Ltd, Millennia Capital Limited and Millenia Asset Management (Wuhan) Co., Ltd. He was the Executive Director of Ivory Capital Group Singapore from 2002 to 2003 and before that, he held various senior positions at Lehman Brothers.

Mr Ooi holds a Master of Science in Management from Massachusetts Institute of Technology, a Master of Science in Accounting from New York University and a Bachelor of Arts in Engineering Sciences (Magna cum Laude) from Dartmouth College.

(ii) Senior Management – Corporate Office

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

Mr Tan Choong Kiak
Group Chief Financial Officer

Mr Tan joined Tuan Sing in August 2020. He has over 30 years of experience managing Asia Pacific finance teams and has extensive experience in acquisition, divestment, initial public offering, debt & equity financing, and strategic planning. Before joining Tuan Sing, he held senior leadership positions at Resorts World Sentosa, Wildlife Reserves Singapore, NewsPage, HDH Capital Management, Lazard and Lehman Brothers in Singapore, Hong Kong and the U.S. He is a Chartered Global Management Accountant and has a Master in Business Administration from Harvard Business School.

Ms Peggy Wong
General Counsel

Ms Wong joined Tuan Sing in 2017 as General Counsel and is responsible for the Group's legal and compliance matters. She brings with her extensive experience accumulated from working across a full spectrum of legal work in private practice and in-house positions encompassing real estate development, manufacturing, asset management and investment holdings. She has a strong track record in cross-border transactions and has held leadership positions with management responsibilities in corporate governance and change management. She holds a Bachelor of Laws degree from the University of Canterbury and is a Barrister and Solicitor of the High Court of New Zealand.

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

Mr Ong joined Tuan Sing in June 2012. Before that, he held various senior positions at established real estate agencies including Jones Lang LaSalle, Chesterton International and Colliers International, accumulating almost three decades of experience in selling both local and overseas residential projects.

Mr Alexander Loh Kim Leng
Director, Group Human Resources

Mr Loh is currently Director, Group Human Resources with more than 18 years of experience across a full spectrum of human resource management. In his role, he leads a regional human resources team in reinforcing strong company culture, creating and leading employee engagement and development programs, and implementing reward and talent management strategies that support the achievement of business goals and objectives. He holds a Bachelor of Business Administration degree in Human Resource Management from La Trobe University, Australia.

Mr Nick Ng Choong How
Senior Vice President, Business Development

Mr Ng joined Tuan Sing in March 2010, and has garnered more than two decades of experience in the real estate industry, covering the industrial, residential and commercial sectors, in agency works, project marketing and investment consultancy, with established real estate agencies in Singapore. He is responsible for the acquisition of residential development and commercial investment properties for the group. He earned a Bachelor of Science (Honours) in Economics and Management degree at the University of London, a Diploma in Civil Engineering at Singapore Polytechnic and a Specialist Diploma in Fund Management and Administration at Nanyang Polytechnic.

Mr Chong Teik Yean
Senior Vice President, Projects

Mr Chong joined Tuan Sing in May 2011, heading the Projects department. He has more than three decades of experience in project management spanning infrastructure works, high-rise residential apartments and sizeable commercial/mixed developments. He holds a Bachelor of Engineering (Civil) degree from the National University of Singapore and a Bachelor of Laws degree from the University of London. He also holds a post-graduate Diploma in Business Administration from the National University of Singapore and a Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants.

Mr Peter Kock Tiam Song
Senior Vice President, Property Management

Mr Kock has been with Tuan Sing for more than two decades. An active grassroots leader, he was conferred The Public Service Star – BBM and The Public Service Star (Bar) – BBM(L) by the President of Singapore in 2008 and 2018 respectively. Since 1 December 2013, he has been the Chairman of the School Advisory Committee for New Town Primary School. He holds a Bachelor of Commerce in International Facility and Information Management degree from Curtin University of Technology. He is also a certified Fire Safety Manager accredited by the Singapore Civil Defence Force.

Mr Patrick Tan Boon Chew
Head, Asset and Fund Management

Mr Tan joined Tuan Sing in April 2018 and has more than 31 years of experience in real estate development, asset and fund management. He held prior senior appointments in various reputable real estate companies and fund management establishments, where he was tasked with developing, managing and marketing properties in Asia. He holds a Bachelor of Science (Honours) degree in Building Economics and Quantity Surveying, a Master of Science in Project Management degree and a Master of Applied Finance degree. He is also professionally qualified as a member of the Singapore Institute of Surveyors and Valuers and as a Member of the Singapore Society of Project Managers.

Mr Thiva Kesavan
Vice President, Hospitality (Operations)

Thiva joined Tuan Sing in April 2020, heading the operations of hospitality portfolio. He has more than two decades of experience in hotel operations and strategies, asset performance enhancement and creative operator. He held key leadership roles transforming operation and profitability within different hospitality portfolios. He holds a diploma in Counselling from Kaplan School of Management.

Mr Kenny Tan Ching Yeen
Vice President, Technology

Mr Tan joined Tuan Sing in March 2021. He has more than 25 years' experience in IT strategy, consulting, engagement and implementation of innovative solutions for public and commercial sectors. He leads the Group's regional IT team in digital transformation initiatives and implementation of innovative solutions for the Group. Before joining Tuan Sing, he held senior positions in various companies including IBM, Fujitsu, Accenture-Avanade, NCS, Motorola, Health Promotion Board. He holds a Bachelor of Science (Computer Science) degree from National University of Singapore. He is also a certified Project Management Professional (PMP) with Project Management Institute.

Mr Tan Chee Wee
Vice President, Procurement/Projects

Mr Tan joined Tuan Sing in August 2015 as a project manager in the Projects Department and worked on projects in Australia and Indonesia. He has experience in residential, commercial, industrial and institutional projects. He is currently leading Tuan Sing's procurement/project division to achieve cost efficiency in upcoming development projects. He holds a Bachelor of Civil Engineering from Universiti Teknologi Malaysia, a Master's degree in Civil Engineering from Nanyang Technological University and a Master's degree in Project Management from National University of Singapore.

Mr Ken Yeo Aik Hui
Vice President, Regional Projects

Mr Yeo joined Tuan Sing in April 2021. He has more than two decades of experience in project management of residential, commercial and hotel projects. Before joining Tuan Sing, he held senior appointments in various real estate companies, where he assisted in the development of properties in Malaysia, Indonesia and Australia.

He holds a Bachelor of Civil Engineering (Honours) degree from Nanyang Technological University.

Mr Boston Loi Teck Han
Director, Construction Management

Mr Loi leads the Group's construction management business. His primary focus is on design and build function and high productive integrated system between structural and architectural works. He has more than 20 years of experience in the construction industry with significant experience in the overall strategy of construction operation, project planning, project management, project safety, project quality assurance and quality control and value engineering. He holds a Bachelor of Environmental Design degree and a Bachelor of Architecture degree from University of Tasmania.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set out the Group's consolidated financial statements for the three years ended 31 December 2018 ("**FY2018**"), 31 December 2019 ("**FY2019**") and 31 December 2020 ("**FY2020**") as well as the unaudited consolidated financial statements for the Group for the six months period ended 30 June 2020 ("**1H2020**") and 30 June 2021 ("**1H2021**"). The selected consolidated financial data for FY2018, FY2019 and FY2020 in the tables below are derived from the historical financial statements of the Group, which have been audited by the independent auditors, Deloitte & Touche LLP, and should be read in conjunction with those financial statements and the notes thereto. The selected consolidated financial data for 1H2020 and 1H2021 in the tables below are derived from the unaudited financial information of the Group for 1H2020 and 1H2021. The audited financial statements of the Group have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)**").

The unaudited financial statements of the Issuer are not audited, reviewed or subjected to any other procedures by the auditors of the Issuer. In addition, such information is compiled for the internal use of the Issuer and may not conform to any accounting standard. There can be no assurance that if such financial statements had been audited or reviewed that there would be no change in the financial statements and that such changes would not be material or that such financial information has been prepared and presented on a basis consistent with the accounting policies normally adopted by the Issuer and applied in preparing the consolidated financial statements as at and for the year ended 31 December 2020. Consequently, such statements may not provide the same quality of information associated with financial information that has been subject to an audit or a full review. Potential investors must therefore exercise caution when using such data to evaluate the Issuer's financial condition, results of operations and results. As of the date of this Information Memorandum, the audited financial statements as at and for the year ended 31 December 2020 are the latest available audited or reviewed financial statements of the Issuer. Further, and for the foregoing reasons, such unaudited and unreviewed financial information may not be meaningful and are not a reliable indication of the future financial performance of the Issuer.

Restatement of audited consolidated financial statements for FY2018 and FY2019

On 6 March 2019, the International Financial Reporting Standards Interpretation Committee ("**IFRIC**") has finalised the agenda decision and concluded that borrowing costs should not be capitalised when the borrowings relate to construction of a residential multi-unit real estate development for which revenue is recognised over time. The Group has applied the changes in accounting policies retrospectively to each reporting year presenting, using the full retrospective approach. Accordingly, the Group adjusted the comparative financial information as at 31 December 2018 in the FY2019 audited financial statements.

In FY2019, a certain completed development property with carrying amount of S$1,544,000 was reclassified from development properties to property, plant and equipment. In FY2020, this property was reclassified back as development properties as there was no change in use. Following that, the Group reclassified the comparative financial information as at 31 December 2019 in the FY2020 audited financial statements.

CONSOLIDATED INCOME STATEMENT

	Audited (Restated) FY2018 S$'000	Audited FY2019 S$'000	Audited FY2020 S$'000	Unaudited 1H2020 S$'000	Unaudited 1H2021 S$'000
Revenue	336,108	310,689	196,817	91,862	143,943
Cost of sales	(266,603)	(239,153)	(148,240)	(67,419)	(107,847)
Gross profit	69,505	71,536	48,577	24,443	36,096
Other operating income	5,754	5,520	28,505	5,439	93,256
Distribution costs	(5,143)	(6,833)	(5,931)	(2,540)	(5,392)
Administrative expenses	(25,494)	(29,151)	(33,469)	(15,203)	(16,878)
Other operating expenses	(1,080)	(1,313)	(5,658)	(841)	(262)
Share of results of equity accounted investees	19,214	21,561	25,645	14,253	17,028
Interest income	5,226	5,836	4,833	3,085	1,258
Finance costs	(45,458)	(58,325)	(47,803)	(24,860)	(24,120)
Profit before tax and fair value adjustments	22,524	8,831	14,699	3,776	100,986
Fair value adjustments	113,084	33,207	45,188	3,199	(118)
Profit before tax	135,608	42,038	59,887	6,975	100,868
Income tax expenses	(4,178)	(9,359)	(1,356)	(470)	(945)
Profit for the year	**131,430**	**32,679**	**58,531**	**6,505**	**99,923**
Profit attributable to:					
Owners of the Company	131,537	33,213	59,009	6,613	100,721
Non-controlling interests	(107)	(534)	(478)	(108)	(798)
	131,430	**32,679**	**58,531**	**6,505**	**99,923**
Basic and diluted earnings per share (In cents)	11.1	2.8	5.0	0.6	8.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited (Restated) FY2018 S$'000	Audited (Restated) FY2019 S$'000	Audited FY2020 S$'000	Unaudited 1H2021 S$'000
ASSETS				
Current assets				
Cash and bank balances	133,007	172,274	274,392	329,944
Trade and other receivables	76,142	70,424	55,816	54,674
Contract assets	13,517	29,974	46,966	39,493
Contract costs	757	1,295	2,855	2,923
Inventories	2,792	2,370	2,146	2,412
Development properties	353,091	344,611	303,815	260,592
Assets classified as held for sale	42,040	–	410,943	–
Total current assets	621,346	620,948	1,096,933	690,038
Non-current assets				
Property, plant and equipment	425,944	412,712	407,590	406,964
Right-of-use assets	–	250	266	340
Investment properties	1,742,662	1,778,168	1,452,351	1,455,886
Investments in equity accounted investees	117,914	137,863	152,547	171,111
Financial asset at fair value through other comprehensive income	–	30,916	29,343	29,343
Deferred tax assets	2,135	2,047	1,721	1,775
Trade and other receivables	–	14,433	2,915	1,471
Contract assets	1,934	–	–	–
Other non-current assets	12	5	5	5
Total non-current assets	2,290,601	2,376,394	2,046,738	2,066,895
Total assets	**2,911,947**	**2,997,342**	**3,143,671**	**2,756,933**
LIABILITIES AND EQUITY				
Current liabilities				
Loans and borrowings	884,170	281,062	210,130	836,471
Lease liabilities	–	63	54	97
Trade and other payables	125,125	109,045	153,604	79,977
Contract liabilities	593	1,536	–	1,121
Derivative financial instruments	–	–	–	1,511
Income tax payable	5,313	4,148	3,776	6,060
Liabilities directly associated with assets classified as held for sale	–	–	298,483	–
Total current liabilities	1,015,201	395,854	666,047	925,237

	Audited (Restated) FY2018 S$'000	Audited (Restated) FY2019 S$'000	Audited FY2020 S$'000	Unaudited 1H2021 S$'000
Non-current liabilities				
Loans and borrowings	746,271	1,430,270	1,254,823	508,570
Lease liabilities	–	52	84	94
Derivative financial instruments	–	939	2,038	–
Deferred tax liabilities	47,073	50,805	46,859	45,339
Other non-current liabilities	373	349	322	352
Total non-current liabilities	793,717	1,482,415	1,304,126	554,355
Capital, reserves and non-controlling interests				
Share capital	173,945	175,234	176,234	181,695
Treasury shares	(1,523)	(2,955)	(3,891)	(3,985)
Reserves	915,935	932,684	987,724	1,087,036
Equity attributable to owners of the Company	1,088,357	1,104,963	1,160,067	1,264,746
Non-controlling interests	14,672	14,110	13,431	12,595
Total equity	1,103,029	1,119,073	1,173,498	1,277,341
Total liabilities and equity	**2,911,947**	**2,997,342**	**3,143,671**	**2,756,933**
Total borrowings	1,630,441	1,711,332	1,464,953	1,345,041
Gross gearing (times)^	1.48	1.53	1.25	1.05
Net borrowings^^	1,497,434	1,539,058	1,190,561	1,015,097
Net gearing (times)^	1.36	1.38	1.01	0.79
Net asset value per share (in cents)	91.7	93.1	97.7	105.2

Notes:

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

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

GROUP'S REVENUE AND ADJUSTED EARNINGS BEFORE INTEREST AND TAXES BY BUSINESS SEGMENT

	Unaudited FY2018 S$'000	Unaudited FY2019 S$'000	Unaudited FY2020 S$'000	Unaudited 1H2020 S$'000	Unaudited 1H2021 S$'000
REAL ESTATE INVESTMENT					
Revenue	41,768	43,661	54,791	26,567	28,336
Adjusted Earnings Before Interest and Taxes[2]	28,568	23,623	44,169	16,890	18,174
REAL ESTATE DEVELOPMENT					
Revenue	41,251	65,362	75,158	31,460	55,931
Adjusted Earnings Before Interest and Taxes[2]	1,889	9,234	3,081	1,018	1,001
HOSPITALITY					
Revenue	109,714	101,760	32,828	20,753	25,757
Adjusted Earnings Before Interest and Taxes[2]	17,296	15,434	(5,999)	(2,189)	2,747
INDUSTRIAL SERVICES					
Revenue	144,828	101,390	37,365	14,772	35,584
Adjusted Earnings Before Interest and Taxes[2]	136	102	(648)	(696)	2
OTHER INVESTMENTS[1]					
Revenue	–	–	–	–	–
Adjusted Earnings Before Interest and Taxes[2]	19,273	21,486	25,031	14,199	16,947
CORPORATE/INTERSEGMENT ELIMINATION					
Revenue	(1,453)	(1,484)	(3,325)	(1,690)	(1,665)
Adjusted Earnings Before Interest and Taxes[2]	(8,236)	(8,509)	(8,385)	(4,305)	(4,627)
GROUP TOTAL					
Revenue	336,108	310,689	196,817	91,862	143,943
Adjusted Earnings Before Interest and Taxes[2]	58,926	61,370	57,249	24,917	34,244
Recurring Adjusted EBIT[3]	**65,137**	**60,543**	**63,201**	**28,900**	**37,868**

Notes:

1. *No revenue is reported under "Other Investments" as the Group equity accounts for its investment in GulTech and Pan-West. The Adjusted Earnings Before Interest and Taxes were solely derived from GulTech, which designs, manufactures and distributes printed circuit boards with three manufacturing facilities in China.*

2. *Adjusted Earnings Before Interest and Taxes ("**Adjusted EBIT**") is based on a measure of adjusted profit before interest and taxes, excluding the effects of (i) gain or loss on disposal of subsidiaries, joint venture/associate, investment properties, and property, plant and equipment, (ii) fair value gain or loss on investment properties and derivative financial instruments, (iii) revaluation deficit on property, plant and equipment, (iv) impairment/writeback of impairment on the Group's investment in joint venture/associate and property, plant and equipment, and (v) net foreign exchange gain or loss.*

3. *Recurring Adjusted EBIT refers to Adjusted EBIT derived from the Real Estate Investment, Hospitality and Other Investments segments.*

Effective from FY2021, the Group reorganised its business segments into five segments by segregating the development and investment arms of the Property segment. Comparative was adjusted after reorganisation of the business segments. Accordingly, the Group's reportable operating segments are as follows:

(i) Real Estate Investment – Property investment in Singapore, Australia and China.

(ii) Real Estate Development – Property development and provision of construction management services in Singapore and Indonesia.

(iii) Hospitality (formerly known as Hotels Investment) – Investment in hotels in Melbourne and Perth, Australia, which are managed by Hyatt, the hotel operator.

(iv) Industrial Services – Trading and marketing of industrial commodities, as well as manufacturing of polypropylene woven bags in Malaysia.

(v) Other Investments – Investment in GulTech and Pan-West. GulTech is a printed circuit boards manufacturer with plants in China while Pan-West distributes golf-related lifestyle products.

FINANCIAL SUMMARY AND OVERVIEW

REVIEW OF THE GROUP'S FINANCIAL PERFORMANCE

1H2021 versus 1H2020

The Group's revenue increased by 57% to S$143,943,000 in 1H2021. The increase was due to higher revenue across all business segments, led by Real Estate Development, Industrial Services and Hospitality. Higher revenue from Real Estate Development was mostly driven by higher progressive recognition of units sold at Mont Botanik Residence, while higher revenue from Industrial Services and Hospitality reflected the gradual recovery of the Group's operations since the outbreak of the Covid-19 pandemic in 2020.

Gross profit increased by 48% to S$36,096,000 in 1H2021 as a result of the increase in revenue.

Other operating income increased by S$87,817,000 to S$93,256,000 in 1H2021. The increase was attributable mainly to the gain on disposal of a subsidiary in Singapore, partially offset by lower government grant income as various Covid-19 support schemes had ceased or tapered off during this period.

Distribution costs increased by S$2,852,000 to S$5,392,000 in 1H2021 due mainly to higher sales commission expenses and show flat costs relating to the sale of residential properties in Singapore.

Administrative expenses edged up by 11% to S$16,878,000 in 1H2021 due mainly to higher manpower costs.

Other operating expenses were down by 69% to S$262,000 in 1H2021. The decrease was in line with the decrease in government grant income. In 1H2020, the Group transferred certain Covid-19 support measures received to eligible tenants in Singapore in the form of rental rebates and rental waivers.

Share of results of equity accounted investees grew by 19% to S$17,028,000 in 1H2021. The increase was mainly attributable to higher net profit from the Group's 44.5% equity stake in GulTech.

Interest income decreased by 59% to S$1,258,000 in 1H2021 due mainly to lower interest income from banks and accounts receivable.

Finance costs decreased by 3% to S$24,120,000 in 1H2021 due mainly to the decrease in interest rates for the Group's loans and borrowings, partially offset by costs incurred for the full repayment of loans of a subsidiary which was disposed on 7 June 2021.

Fair value adjustments decreased by S$3,317,000 to a loss of S$118,000 in 1H2021. The decrease arose from the absence of revaluation gain of a property in China following the change in use from property, plant and equipment to investment property in 1H2020.

Income tax expenses increased by S$475,000 to S$945,000 in 1H2021 due mainly to the higher profit generated in 1H2021.

As a result of the above, the Group's profit after tax increased by S$93,418,000 to S$99,923,000 in 1H2021. The Group reported a net profit attributable to the owners of the Company of S$100,721,000 as compared to S$6,613,000 in 1H2020.

FY2020 versus FY2019

The Group's revenue decreased by 37% to S$196,817,000 in FY2020. The decrease was due to lower contribution from the Hospitality and Industrial Services segments which were adversely affected by the Covid-19 pandemic. However, this was partially offset by higher rental income from the Real Estate Investment segment as occupancy for 18 Robinson continued to increase after its completion in 2019.

Gross profit fell in tandem by 32% to S$48,577,000, mainly caused by the losses from the Hospitality segment.

Other operating income increased by S$22,985,000 to S$28,505,000 in FY2020 and such increase was mainly attributable to the reversal of accruals for development costs previously capitalised and the receipt of various government Covid-19 support measures.

Distribution costs were down by 13% to S$5,931,000 in FY2020. The decrease was due mainly to lower sales and promotional expenses and costs of show flat but was partially offset by higher sales commission expenses incurred relating to the sale of residential properties in Singapore.

Administrative expenses edged up by 15% to S$33,469,000 in FY2020. The increase was due mainly to an absence of write-back on provision of legal costs in 2019 relating to a development project, higher manpower costs and depreciation expenses.

Other operating expenses increased by S$4,345,000 to S$5,658,000 in FY2020 mainly due to the restructuring costs of S$1,144,000 from Grand Hyatt Melbourne's operations as well as the transfer of certain Covid-19 support measures received to eligible tenants in Singapore in the form of rental rebates and rental waivers.

Share of results of equity accounted investees grew by 19% to S$25,645,000 in FY2020. The increase was mainly attributable to higher net profit from the Group's 44.5% equity stake in GulTech as received new customer orders for printed circuit boards and electronic products increased during the Covid-19 pandemic.

Interest income decreased by 17% to S$4,833,000 in FY2020 due mainly to lower interest income from banks and accounts receivables.

Finance costs decreased by 18% to S$47,803,000 in FY2020 due mainly to a decrease in interest rates for the Group's loans and borrowings.

Fair value adjustments were up by 36% to a net gain of S$45,188,000 in FY2020. The increase in fair value gain arose from the revaluation of the Group's real estate investment properties in Singapore.

Income tax expenses decreased by 86% to S$1,356,000 in FY2020. The decrease was due mainly to the lower profit generated from the Group's hotel operations which were adversely affected by the Covid-19 pandemic.

As a result of the above, the Group's profit after tax were up by 79% to S$58,531,000 in FY2020. The Group reported a full year net profit attributable to the owners of the Company of S$59,009,000, as compared to S$33,213,000 in FY2019.

FY2019 versus FY2018

The Group's revenue fell by 8% to S$310,689,000 in FY2019. The decrease was due mainly to lower revenue from the Hospitality and Industrial Services segments. This was partially offset by higher revenue from the Real Estate Development segment.

Gross profit of S$71,536,000 was comparable to S$69,505,000 in FY2018.

Other operating income of S$5,520,000 was comparable to S$5,754,000 in FY2018.

Distribution costs increased by 33% to S$6,833,000 in FY2019 due mainly to an increase in commission, advertising and sales promotional expenses which was partially offset by a reduction of show flat costs.

Administrative expenses were up by 14% to S$29,151,000 in FY2019. The increase was due mainly to higher manpower costs, travelling expenses, professional fees and depreciation expenses.

Other operating expenses of S$1,313,000 was comparable to S$1,080,000 in FY2018.

Share of results of equity accounted investees grew by 12% to S$21,561,000 in FY2019. The increase was mainly attributable to higher net profit of US$35,524,000 from the Group's 44.5% equity stake in GulTech. This was largely driven by an increase in share of profit from Wuxi plant as GulTech increased its stake in Gultech (Wuxi) Electronics Co., Ltd on 30 June 2018.

Interest income of S$5,836,000 in FY2019 was comparable to S$5,226,000 in FY2018.

Finance costs increased by 28% to S$58,325,000 in FY2019 due mainly to interest expenses for 18 Robinson. Prior to obtaining TOP for 18 Robinson, the interest on the borrowing was capitalised. Finance costs also increased because of the adoption of the revised accounting standard SFRS(I) 1-23 Borrowing Costs on 1 January 2019. As a result of the adoption, there was an additional finance cost recognised of S$5,870,000 as compared to S$3,597,000 in FY2018. In addition, the issuance of secured Series I notes of S$200 million under Superluck Properties Pte Ltd's MTN Programme in October 2019 resulted in higher interest expense. However, this was partially offset by the decrease in interest expense of the unsecured Series I notes of S$80,000,000 under the Programme, which have been fully redeemed and cancelled in October 2019.

Fair value adjustments decreased by 71% to a net gain of S$33,207,000 in FY2019. The decrease in fair value gain arose from the revaluation of investment properties. The higher revaluation of investment properties in 2018 was due mainly to the fair value gain from 18 Robinson which was deemed completed in 2018.

Income tax expenses increased by S$5,181,000 to S$9,359,000 in FY2019 due mainly to (i) an additional tax provision arising from the write-back on provision of legal costs relating to a development project, (ii) under provision of tax arising from a distribution in Australia, (iii) higher deferred tax expense arising from the sale of residential projects that are under development; and (iv) higher deferred tax expense arising from the fair value gain on investment properties in China.

As a result of the above, the Group's profit after tax fell by 75% to S$32,679,000 in FY2019. The Group reported a full year net profit attributable to the owners of the Company of S$33,213,000, as compared to S$131,537,000 in FY2018.

REVIEW OF THE GROUP'S FINANCIAL POSITION

1H2021 versus 1H2020

The Group's total assets as at 30 June 2021 decreased by 12% or S$386,738,000 to S$2,756,933,000. The decrease was due mainly to the disposal of a subsidiary and a decrease in carrying amount of development properties arising from the sale of residential units in Singapore. The decrease was partially offset by an increase in cash and bank balances.

The Group's total liabilities as at 30 June 2021 decreased by 25% or S$490,581,000 to S$1,479,592,000. The decrease was due mainly to the disposal of a subsidiary, repayment of loans and borrowings and a decrease in trade and other payables.

Shareholders' fund as at 30 June 2021 increased by 9% or S$104,679,000 to S$1,264,746,000.

The Group had a negative working capital of S$235,199,000 as at 30 June 2021. This was due to the reclassification of bank loans and the unsecured Series III notes under the Programme, totalling S$749,575,000 to current liability as they will mature within the next twelve months. The Group is in discussions to refinance these borrowings.

FY2020 versus FY2019

The Group's total assets as at 31 December 2020 increased by 5% or S$146,329,000 to S$3,143,671,000 in FY2020. The increase was attributable mainly to (i) an increase in carrying amount of investment properties and asset held for sale as a result of fair value gain; (ii) an increase in cash and bank balances mainly from the deposits collected from the then upcoming divestment of a subsidiary and the increase in project account balances of the residential properties; and (iii) an increase in carrying amount of investments in equity accounted investees attributable mainly to the Group's equity share of profits from GulTech. The increase was partially offset by a decrease in carrying amount of residential properties due mainly to sale of units of development projects in Singapore.

The Group's total liabilities as at 31 December 2020 increased by 5% or S$91,904,000 to S$1,970,173,000. The increase was due mainly to an increase in trade and other payables.

Shareholders' fund as at 31 December 2020 grew by 5% or S$55,104,000 to S$1,160,067,000.

FY2019 versus FY2018

The Group's total assets as at 31 December 2019 increased by 3% or S$85,395,000 to S$2,997,342,000. The increase was attributable mainly to an increase in carrying amount of investment properties as a result of fair value gain, investment in Goodwill Property Investment Limited and its subsidiaries, increase in carrying amount of investments in equity accounted investees attributable mainly to the Group's equity share of profits from GulTech, partially offset by the Group's disposal of an investment property in March 2019.

The Group's total liabilities as at 31 December 2019 increased by 4% or S$69,351,000 to S$1,878,269,000. The increase was due mainly to an increase in loans and borrowings, partially offset by a decrease in trade and other payables.

The Group's current portion loans and borrowings as at 31 December 2019 decreased by 68% or S$603,108,000 to S$281,062,000. The decrease was due mainly to the completion of the refinancing of loan facilities and the issuance of secured Series I notes of S$200,000,000 under Superluck Properties Pte Ltd's MTN Programme in October 2019.

Shareholders' fund as at 31 December 2019 grew by 2% or S$16,606,000 to S$1,104,963,000.

REVIEW OF THE GROUP'S SEGMENT PERFORMANCE

1H2021 versus 1H2020

Real Estate Investment

Revenue increased by 7% to S$28,336,000 in 1H2021 due mainly to higher occupancies at 18 Robinson and Link@896 as well as higher average gross rental for Link@896, partially offset by lower contribution from Robinson Point which was disposed on 7 June 2021.

Correspondingly, Adjusted EBIT increased by 8% to S$18,174,000 in 1H2021.

Real Estate Development

Revenue increased by 78% to S$55,931,000 in 1H2021 due mainly to higher progressive recognition of units sold at Mont Botanik Residence.

Despite higher revenue, Adjusted EBIT of S$1,001,000 in 1H2021 remained comparable to S$1,018,000 in 1H2020 due mainly to higher show flat costs and higher promotional expenses relating to the sales launch of Peak Residence in Singapore and Cluny Villas and Balmoral Tower at Opus Bay in Batam.

Hospitality

Revenue was up by 24% to S$25,757,000 in 1H2021 largely due to Hyatt Regency Perth's quarantine business and the fact that Grand Hyatt Melbourne temporarily suspended operations from mid-April to mid-November in 2020.

Correspondingly, Adjusted EBIT increased by S$4,936,000 to S$2,747,000.

Industrial Services

Revenue increased by S$20,812,000 to S$35,584,000 in 1H2021 due mainly to higher sales from coal. Delivery of coal had gradually recovered from the outbreak of the pandemic in 2020.

Correspondingly, Adjusted EBIT increased by S$698,000 to S$2,000.

Other Investments

This is mainly the Group's 44.5% equity stake in GulTech. Adjusted EBIT increased by 19% to S$16,947,000 in 1H2021 due mainly to higher revenue and an increase in scrap sales income following the rise in material prices such as copper.

FY2020 versus FY2019

Real Estate Investment

Revenue increased by 25% to S$54,791,000 in FY2020 and such increase is attributable mainly to an increase in contribution from investment properties in Singapore as occupancy for 18 Robinson continued to improve after its completion in 2019.

Adjusted EBIT grew by 87% to S$44,169,000 in FY2020 and such growth was attributable mainly to an increase in rental income from 18 Robinson and the reversal of accruals for development costs previously capitalised. The Group also received property tax rebates and cash grant from the Singapore Government and these were passed on to the eligible tenants in the form of rental rebates and rental waivers.

Real Estate Development

Revenue increased by 15% to S$75,158,000 in FY2020 due mainly to sales of apartments at Mont Botanik Residence.

Despite the revenue increase, Adjusted EBIT was down by 67% to S$3,081,000 in FY2020 due mainly to higher construction costs and an absence of a write-back on provision of legal costs in 2019 relating to a development project in Singapore.

Hospitality

Revenue decreased by 68% to S$32,828,000 in FY2020 due mainly to lower occupancy rate for both Grand Hyatt Melbourne and Hyatt Regency Perth which were adversely impacted by the Covid-19 pandemic. Grand Hyatt Melbourne suspended operations from mid-April 2020 to mid-November 2020.

Correspondingly, Adjusted EBIT was -S$5,999,000 in FY2020, down by S$21,433,000.

Industrial Services

Revenue fell by 63% to S$37,365,000 in FY2020 due mainly to lower sales volume of coal and rubber, which saw a decrease during the Covid-19 pandemic, as well as the drop in coal price.

Correspondingly, Adjusted EBIT in FY2020 was -S$648,000, down by S$750,000.

Other Investments

This is mainly the Group's 44.5% equity stake in GulTech. Adjusted EBIT increased by 16% to S$25,031,000 in FY2020 as Gultech received new customer orders for printed circuit boards and electronic products during the Covid-19 pandemic.

FY2019 versus FY2018

Real Estate Investment

Revenue increased by 5% to S$43,661,000 in FY2019 when there is an increase in rental income after the completion of 18 Robinson in early 2019. This increase in revenue was partially offset by lower occupancies at Link@896 due to the Additions & Alterations works which commenced in the first quarter of 2019 to reposition the property.

Despite having a higher revenue, Adjusted EBIT fell by 17% to S$23,623,000 in FY2019 due mainly to (i) the lower rental contribution from Link@896; and (ii) an increase in building maintenance, property taxes and administrative expenses for 18 Robinson post completion. Some of these expenses were capitalised in FY2018 as part of development costs of 18 Robinson which was then still under construction.

Real Estate Development

Revenue grew by 58% to S$65,362,000 in FY2019 and such growth was attributable mainly to higher sales and percentage of completion of residential development properties in Singapore.

Adjusted EBIT increased by S$7,345,000 to S$9,234,000 in FY2019 and such increase was attributable to higher sales of residential properties and a write-back on provision of legal costs relating to a development project in Singapore.

Hospitality

Revenue was down by 7% to S$101,760,000 in FY2019. Despite a slight decrease in occupancy rate, Grand Hyatt Melbourne performed better with an increase in RevPAR. However, it was offset by the weaker performance of Hyatt Regency Perth.

Correspondingly, Adjusted EBIT decreased by 11% to S$15,434,000 in FY2019.

Industrial Services

Revenue decreased by 30% to S$101,390,000 in FY2019 due to lower revenue from coal and rubber trading. The decrease in coal revenue was due to lower average selling price and a marginal decline in trading volume while the decrease in rubber revenue was mainly due to lower sales volume.

Correspondingly, Adjusted EBIT fell by 25% to S$102,000 in FY2019.

Other Investments

This is mainly the Group's 44.5% equity stake in GulTech. Adjusted EBIT increased by 11% to S$21,486,000 in FY2019. The increase was mainly attributable to an increase in share of profits from Wuxi plant as GulTech increased its stake in GulTech Wuxi on 30 June 2018.

RISK FACTORS

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

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

Prospective investors should not rely on the information set out herein as the sole basis for any investment decision in relation to the Notes but should seek appropriate and relevant advice concerning the appropriateness of an investment in the Notes for their particular circumstances.

Headings and sub-headings are for convenience only and risk factors that appear under a particular heading or sub-heading may also apply to one or more other headings or sub-headings.

LIMITATIONS OF THIS INFORMATION MEMORANDUM

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

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

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

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside the Issuer's control. The forward-looking information in this Information Memorandum may prove inaccurate. Please see the section on "Forward-Looking Statements" on page 5 of this Information Memorandum.

RISKS RELATING TO NOTES

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

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

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes;

(ii) the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement or amendment to this Information Memorandum;

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

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

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

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

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

Laws and regulations applicable to investors may restrict certain investments.

The investment activities of certain investors may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it; (ii) the Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Notes may not be liquid and an active market for the Notes may not develop.

There can be no assurance regarding the future development of the market for the Notes issued under the Programme or the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. The Notes may have no established trading market when issued, and one may never develop. Even if a market for the Notes does develop, there can be no assurance as to the liquidity or sustainability of such market. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This may particularly be the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally may have a more limited secondary market and more price volatility than conventional debt securities. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar notes, general economic conditions and the financial condition of the Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at their fair market value or at all.

The lack of liquidity may have an adverse effect on the market value of Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issuance of such additional Notes.

Although an application will be made for the listing and quotation of any Notes to be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be accepted, that any particular Series or Tranche of Notes will be so listed or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of Notes similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

There may be fluctuations in the market value of the Notes issued under the Programme.

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

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

The Notes are subject to interest rate risk.

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

The Notes are subject to inflation risk.

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

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed.

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

The market values of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing debt securities.

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

Provisions in the Trust Deed and the terms and conditions of the Notes may be modified.

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

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

A change in Singapore tax laws may adversely affect the Noteholders.

The Notes to be issued from time to time under the Programme are 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 be amended or revoked at any time.

Investors and holders of the Notes should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Notes.

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

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

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

Noteholders are exposed to financial risk.

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

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

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

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

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

The Notes are not secured.

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

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

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

Currency risk associated with Notes denominated in foreign currencies.

The Issuer's revenue is generally denominated in S$ and the majority of the Issuer's expenses are generally incurred in this currency as well. As the Notes can be denominated in currencies other than S$, the Issuer may be affected by fluctuations between the S$ and such foreign currencies in meeting the payment obligations under such Notes and there is no assurance that the Issuer may be able to fully hedge the currency risks associated with Notes denominated in foreign currencies.

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

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

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

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

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less principal and/or interest than expected, or no principal and/or interest at all.

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

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

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

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

A change in Singapore law which governs the Notes may adversely affect Noteholders.

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

The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks".

Interest rates and indices which are deemed to be "benchmarks" (including LIBOR, EURIBOR, SOR or SIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011, as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the UK Financial Conduct Authority (the "**FCA**") or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the national or international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, the FCA announced, *inter alia*, the dates on which the various LIBOR rates in respect of various currencies will either cease to be provided or cease to be representative of their underlying market, with such end-date falling either on 31 December 2021 or by 30 June 2023.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rate.

On 30 August 2019, the MAS announced that, it has established an industry-led steering committee to oversee an industry-wide interest rate benchmark transition from the SOR to the Singapore Overnight Rate Average ("**SORA**"). On 5 August 2020, MAS announced several initiatives to support the adoption of SORA, including prescribing SORA as a financial benchmark under the SFA. The initiatives aim to catalyse greater activity in SORA markets, safeguard the benchmark's integrity and enhance market confidence in SORA. Similarly, the Association of Banks in Singapore has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR. The Association of Banks in Singapore, the Singapore Foreign Exchange Market Committee and the Steering Committee for SOR Transition to SORA ("**SC-STS**") (together, the "**Committees**") laid out transition roadmaps for shifting away from the use of SOR and SIBOR to the use of SORA as the main interest rate benchmark for SGD financial markets. Following industry consultations by the Committees, SOR is expected to be discontinued by end-June 2023 and the issuance of SOR-linked loans and securities that mature after end-2021 has ceased since end-April 2021, with financial institutions and their customers to cease usage of SOR in new derivative contracts (except for specified purposes relating to the risk management and transition of legacy SOR positions to SORA) by end-September 2021. Similarly, the Committees have announced plans to discontinue SIBOR, with 6-month SIBOR expected to be discontinued on 31 March 2022 and 1-month and 3-month SIBOR expected to be discontinued by end-2024.

In order to mitigate further build up in the stock of legacy SIBOR contracts, the SC-STS has recommended that financial institutions and their customers cease usage of SIBOR in new contracts by end-September 2021.

Investors should note that, subject further to the terms of the relevant Notes, such announcements set out in the preceding paragraphs may be construed as a relevant Benchmark Event (as defined in the Conditions) having occurred.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark and/or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmark Regulations, as applicable, or any of the national or international reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The Conditions provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a benchmark replacement, successor rate or an alternative rate and that such successor rate or alternative rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark.

If, following the occurrence of a Benchmark Event, no benchmark replacement, successor rate or alternative rate is determined, the ultimate fallback for the purposes of calculation of (in the case of Floating Rate Notes) the rate of interest for a particular interest period may result in the rate of interest for the last preceding interest period being used. This may result in the effective application of a fixed rate for such Notes based on the previous applicable rate. Due to the uncertainty concerning the availability of benchmark replacements, successor rates and alternative rates and the involvement of an Independent Adviser and the potential for further regulatory developments, there is the risk that the relevant fallback provisions may not operate as intended at the relevant time.

The use of a benchmark replacement, successor rate or alternative rate (including with the application of an adjustment spread) may result in any Notes linked to or referencing the relevant benchmark replacement, successor rate or alternative rate performing differently (which may include payment of a lower rate of interest than they would if the relevant reference rate were to continue to apply in its current form).

Investors should be aware that, if SOR or SIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference SOR or SIBOR will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which SOR or SIBOR is to be determined under the Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for SOR or SIBOR which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the relevant Screen Page. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference SOR or SIBOR.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to risk free rates as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. Please refer to the risk factor entitled *"The regulation and reform of "benchmark" rates of interest and indices may adversely affect the value of Notes linked to or referencing such "benchmarks'"* for further details of the recent interest rates and benchmarks reform.

The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Conditions and used in relation to any that reference risk free rates issued under the Programme. The Issuer may in the future also issue Notes referencing risk free rates that differ materially in terms of interest determination when compared with any previous Notes referencing the same risk free rate issued by it under the Programme. The development of risk free rates as interest reference rates for the Eurobond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Notes issued under the Programme which references any such risk free rate from time to time.

Furthermore, the basis of deriving certain risk free rates, such as SORA, may mean that interest on the Notes which reference any such risk free rate would only be capable of being determined after the end of the relevant observation period and immediately prior to the Interest Payment Date. It may be difficult for investors in Notes which reference any such risk free rate to accurately estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to SIBOR-linked securities, if Notes referencing SORA become due and payable as a result of an event of default under the Conditions, the rate of interest payable for the final Interest Period in respect of such Notes may only be determined on the date which the Notes become due and payable. Investors should consider these matters when making their investment decision with respect to any such Notes.

In addition, the manner of adoption or application of risk free rates in the Eurobond markets may differ materially compared with the application and adoption of such risk free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk free rates. Since risk free rates are relatively new market indices, Notes linked to any such risk free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk free rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if any risk free rate to which a series of Notes is linked does not prove to be widely used in securities like the Notes, the trading price of such Notes linked to a risk free rate may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that any risk free rate to which a series of Notes is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Notes referencing such risk free rate. If the manner in which such risk free rate is calculated is changed, that change may result in a reduction of the amount of distribution payable on such Notes and the trading prices of such Notes.

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

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

The Group faces risks associated with debt financing.

The property investment and development sector is capital intensive and the Group's ability to raise funds on acceptable terms will depend on a number of factors including capital market conditions, general and economic political conditions, the Group's performance, credit availability and both the cost and availability of funding may be negatively affected by disruptions in the global capital markets. Changes in the cost of current and future borrowings, including a rise in interest rates, may impact the earnings of the Group and result in the risk that its cash flow will be insufficient to meet required payments under such financing, which may adversely affect the Group's ability to make payments to Noteholders.

In addition, the Group's property portfolio in Singapore and Australia is pledged under various mortgage loan agreements. A breach in any loan covenant could trigger various repayments at short notice.

If there is a default under any debt financing facilities extended to the Group and the Group is unable to obtain a waiver for such default, the lenders may be able to declare a default and initiate enforcement proceedings in respect of any part of the portfolio provided as security.

Application of Singapore insolvency and related laws to the Issuer may result in a material adverse effect on the Noteholders.

There can be no assurance that the Issuer will not become bankrupt or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Noteholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Noteholders.

Where the Issuer is insolvent or close to insolvent and the Issuer undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer. It may also be possible that if a company related to the Issuer proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer may also seek a moratorium even if the Issuer is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer, the need to obtain court permission or the judicial manager's consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Noteholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Noteholders may be bound by a scheme of arrangement to which they may have dissented.

Further to the amendments that took effect on 23 May 2017 (some of which have been highlighted above), the Insolvency, Restructuring and Dissolution Bill (the "**IRD Bill**" or as passed, the "**IRD Act**") was passed in Parliament on 1 October 2018, and the IRD Act came into effect on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to related contracts that are not found to be directly connected with the Notes.

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

GENERAL BUSINESS RISKS

Economic and political conditions globally and in the countries in which the Group operates may adversely impact the Group.

The current global environment presents significant policy uncertainties, especially in global trade and geopolitical tensions.

Trade frictions between the largest trading partners in the world and a number of other events have contributed to trade uncertainties. Among other things, the ongoing trade war between the United States of America and China, the large fiscal deficit incurred by the United States of America, China's loose fiscal and credit policies, Europe remaining on the path of economic recovery, as well as the exit of the United Kingdom from the European Union, could undermine the stability of global economies and result in a general global economic downturn or recession or even a financial crisis, which could have a material adverse effect on the Group's business.

Such uncertain and unfavourable economic and political conditions could have a collateral effect on growth and financial performance in trade-exposed economies such as Singapore. The Group has no control over such conditions and developments and can provide no assurance that such conditions and developments will not adversely affect its operations.

More particularly, the Group operates in Singapore, Australia, China, Malaysia and Indonesia. The Group's operations in foreign countries could expose it to political, economic, regulatory and social risks and uncertainties specific to those countries. Any significant economic slowdown or decline in demand for products in these countries will have an adverse effect on the Group's business and financial performance.

For example, Indonesia has, from time to time, experienced political instability and social and civil unrest. The 2019 presidential election saw a candidate refusing to accept loss and challenge the outcome of the election, as well as protests and riots which resulted in deaths and injuries. Political campaigns and social and civil disturbances bring about a degree of political and social uncertainty and could directly or indirectly, materially and adversely affect the Group's business, operations, results of operations and financial position.

The Group is exposed to risks associated with its expansion plans and risks associated with doing business overseas.

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

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

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

Where the Group engages in business overseas or where its expansion plans involve venturing overseas, the Group may be subject to general risks inherent in such business or plans. Such risks include risks associated with doing business in jurisdictions in which it may have limited experience, unfamiliarity with rules and regulations, unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding liability and enforcement, changes in local laws and controls on the repatriation of capital or profits.

If any of the risks associated with the Group's expansion plans and risks associated with doing business overseas materialise, they could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

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

The Group operates in five business segments and is therefore exposed to the risks of those businesses. The Group's business segments operate in very competitive markets. There can be no assurance that the Group's products remain accepted by consumers amidst the competition it faces. In the event that its products lose market acceptance, its business, financial condition, prospects and results of operations may be adversely affected.

The Group's real estate development and investment business is exposed to the inherent construction and property development risks. The development process or major asset enhancement initiatives typically requires two to five years and considerable capital expenditure to complete. Factors which may affect the success of a project include the failure to complete projects in time, the failure to keep the costs within the budget, any change in government policies, major changes in buyers' or tenants' profiles and preferences, changes in market conditions which may impact selling prices or rental rates, new technology, or a change of popularity in areas where the Group has its projects during the planning and construction period. Delays in the completion of property development projects and cost overruns may also arise from inclement weather, shortage of labour, construction equipment or building materials, disputes with contractors, delays in obtaining the necessary regulatory approvals, industrial accidents or work stoppages. If there is delay, the Group may be subject to penalties and claims for liquidated damages from purchasers or its contractors.

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

The Group's industrial services business, conducted through SP Corp, is subject to its ability to obtain adequate coal supplies. In addition, the Group's other investments business includes 44.5 per cent.-owned associate, GulTech, which is in the business of manufacturing PCBs. This business depends greatly on the global demand for consumer electronics and cars. More advanced, efficient and economical PCBs may be developed by competitors, which may render GulTech's products obsolete or less cost effective.

The Group is subject to risks associated with the development of and investment in integrated mixed-development townships and/or similar developments and investments.

The Group is currently developing and investing in an integrated mixed development township in Indonesia which may comprise various forms of residential living, an outlet mall, retail with food and beverage, hotels with MICE facilities, offices, tourist attractions, international schools, medical facilities as well as amusement and recreational parks. The Group may develop or invest in similar developments in the future.

Developments such as these are complex and the Group may be exposed to risks relating to, amongst others, permit, licensing, zoning and building approvals. The failure to obtain such regulatory approvals may delay the development or may have an adverse impact on the development plan.

Once developed, there is no assurance that the different components of the development would have the envisaged synergy. Further, there can be no assurance that each of the different components of the development would be successful. The failure of a component of the development could also have an adverse impact on the other components. For example, if the Group is unable to secure suitable attractions, the hotels component of the development may be negatively affected. In addition, each separate component of the development is subject to its specific industry risks.

In the event that risks relating to the Group's involvement in these developments materialise, the Group's business, financial condition, prospects and results of operations may be materially and adversely affected.

The Group has no prior track record and operating history in the construction business.

The Group incorporated a wholly-owned subsidiary, Calypso, in 2019 to manage the construction of its projects.

As the Group does not have a proven track record in carrying out construction as a main contractor, there is no assurance that such business activity will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from such business activity. Entering into the construction business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of such business activity effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group may not have the ability or sufficient expertise to successfully carry out its construction business.

The Group's ability to successfully carry out its construction business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the construction business in the countries in which it operates as well as strength in financial management. There is no assurance that the Group's existing experience and expertise will be sufficient for such business activity, or that the Group will be able to hire employees with the relevant experience and knowledge. If the Group is not able to successfully carry out its construction business, this may affect the construction of its projects and, in turn, the Group's financial performance and profitability.

The Group is subject to various government regulations in the construction business.

Licences, permits, certificates, consents or regulatory approvals may be required in the countries in which it operates for, among other things, general construction, addition and alteration works and building works. For example, in Singapore, addition and alteration works as well as the building works may require a licence issued by the Commissioner of Building Control, Singapore. If the Group fails to obtain the requisite approvals, it will be unable to undertake the construction works for its projects.

The Group must also comply with applicable laws and regulations for its construction business, for example, in relation to workplace health and safety, environmental public health and environmental pollution control, failing which the Group may be subject to penalties or have its licences or approvals revoked, which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations and financial performance of the Group.

Future acquisitions, joint ventures or other arrangements may expose the Group to increased risks.

The Group expects that it may, from time to time and as a matter of business strategy, enter into property development or investment projects or grow its hospitality portfolio through the formation of joint ventures, strategic alliances, partnerships or other investment structures. Acquisitions that the Group may make, along with potential joint ventures and other investments, may also expose the Group to additional business and operating risks and uncertainties, including, among other things, the inability of the Group to exert control over strategic decisions made by these companies.

The Group may also face the risk that its joint venture partners are unable or unwilling to fulfil their obligations under the relevant joint venture agreements, including the possibility of the joint venture partners failing to perform because they do not possess adequate experience or the skill sets expected of them. The Group's joint venture partners may also experience financial or other difficulties, which may affect their ability to carry out their contractual obligations, thus resulting in additional costs to the Group.

There is no assurance that such acquisitions, joint ventures, strategic alliances and partnerships will be successful. If the Group is unable to successfully implement the Group's growth strategy or address the risks associated with the Group's acquisitions, joint ventures, strategic alliances and partnerships, or if the Group encounters unforeseen difficulties, complications or delays frequently encountered in connection with the integration of acquired businesses and the expansion of operations, or if the Group fails to achieve acquisition synergies, the Group's business, financial performance, financial condition and operating cash flow may be materially and adversely affected.

Government policies in the countries in which the Group operates may adversely impact the Group's business.

The Group's businesses may also be affected by changes in government policies.

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

Some of these countries may also restrict the level, percentage and manner of foreign ownership and investment in real estate or may impose additional costs on foreigners seeking to invest in or own properties. Such regulations are at times ambiguous and the interpretation and application of these regulations can be inconsistent, which can affect demand for the Group's properties and may potentially be detrimental to the Group. If the Group fails to obtain the relevant approvals or comply with applicable laws and regulations, it may, amongst other things, be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage its properties and its businesses, any or all of which could have a material and adverse impact on its business, financial condition, prospects and results of operations.

Governments of the countries in which the Group operates may also seek to promote a stable and sustainable property market by monitoring the property market and adopting measures as and when they deem necessary. These governments may introduce new policies or amend or abolish existing policies at any time and these policies may have retroactive effect. These changes may have a material and adverse impact on the overall performance of the property markets in which the Group operates and thus affect the Group's business, financial condition, prospects and results of operations.

For example, the Singapore government has over the last few years introduced several measures with the aim of cooling the property market. On 13 January 2011, the Singapore government announced the extension of the holding period for the imposition of the seller's stamp duty ("**SSD**") on residential properties from three years to four years based on SSD rates ranging from 4 per cent. to 16 per cent., which were imposed on residential properties which were acquired (or purchased) on or after 14 January 2011 and disposed of (or sold) within four years of acquisition.

In December 2011, the Singapore government introduced the additional buyer's stamp duty ("**ABSD**"), which was further enhanced in January 2013. ABSD rates ranging from 5 per cent. to 15 per cent. will be imposed on certain groups of people who buy or acquire residential properties (including residential land).

On 10 March 2017, the Singapore government announced the shortening of the holding period for the imposition of the SSD on residential properties from four years to three years, based on lowered rates. The lowered SSD rates, ranging from 4 per cent. to 12 per cent., will be imposed on residential properties which are acquired (or purchased) on or after 11 March 2017 and disposed of (or sold) within three years of acquisition.

In February 2018, the Singapore government raised the top marginal buyer's stamp duty rate from 3 per cent. to 4 per cent. for residential properties worth more than S$1 million. This new rate applies to all residential properties acquired from 20 February 2018.

In July 2018, ABSD rates for individuals buying their second and subsequent properties were raised by 5 per cent., while that for corporate entities were increased by 10 per cent. The Singapore government also introduced a new non-remittable ABSD of 5 per cent. on the purchase price or market value of the residential properties purchased by developers for housing development. This new measure, along with the revised ABSD of 25 per cent. for corporate entities buying any residential property which is remittable subject to certain conditions, will increase development risks for developers.

Furthermore, the Group may, where necessary, apply for ABSD remission and if granted, the Inland Revenue Authority of Singapore may impose conditions on the Group which may be more stringent compared to the conditions imposed under the Qualifying Certificate issued pursuant to the Residential Property Act, Chapter 274 of Singapore ("**Qualifying Certificate**"). If such conditions are not met by the Group, ABSD with interest will be payable and this could have a material adverse effect on the Group's business, results of operations and financial condition.

In addition, under the Qualifying Certificate rules under the Residential Property Act, Chapter 274 of Singapore, all developers with non-Singaporean shareholders or directors are required to obtain the TOP for their residential property developments within five years and to sell all dwelling units within two years from the date of TOP. An extension charge of 8 per cent., 16 per cent. and 24 per cent. of the land purchase price for the first, second and subsequent years past the two-year TOP deadline will be incurred to extend the deadline. The number of unsold units will be taken into consideration when computing the charge. The Group is, on the basis of the legislation, affected by this Qualifying Certificate scheme and it may incur extension charges if any units in its residential property developments remain unsold after a period of two years from TOP.

In June 2013, the MAS introduced a total debt servicing ratio ("**TDSR**") framework for property loans granted by financial institutions to individuals. The TDSR framework requires financial institutions to take into consideration borrowers' other outstanding debt obligations when granting property loans. The TDSR is the percentage of total monthly debt obligations to gross monthly income. Subject to certain exemptions, the TDSR threshold restricts the borrower's monthly total debt obligations to not more than 60 per cent. of his gross monthly income.

The MAS has also stated that the loan-to-value ("**LTV**") limits on housing loans, which were last tightened in January 2013, are not permanent and will be reviewed depending on the state of the property market. In July 2018, the Singapore government announced a further tightening of the LTV limits on private housing loans by 5 per cent. across the board. The introduction of the TDSR framework and any future reduction in the acceptable TDSR threshold or allowable LTV limits may have an adverse effect on the Group's business.

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

More generally, in the countries in which the Group operates, in order to develop and complete a property development project, a property developer must typically obtain various permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of the property development process, including land use rights certificates, planning permits, construction permits, pre-sale permits and certificates or confirmation of completion and acceptance. Each approval is dependent on the satisfaction of certain conditions. Delays or issues may be encountered in obtaining such government approvals or in fulfilling the conditions required for obtaining the approvals, especially as new laws, regulations or policies may come into effect from time to time with respect to the real estate industry in general or the particular processes with respect to the granting of approvals. There is no assurance that the Group will be able to obtain the requisite governmental approvals or fulfil the conditions required for obtaining the approvals or adapt to new laws, regulations or policies that may come into effect. There can also be no assurance that governments of the countries where the Group operates in will not adopt restrictive policies and impose onerous or unfavourable conditions with respect to the issuance of certain licences, permits or approvals.

If the Group is unable to obtain the relevant approvals or fulfil the conditions of such approvals for a significant number of its property development projects, these development projects may not proceed on schedule or at all and the Group's business, financial condition, prospects and results of operations may thereby be adversely affected.

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

The Group's operations are subject to prevailing laws and regulations in the relevant jurisdictions it operates in, particularly the laws and regulations relating to businesses, competition, consumer protection, contracts, the environment, property and hospitality, and taxation. Regulatory issues and future changes in regulation may have an adverse impact on the Group's businesses and limit the Group's flexibility to respond to market conditions, competition, or changes in cost structure. Rapid changes in laws, regulations and practices would make compliance with the same more complicated and costly with the Group's internal control systems and related frameworks having to be constantly brought up-to-date.

In addition, the Group may face uncertainties relating to foreign legal systems and the interpretation of foreign laws and regulations. The administration and enforcement of foreign laws and regulations may be subject to a certain degree of discretion by governmental authorities and courts, and it is difficult or impossible to predict whether existing laws and regulations will apply to certain events or circumstances, and if so, the manner of such application. Further, there is no assurance that the Group will be able to recognise or enforce a foreign arbitral award without a re-examination of the merits of the case in a full proceeding in the courts of the foreign countries in which the Group operates. Such uncertainties could have a material adverse effect on the Group's businesses and operations.

The Group's prospects may be adversely affected by the outbreak of infectious disease or other serious public health concerns.

Outbreaks of communicable diseases (such as Severe Acute Respiratory Syndrome ("**SARS**"), Middle East Respiratory Syndrome ("**MERS**"), H5N1 or H7N9 avian flu, H1N1 swine flu and the 2019 novel coronavirus ("**Covid-19 pandemic**"), could lead to disruptions in the functioning of international markets and adversely affect Singapore and other economies in which the Group operates. Any material change in the financial markets, Singapore economy or regional economies as a result of these events or developments may materially and adversely affect the Group's business, financial condition, prospects and results of operations. The outbreak of an infectious disease in the countries in which the Group operates and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantine measures, could have a negative impact on the global economy, and business activities in the countries in which the Group operates and elsewhere and could thereby adversely impact the revenues and results of the Group. As the Group has operations in Singapore, Australia, Malaysia and the region, any outbreak of SARS, MERS, H5N1 or H7N9 avian flu, H1N1 swine flu, the Covid-19 pandemic or other similar epidemics or pandemics, or the measures taken by the governments of these countries against such an outbreak, could disrupt the Group's business and operations and undermine investor confidence, thereby adversely affecting its financial condition or results of operations.

In particular, the emergence of the Covid-19 pandemic (characterised as such by the World Health Organisation on 11 March 2020) has become one of the biggest disruptors in the global economy, creating uncertainty and placing global economic and social resilience to the test. In an effort to curb the spread of the highly infectious coronavirus, countries around the world have imposed various measures and strict movement controls, including travel restrictions, extended delays, suspension of business activities, quarantines, city lockdowns, and suspending major events, which have led to a substantial decline in the number of travellers and in business activity. A non-exhaustive overview of the impact of the Covid-19 pandemic on the Group's businesses is set out below.

There can also be no assurance that any precautionary measures taken against any pandemics (including to any of the Group's businesses as set out below) would be effective. A future outbreak of any pandemics or any other serious public health concern in Singapore or in the jurisdictions in which the Group operates in or relies on could seriously harm the Group's business and may have any of the consequences in connection with the Covid-19 pandemic as set out below.

Impact on Group's businesses

The implementation of increased social distancing measures and movement controls in the jurisdictions in which the Group operates have resulted in the closure of sales galleries and lower footfall in the sales galleries of the Group and many of the tenants of the Group's retail properties who are deemed non-essential services have had to suspend their businesses.

In Singapore, with the institution of "circuit breaker" measures on 7 April 2020, all sales offices in Singapore had to be closed and, in the Group's retail properties, the suspension of business of non-essential services led to tenants requesting for rental rebates and for the deferral of rental payments due to the impact on their businesses. Such measures have slowed down the rental revenue earned from the Group's retail properties and the sales of the Group's development properties.

In addition, given the rise of e-commerce and online retailing as a result of the control measures taken by countries around the world, retailers, including the Group's retail tenants, have and may develop their own online shopping platforms to decrease their dependence on traditional retail channels, including conventional "brick and mortar" shops. Even as the pandemic situation improves, the Group's retail properties may be unable to attract new tenants following the expiry or termination of leases. Rental rates may also be affected by the negative economic impact caused by the Covid-19 pandemic. If any of these factors occur, the Group may be unable to lease its commercial properties on commercially viable terms or at all, which may in turn adversely affect the Group's financial performance and results of operations.

In February 2021, the Ministry of Trade and Industry ("**MTI**") announced that the Singapore economy contracted by 5.4% in 2020, a reversal from the 1.3 per cent. growth recorded in 2019 due to "circuit breaker" measures that were implemented from 7 April 2020 to 1 June 2020 to slow the spread of Covid-19, which included the suspension of non-essential services and closure of most workplace premises, as well as weak external demand amidst a global economic downturn precipitated by the Covid-19 pandemic. For 2021, the MTI has maintained the GDP growth forecast at 4.0% to 6.0%. Although the "circuit breaker" measures were lifted on 1 June 2020 and Singapore is currently in its vaccination stage of recovery, there is still uncertainty as to when all businesses will be allowed to operate freely due to the fluid and unpredictable nature of regulatory changes by the government.

Further, the Group's development projects have been affected by work stoppages and labour and material shortages due in part to the control measures imposed by countries globally to curb the spread of the coronavirus. These have given rise to higher costs associated with the construction of the Group's development projects and have also resulted in delays in construction which could lead to delays in completions. These may, in turn, affect the Group's business, financial condition and results of operations.

The travel restrictions, city lockdowns, suspension of major events imposed by various countries around the world in an effort to curb the spread of the coronavirus have led to a substantial decline in the number of travellers, thereby impacting the demand for the Group's hospitality properties. The near-term outlook for the hotel sector is highly challenging and uncertain as the industry bears the immediate brunt with travel restrictions, trip cancellations, postponement of major events, as well as reduced food and beverage spend, caused by the Covid-19 pandemic. The Group's hospitality properties have been adversely affected due to lower occupancies and room rates in all the jurisdictions in which the Group operates. In particular, the Grand Hyatt Melbourne and Hyatt Regency Perth have experienced an adverse impact in revenue. The Grand Hyatt Melbourne also suspended operations from mid-April 2020 to mid-November 2020, to optimise resources and as part of costs containment initiatives. Any further reduction in the ability and willingness of consumers to spend money on leisure and entertainment activities (including vacations) will prolong the time taken for the hospitality properties to return to optimal occupancy levels. Pending the Group's hospitality properties returning to optimal occupancy rates, the revenue from the hospitality segment (which forms less than 15% of the Group's asset portfolio) may continue to be adversely impacted.

Further, the ongoing Covid-19 pandemic may further create negative economic impact and decreased viability in the global market. This may result in a reduction in the ability and willingness of consumers to spend money on leisure and entertainment activities (including vacations) which may reduce recreational travel and the level of occupancy of the Group's hospitality properties, and in turn adversely affect the Group's business, financial condition or results of operations. Such an outbreak may also adversely affect the Group's ability to sustain normal operations and provide uninterrupted services to its customers.

The Group's industrial services segment has also experienced lower sales volume from coal and rubber due to the impact of the Covid-19 pandemic coupled with a drop in coal price. For example, lockdown and suspension of business activities in China to curb the spread of Covid-19 during 2020 had adversely impacted the demand for coal. Shipment volume was also adversely impacted by work stoppage and tighter restrictions at the ports and along the logistics network.

As the Covid-19 pandemic is ongoing and evolving rapidly, there is no assurance that the Group will not in the future experience more severe disruptions in the event that more stringent quarantine measures are imposed or if the Covid-19 pandemic becomes more severe or protracted. This could in turn cause further deterioration in the business, results of operations, financial condition and prospects of the Group. The actual extent of the outbreak and its impact on the domestic, regional and global economy remains uncertain, and the actual extent of the impact on the Group's business, results of operations, financial condition and prospects will depend on, among other things, the duration and impact of the Covid-19 outbreak.

RISKS RELATING TO THE ISSUER'S REAL ESTATE INVESTMENT AND REAL ESTATE DEVELOPMENT SEGMENTS

The Group's real estate investment and development businesses are heavily dependent on the performance of the real estate market in the relevant jurisdictions.

The success of the Group's real estate investment and development businesses depends heavily on the continued health and growth of the real estate market in the jurisdictions in which the Group has a presence.

Generally, the Group's real estate investment and development businesses are highly dependent on, among other things, the laws, regulations, practices, economic and financial conditions and the property market in the regions in which the Group operates. Future excesses in property supply over demand as a result of economic uncertainty, slower growth and/or increased interest rates (which reduces the ability of the Group's customers to finance real estate purchases and increases the Group's own costs of financing) may lead to further volatility in property prices and yields which could in turn materially and adversely affect the Group's business, financial condition, prospects and results of operations.

There is no assurance that there will not be over-development in the property sector in the areas where the Group's projects are located, which may result in an over-supply of properties and a fall in property prices and/or rental rates. For instance, property values in markets such as Singapore generally have cyclical patterns in which periods of price increases are followed by periods of stagnating or declining prices. A substantial portion of the Group's earnings depends on its performance in the commercial and residential sectors of the property market in Singapore, which in turn is dependent on general economic and business conditions. A slowing economy might reduce the demand for the Group's properties and this may have a material and adverse effect on the Group's business, financial condition, prospects and results of operations. The Group may additionally be required to make provisions in its accounts in the event of an economic downturn.

The Group may not be able to identify new property development projects or obtain land plots, development projects and investment properties which it desires, and the Group may lack acceptable funding.

The Group's ability to continue with property development business is dependent on its ability to obtain land plots and development projects which it desires and to successfully market and complete its projects within limited timeframes. The Group also competes with other property developers for the sourcing of land sites and is subject to the availability of suitable land sites. There is no assurance that the Group will be able to identify and acquire attractive sites in the future at commercially acceptable prices, if at all. The Group's ability to acquire land use rights and their corresponding acquisition costs may also be affected by government policies toward land supply, development and pricing.

In the event that the Group is unable to identify and/or acquire attractive new sites at commercially acceptable prices, this could impair the Group's ability to compete with other property developers and have an adverse effect on the Group's property business. Furthermore, any unforeseen delays in the launch and completion of these projects will have an adverse impact on the Group's profitability and track record.

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

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

The Group's properties or parts of the Group's properties may be subject to compulsory acquisition by the authorities.

The Group's properties or parts of the Group's properties may be subject to compulsory acquisition by the relevant authorities of the jurisdiction in which they are located.

Where compensation is given, there can be no assurance that such compensation received will be sufficient to recover the land acquisition cost or any other investments, or whether the Group will be able to acquire a similar plot of land or at a similar or commercially acceptable price. This could materially and adversely affect the Group's business, financial condition, prospects and results of operations.

Revenue and gains from the Group's real estate investment and development businesses may be subject to changes in the tax rules and the varied interpretations of such rules.

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

Furthermore, in countries such as Indonesia, regional governments may put in place various restrictions, taxes and levies which may differ from restrictions, taxes and levies put in by other regional governments or are in addition to restrictions, taxes and levies stipulated by the central government. The Group's business and operations in Indonesia may be materially and adversely affected by conflicting or additional restrictions, taxes and levies that may be imposed by the relevant regional authorities.

The market values of the Group's properties may differ from the valuation provided by independent valuers.

Property valuations generally include a subjective determination of certain factors relating to the relevant properties, such as their relative market positions, competitive strengths and their physical conditions. The market values of the Group's properties when completed may therefore differ from the valuation of the Group's properties as determined by independent valuers. The valuation of the Group's properties (as determined by independent valuers) is not an indication of, and do not guarantee, a sale price at that value at present or in the future. The price at which the Group may sell any of the Group's properties may be lower than its value as determined by independent valuers.

Declines in property values may lead to downward revaluations of the properties in which the Group holds interests.

The Group holds interests in various properties in various countries and there can be no assurance that property prices in any of these countries will not decrease such that a downward revaluation of the properties is required.

Real estate assets are inherently difficult to value. As a result, valuations are subject to substantial uncertainty and subjective judgements and are made on the basis of assumptions which may not be correct. Additionally, the inspections of the Group's properties and other work undertaken in connection with a valuation exercise may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation. There can be no assurance that the Group's property interests will retain the price at which it may be valued or that the Group's investment in such properties will be realised at the valuations or property values that the Group has recorded or reflected in the Group's financial statements or in this Information Memorandum.

The Group's properties are and will be valued with an independent valuation carried out from time to time. The Group assesses the valuation of each property interest to ensure that the carrying amount of each investment property reflects the market conditions as at the relevant financial reporting date. The value of the Group's interest in properties may fluctuate from time to time due to market and other conditions, including prevailing interest rate conditions. Such adjustments to the Group's share of the fair value of the properties in its portfolio could have an adverse effect on its net asset value and its profitability. They may also affect the Group's ability to incur more borrowings, or result in it having to reduce debt, if the financial covenants in its financing and other agreements require it to maintain a level of debt relative to its asset value, and such covenants are triggered as a result of adjustments made to the fair value of its properties in its portfolio.

The due diligence exercise on the Group's properties, buildings and equipment may not have identified all defects, breaches of laws and regulations and other deficiencies.

The Group believes that reasonable due diligence investigations with respect to the Group's properties were conducted prior to their acquisitions. However, there is no assurance that the Group's properties will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in the Group's properties which may require additional capital expenditure, special repair or maintenance expenses) or be affected by breaches of laws and regulations. Such defects or deficiencies may require significant capital expenditures or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material and adverse effect on the Group's business, operations, results of operations and financial position. Further, statutory or contractual representations, warranties and indemnities given by any seller of properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

In addition, the costs of maintaining the Group's properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the Group's properties age. The business and operation of the Group's properties may also be disrupted as a result of asset enhancement works and it may not be possible to collect the full rate of, or, as the case may be, any rental income on the space affected by such asset enhancement works.

The Group's interest in its properties may be illiquid.

Real estate investments, particularly investments in properties such as those in which the Group have invested, developed, or intend to invest or develop, are relatively illiquid. Such illiquidity may affect the Group's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions.

For instance, the Group may be unable to sell its assets (or interests therein) on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a divestment. Moreover, the Group may face difficulties in securing timely and commercially favourable financing due to the illiquid nature of real estate assets. These factors may materially and adversely affect the Group's business, financial condition, prospects and results of operations.

Planned amenities and transportation infrastructure near the Group's properties may not be implemented as planned, or may be closed, relocated, terminated, delayed or not completed.

There can be no assurance that amenities, transportation infrastructure and public transport services within the proximity of the Group's properties will be implemented or completed as planned or will not be closed, relocated, terminated or delayed. If such an event were to occur, it may materially and adversely impact the accessibility and attractiveness of the relevant property development projects. This may then have a material and adverse effect on the demand, the selling prices and/or the rental rates of the relevant properties and may materially and adversely affect the Group's business, financial condition, prospects and results of operations.

Competition among property developers may adversely affect the Group's business.

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

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

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

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

The Group faces risks before realising any benefits, if at all, from property development projects.

Property development typically requires substantial capital outlay during the land acquisition and construction phases and may take one or more years before positive cash flows may be generated through the pre-sale or sale of a completed property development. Depending on the size of the development, the time span for completing a property development usually lasts for more than a year.

Consequently, changes in the business environment during the length of the project may affect the revenue and cost of the development, which in turn have a direct impact on the profitability of the project. Factors that may affect the profitability of a project include high financing costs, the failure to complete construction according to original specifications, schedule or budget and poor sales. The sales and value of a development project may be adversely affected by a number of factors, including but not limited to, the international, regional and local economic climate, local real estate conditions, perceptions of property buyers in terms of the convenience and attractiveness of the projects, competition from other available properties and changes in market rates for comparable sales. If any of the property development risks described above materialises, the Group's returns on investments may be lower than originally expected and its business, financial condition and results of operations may be adversely affected.

The Group is subject to risks in relation to its pre-sold properties.

Failure or delay in completion or delivery

In the event the Group pre-sells any properties prior to completion of construction, it may be liable for potential losses that purchasers of such pre-sold properties may suffer if there is a failure or delay in the delivery of such pre-sold properties. Failure to complete a property development on time may be attributed to factors such as delays in obtaining requisite licences, permits or approvals from government agencies or authorities, shortages of labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents and changes in government priorities and policies.

If the delay in delivery extends beyond the contractually specified period, purchasers may also be entitled to terminate the pre-sale agreements and claim refunds of monies paid, damages and compensation for late delivery. There can be no assurance that the Group will not experience failure or significant delays in completion or delivery.

Payment default by purchasers

Following the global financial crisis and the imposition of lending restrictions by governments in certain countries, financial institutions have reduced the availability of credit as well as increased borrowing costs. This has resulted in a general fall in property prices and the demand for property, as well as a decrease in the value of other securable interests which purchasers of properties could provide to such financial institutions in these countries.

Accordingly, purchasers of the Group's properties may find it increasingly difficult to secure financing to fund their purchases and could default on their obligations to pay for their units. The Group has granted, and may from time to time grant, purchasers of its properties (including purchasers of a substantial number of units in a development) an extension of time to pay for their units. However, there can be no assurance that any such extension or other accommodation granted by the Group to purchasers in respect of their obligations to pay for their units will subsequently result in a purchaser being able to pay for its units. In the event a purchaser defaults, and the total amount in default is substantial, this could adversely affect the Group's business, financial condition, prospects and results of operations.

The Group may be adversely affected by unsold properties.

In the event that the Group is unable to sell a significant proportion of its properties, the Group's business, financial condition, prospects and results of operations may be materially and adversely affected. Furthermore, the unsold properties that the Group continues to hold for sale post-completion may be relatively illiquid, and this could limit its ability to realise cash from unsold units on short notice. In such an event, the cash flow and financial performance of the Group may be adversely affected. Unsold properties in Singapore may also incur penalties if they are not sold within certain prescribed time limits.

The gross revenue earned from, and the value of, the investment properties in the Group's portfolio may be adversely affected by a number of factors.

The gross revenue earned from, and the value of, investment properties may be adversely affected by a number of factors, including:

(i) an increase in the availability of office buildings and competition for tenants from other similar properties, which may affect rental income or occupancy levels at the Group's investment properties;

(ii) vacancies following the expiry or termination of tenancies that lead to reduced occupancy rates which reduce the Group's gross revenue and its ability to recover certain operating costs through service charges;

(iii) the expiry of a concentrated number of leases at the same time potentially resulting in existing or prospective tenants acquiring leverage in negotiating lower rental prices;

(iv) loss of key tenants and difficulties in finding suitable replacement tenants in a timely manner and on comparable lease terms;

(v) the amount of rent payable by tenants and other terms on which tenancy renewals and new tenancies are secured being less favourable than those under current tenancies or being commercially unviable;

(vi) the ability of the Group to collect rent from tenants on a timely basis or at all;

(vii) tenants requesting rental rebates due to the impact of an economic downturn;

(viii) tenants requesting waiver of interest on late payment of rent;

(ix) events affecting the investment properties in which could result in the inability of the relevant tenants to operate in such properties and thereby resulting in the inability of such tenants to make timely payments of rent;

(x) tenants seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the tenant's lease, which could hinder or delay the re-letting of the space in question, or the sale of the relevant property;

(xi) the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, commercial space, changes in market rental rates and operating expenses for the investment properties);

(xii) the Group's ability to provide adequate management and maintenance of the investment properties or to purchase or put in place adequate insurance;

(xiii) changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure needed to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment; and

(xiv) natural disasters, acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Group.

Factors such as those set out above could impact the Group's ability to optimise its revenue and cash flow and could materially and adversely affect the Group's business, financial condition, prospects and results of operations.

The Group may not be able to generate adequate returns on its properties held for long-term purposes.

Property investment is subject to varying degrees of risks. The investment returns available from investments in real estate depend, to a large extent, on the amount of capital appreciation generated, income earned from the rental of the relevant properties as well as the expenses incurred. Maximising yields from properties held for long-term investment also depends to a large extent on active ongoing management and maintenance of the properties. The ability to eventually dispose of investment properties will also depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuation in the case of certain types of commercial properties. The revenue derived from and the value of property investment may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to collect rent due to bankruptcy or insolvency of tenants and the costs resulting from periodic maintenance, repair and re-letting.

Retail and office leases of the Group's investment properties are usually for periods of up to three years, which exposes the Group to lease expiries each year, and possible negative rent reversions.

Most of the Group's leases in Singapore are for periods of up to three years and reviewed to market rentals upon lease expiry, which reflects the general practice in property markets. As a result, the properties held by the Group experience lease cycles in which a number of its leases expire each year. This exposes the Group to certain risks, including the risk of declining market rentals and that vacancies following non-renewal of leases may lead to lower occupancy rates which may in turn reduce gross revenue.

RISKS RELATING TO THE ISSUER'S HOSPITALITY SEGMENT

Competition in the hospitality industry may adversely affect the Group's business.

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

The financial performance of the Group's hospitality business depends on global economic conditions, the conditions of the hospitality industry in the countries in which the Group has a presence and other factors.

A number of factors are beyond the control of the Group, and could affect the financial performance of the Group's hospitality business in the countries in which the Group has a presence, including the following:

(i) major events affecting either economic or political stability on a global and regional level represent an exposure to the Group. Economic events, such as global financial crises, could include recessionary pressures which would have an impact on the Group's revenue, operating costs and profitability. Political risk could include changes in the regulatory environment in which the Group's business activities operate, including restrictions on the repatriation of funds or control over the ownership of assets;

(ii) a deterioration in economic conditions may reduce the ability and willingness of consumers to spend money on, and the level of disposable income available for, leisure and entertainment activities including vacations, which may reduce patronage of the Group's hotels;

(iii) increased competition from other alternative accommodation options such as Airbnb which may offer more attractive rates for guests;

(iv) reduced margins from bookings made through third party online and other hotel reservation intermediaries and consolidators, and reduced customer loyalty to the Group's hotels as a result of the customers' use of such platforms;

(v) the hotel industry operates in an inherently cyclical marketplace. A weakening of demand, or an increase in market room-supply, may lead to downward pressure on room rates which in turn would lead to a negative effect on operating performance;

(vi) dependence on business and commercial travel, leisure travel and tourism, all of which may fluctuate, tend to be seasonal and are subject to the adverse effects of national and international market conditions;

(vii) sustained levels of occupancy and room rates can be adversely affected by events that reduce domestic or international travel. Such events may include acts of terrorism, war or perceived increased risk of armed conflict, epidemics, pandemics (such as the Covid-19 pandemic), outbreaks of disease or public health scares, natural disasters, increased cost of travel or industrial action. These events may be localised to a particular country, region or could have a wider international perspective. Reduced demand will impact on revenue and operational profitability;

(viii) changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances;

(ix) withdrawal, suspension or non-renewal of any certificates or registration and/or licences, or the imposition of any penalties as a result of any infringement or non-compliance with any applicable laws;

(x) the nature and length of a typical hotel guest's stay. Hotel guests typically stay on a short-term basis and there is therefore no assurance of long-term occupancy for hotel rooms;

(xi) increases in operating costs due to inflation, labour costs (including the impact of unionisation and increased competition for qualified personnel), workers' compensation and health-care related costs, utility costs, insurance and unanticipated costs such as acts of nature and their consequences; and

(xii) changes in travel patterns including where resulting from epidemics or pandemics (such as the Covid-19 pandemic) and increases in transportation or fuel costs, strikes among workers in the transportation industry and adverse weather patterns, which may deter travellers.

Factors such as those set out above could materially and adversely affect the Group's business, financial condition, prospects and results of operations.

The Group relies on international hotel operators in the operation, management, maintenance, branding and marketing of its hotels.

The Group relies on international hotel operators in the operation, management, maintenance, branding and marketing of its hotels. In the event that any agreement for the operation and management of any of the Group's hotels are terminated prematurely or not renewed upon expiry on mutually agreeable terms, or the Group is unable to engage the services of a competent hotel operator as a replacement, the Group's business, financial condition, prospects and results of operations may be adversely affected.

There is also no assurance that the Group's hotels will be operated, managed, maintained, branded or marketed well in the future and consequently, the profitability and financial performance of the Group could be adversely affected. Failure of the hotel operators to properly operate, manage or maintain the Group's hotels under management agreements may result in customers choosing alternative hotels and/or resorts. Insufficient cash flow caused by lower occupancy may adversely impact the future operations and profitability of the Group's hotels, thereby affecting the ability of its hotels to generate income. Consequently, the financial performance of the Group could be adversely affected.

The Group is subject to risks associated with developing new hotels or serviced residences.

New hotel or serviced residence developments are subject to a number of risks, many of which are outside the Group's control, including:

(i) market or site deterioration after acquisition;

(ii) the possibility of discovering previously undetected defects or problems at a site; and

(iii) the possibility of construction delays or cost overruns due to delayed regulatory approvals, labour or material shortages, work stoppages and the unavailability of construction and/or long-term financing.

Between the acquisition of the site and the project's completion, travel preferences, political or social conditions of the location or other conditions critical to the success of the hotel or serviced residence may change, such that the Group is unable to achieve its projected returns after the completion of the project and/or repay its debt financing.

Further, there can be no assurance that the Group will be able to obtain approval and/or planning permission from the relevant authorities to develop hotels or serviced residence on sites that the Group may acquire. If the relevant approval and/or planning permission cannot be obtained, the Group may choose to dispose of the site. The price realised on such disposal will depend on, amongst other things, market conditions prevailing at the time of the sale, and may be lower than the price the Group paid to acquire the site.

Any of the above could adversely affect the Group's business, financial condition, prospects and results of operations.

ADDITIONAL RISKS RELATING TO THE GROUP'S BUSINESS SEGMENTS

The Group is subject to risks associated with its other investments, divestment, development, streamlining, restructuring and/or reorganising decisions.

Apart from its core businesses of Real Estate Investment, Real Estate Development and Hospitality, the Group is also involved in the industrial services business and non-core investments and businesses. Any changes in global economic conditions or global manufacturing conditions, or in trends or demand for products and increasing competition may impact these businesses and investments, which may adversely affect the Group's business and financial performance.

The Group is not averse to considering options and opportunities to divest, develop, streamline, restructure and/or reorganise its non-real estate investment and business when opportunities arise with the view to potential value maximisation. Any decision to divest, develop, streamline, restructure or reorganise may not necessarily lead to a positive outcome and may adversely affect the Group's business and financial performance.

The Group may be involved in legal and other proceedings from time to time.

From time to time, the Group (including the Issuer) may be involved in disputes with various parties such as contractors, sub-contractors, consultants, suppliers, construction companies, purchasers, customers and other partners involved in, amongst other things, the development, operation, purchase, sale, lease and/or renovation of its properties. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and delays in, amongst other things, the construction, completion or operation of its properties. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that may result in financial losses and delay the construction or completion of its projects. There can be no assurance that these disputes will be settled on favourable or reasonable terms, or at all. In the event such disputes are not settled on favourable or reasonable terms, or at all, the Group's business, financial condition, prospects and results of operations may be adversely affected.

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

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

The Group faces risks associated with debt financing.

The Group's exposure to liquidity risk arises mainly from debt financing through bank borrowing and note issuances. The Group currently relies on such debt financing to finance its operations in Singapore and to finance the development of hotels, and this is likely to continue in the future. In Singapore, the Group typically obtains 70 per cent. of the property value for each investment property. The Group would also typically seek financing for a substantial portion of the cost of property developments. The balance of the amounts is covered by internally generated funds.

The property investment and development sector is capital intensive and the Group's ability to raise funds on acceptable terms will depend on a number of factors including capital market conditions, general economic and political conditions, the Group's performance, credit rating and credit availability and both the cost and availability of funding may be negatively affected by disruptions in the global capital markets.

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

There will be a material and adverse impact to the Group including on its ability to continue its operations or engage in new developments and investments, if a significant portion of the existing banking facilities are withdrawn by the Group's financiers and the Group is unable to secure alternative financing on acceptable terms.

Changes in the cost of current and future borrowings, including a rise in interest rates, may impact the earnings of the Group and result in the risk that its cash flow will be insufficient to meet required payments under such financing, which may adversely affect the Issuer's ability to make payments to Noteholders.

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

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

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

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

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

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

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

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

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

The Group is subject to revenue and profit volatility.

At present, the Group derives its revenue and profit principally from the real estate development, real estate investment and hospitality segments. Due to the nature of the property and hospitality business, the Group is subject to revenue and profit volatility. The earnings from the Group's development properties may fluctuate due to the overall schedule of each project, the level of acceptance by prospective customers, the timing of the sale, the Group's revenue recognition policies and any variation in construction cost. The earnings from the Group's investment properties may fluctuate from year to year due to fair value adjustments of the properties. The earnings from the Group's hospitality business may fluctuate due to changing demand for business or leisure travel, events or restrictions due to acts of terrorism, public health scares, adverse weather conditions, natural disasters, and new visa requirements for foreigners. In addition, the value of a property project may also be subject to market volatility and price corrections in the event of economic downturns, decrease in consumer confidence in the economy or other unpredictable supervening events.

There is no assurance that the amount of revenue from the sale of property development projects will remain comparable every year. Should there be any reasons that cause the Group to undertake fewer or no new property development projects or should there be any delay in the progress of any of the projects in the Group's portfolio, its revenue recognised in a particular year may be adversely affected.

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

Because of its geographic diversity, the Group holds assets, receives income and incurs liabilities and expenses in a number of currencies, including SGD, AUD, CNY, USD, IDR and MYR. The different exchange rates prevailing at the times of payment and receipt may give rise to foreign currency exchange gains and losses. Consequently, the Group's costs, profit margin, cash flows and asset values are affected by fluctuations in the exchange rates of the aforementioned currencies.

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

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

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

The Group's financial statements are subject to changes in accounting standards.

The Singapore Accounting Standards Council may issue new and revised accounting standards and pronouncements from time to time. Applying such standards and pronouncements to the Group's financial statements may result in a change in the presentation and measurement of financial information, and thus may result in a change in the way the Group records its revenues, expenses, assets, liabilities or reserves. For example, the Group's adoption of the new financial reporting framework – Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* on 1 January 2018 has resulted in an increase in assets, reserves and expenses in the FY2018 financial statements. Moreover, changes in accounting policy in relation to revenue recognition may result in fluctuations in the Group's revenue recognised year-on-year. The Group has also adopted SFRS(I) 15 *Revenue for contracts with customers* on 1 January 2018, which has resulted in changes in, amongst other things, the Group's revenue recognition methods in relation to the sale of development properties under construction as well as the treatment of certain development costs. Further, on 1 January 2019, the Group adopted SFRS(I) 16 *Leases* which introduces new or amended requirements with respect to lease accounting. As a result, the Group is required to remove the distinction between operating and finance leases and recognise right-of-use asset and lease liability at commencement for all leases, with exemption for short-term leases and leases of low value assets. In addition, the International Financial Reporting Standards Interpretation Committee's finalised agenda decision on IAS 23 Borrowing Costs on 6 March 2019 concluded that borrowing costs would not be capitalised when the borrowings relate to the construction of a residential multi-unit real estate development for which revenue is recognised over time. As a result of the adoption, interest expense increased by S$5.9 million and S$3.6 million for the financial year ended 2019 and 2018 respectively.

The Group cannot predict the impact of changes in accounting standards and pronouncements. Such changes could adversely affect the Group's reported financial results and positions and adversely affect the comparability of the Group's future financial statements with those relating to prior periods.

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

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

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

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

Further, existing environmental reports with respect to any of the Group's properties may not reveal (i) all environmental liabilities, (ii) whether prior owners or operators of the properties have created any material environmental condition not known to the Group, or (iii) whether a material environmental condition exists in any one or more of the properties. There also exists the risk that material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future.

In addition, future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability. Such additional costs or liability could adversely affect the Group's business, financial condition and results of operation.

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

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

The Group relies on business associates, third-party contractors, service providers and consultants for various services.

The Group's businesses primarily engage third-party contractors, service providers and consultants for various services including master planning, building design, construction, piling and foundation, fit-out works, interior decoration, marketing launches and property or hotel operation, management and maintenance. There is no assurance that the services rendered by such independent third-parties will match the quality and timing that the Group requires. If these services are not completed in a timely manner or of acceptable quality, the Group may incur substantial costs to complete projects and remedy any defects and/or the attractiveness of the Group's properties and hotels may be adversely impacted, and the Group's reputation could be significantly harmed. Further, policy and personnel changes by business associates, third-party contractors and consultants could lead to their inability or unwillingness to fulfil obligations.

The Group is also exposed to the risk that a third party contractor, service provider or consultant may require additional funds in excess of the fixed cost to which they committed contractually and the Group may have to bear such additional amounts. Furthermore, any third party contractor, service provider or consultant that experiences financial or other difficulties, including labour disputes with its employees, may be unable to carry out its services or related work, resulting in delays in the completion of the Group's development projects or unsatisfactory performance of services, and additional costs being incurred. The Group believes that any problems with the Group's third party contractors, service providers or consultants, individually or in the aggregate, may materially and adversely affect the Group's business, financial condition, prospects and results of operations. There is no assurance that such problems with the Group's third party contractors, service providers or consultants will not occur in the future.

Moreover, third party contractors, service providers or consultants may experience their own difficulties in procuring foreign labour that in turn may affect their ability to carry out the work or services for which they are contracted, thus resulting in delays in the completion of the Group's development projects or unsatisfactory performance of services and in additional costs to the Group.

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

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

For example, accidents or mishaps may occur at the work sites of the Group's projects. Such accidents or mishaps may severely disrupt the operations of the Group and lead to delays in the completion of projects. In the event of such delay, the Group may be liable to pay liquidated damages to its clients and its business, financial condition and results of operations may be materially and adversely affected. Furthermore, such accidents or mishaps may subject the Group to claims from workers or other persons involved in such accidents or mishaps for damages, and any claims which are not covered by the Group's insurance policies may materially and adversely affect the Group's business, financial condition and results of operations.

In addition, in the event that the Group's work sites contravene the requisite safety standards imposed by the regulatory authorities, the Group may be subject to penalties which include being fined or issued with partial or full stop-work orders. The issuance of such stop-work orders may disrupt operations and lead to a delay in the completion of a project. These circumstances may have a material and adverse impact on the Group's business, financial condition and results of operations.

The Group may suffer uninsured loss.

Properties owned by the Group are subject to risks of physical damage caused by fire, natural disaster or other causes such as terrorist attacks as well as public liability claims due to negligence. While the Issuer maintains insurance cover at a level it considers to be appropriate, such as for property damage, business interruption and public liability that may occur in connection with the Group's business and operations, as well as limited coverage for terrorism, some claims may not be fully insurable. Certain types of risks (such as war risk and losses caused by an outbreak of contagious diseases and contamination or other environmental breaches) are either uninsurable or the cost of insurance is prohibitive when compared to the risk.

Should an uninsured loss or a loss in excess of insured limits occur, the Group or the Issuer, as the case may be, could be required to pay compensation and/or suffer capital loss invested in their property holdings or anticipated future revenue loss from their property holdings. Further, the Group or Issuer, as the case may be, would also remain liable for any debt or other financial obligations that may not be covered by its insurance policies.

No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for the Group will be available in the future on commercially reasonable terms, at commercially reasonable rates or at all. Should such losses occur, they could adversely affect the results of operations and financial condition of the Group or, as the case may be, the Issuer.

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

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

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

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

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

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

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

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

If there is a general fear of economic fall-out around the world due to terrorism and other acts of violence or wars, the economic outlook of the Group's markets may become uncertain and there is no assurance that such markets will not be affected by the worldwide economic downturn, or that recovery would appear in the near future. This could have a negative impact on the Group's business, financial performance and results of operations.

Terrorist activities, acts of violence or war and adverse political developments also could potentially result in damage on properties, facilities and activities and cause injury or death or personnel as well as disruption in operations, revenue and profitability of the Group. Similarly, in the event of any unexpected riots, labour unrest, public unrest, civil commotions and strikes, the Group's business, financial performance, prospects and results of operations may be negatively affected.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

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

CLEARING AND SETTLEMENT

Clearing and Settlement under the Depository System

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

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

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Notes through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to a securities sub-account with a Depository Agent for trade settlement.

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

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

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

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

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

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arrangers 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 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 22.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

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

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

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

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

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

In addition, as the Programme as a whole was arranged by a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) prior to 1 January 2014 and by Financial Sector Incentive (Bond Market), Financial Sector Incentive (Standard Tier) or Financial Sector Incentive (Capital Market) Companies (as defined in the ITA) thereafter, 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 2023 would be qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

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

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

(iii) subject to:

    (aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and (bb) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

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

Notwithstanding the foregoing:

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

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

  (i) any related party of the Issuer; or

  (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.

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 ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) 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, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes".

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

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

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

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

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

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

In connection with the issue of any Tranche of Notes, such Notes, when issued, may not have a market. The Dealer or Dealers (if any) may advise the Issuer that they intend to make a market in such Notes as permitted by applicable law. They are not obligated, however, to make a market in the Notes and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for such Notes.

The Arrangers, the Dealers or any of their respective affiliates may purchase Notes for its own account or enter into secondary market transactions or derivative transactions relating to the Notes, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackaging and credit default swaps, at the same time as the offering of the Notes. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Information Memorandum relates (notwithstanding that such selected counterparties may also be a purchaser of the Notes). As a result of such transactions, the Arrangers, the Dealers or any of their respective affiliates may hold long or short positions relating to the Notes. The Arrangers, the Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies from time to time. The Arrangers, the Dealers or any of their respective affiliates have received, or may in the future receive, customary fees and/or commissions for these transactions. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution. Accordingly, references herein to the Notes being "offered" should be read as including any offering of the Notes to the Arrangers, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

While the Arrangers, the Dealers and/or any of their respective affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause the Arrangers, the Dealers or any of their respective affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. The Arrangers, the Dealers or any of their respective affiliates may receive returns on such transactions and have no obligations to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

United States

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

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

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

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

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

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this

Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, "**MiFID II**");

(b) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(c) not a qualified investor as defined in the Prospectus Regulation (as defined below); and

(ii) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable" in relation to each Member State of the European Economic Area (each, a "**Relevant State**"), each Dealer will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant State, except that it may make an offer of such Notes to the public in that Relevant State:

(i) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended or superseded).

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is one (or more) of the following:

  (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**");

  (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(ii) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom, except that it may make an offer of such Notes to the public in the United Kingdom:

(i) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(iii) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iv) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA, or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Note means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer will be required to represent and agree that:

(i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

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

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

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

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any reference to the "SFA" is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

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

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any offer document or other document or any Pricing Supplement, in any country or jurisdiction (other than Singapore) where action for that purpose is required.

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

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

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

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

Name	Position
Richard Eu Yee Ming	Chairman/Non-Executive and Independent Director
William Nursalim alias William Liem	Chief Executive Officer/Executive Director
Cheng Hong Kok	Non-Executive and Independent Director
Michelle Liem Mei Fung	Non-Executive and Non-Independent Director
Ooi Joon Hin	Non-Executive and Independent Director

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

   (a) Michelle Liem Mei Fung, William Nursalim alias William Liem and Tan Enk Ee are deemed to be the controlling shareholders of the Issuer by virtue of their interest in Nuri Holdings (S) Pte Ltd which holds approximately 53.16 per cent. of the Issuer's issued share capital as at the Latest Practicable Date.

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

   (c) William Nursalim alias William Liem and Michelle Lim Mei Fung are related to Tan Enk Ee who is their brother-in-law.

INFORMATION ON DIRECTORS & SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

3. No option to subscribe for shares in, or debentures of, the Issuer has been granted to, or was exercised by, any Director or employees of the Group during the financial year ended 31 December 2020.

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

   Interests of Directors of the Issuer

	Direct interest		Deemed interest	
Name	Number of Shares	%	Number of Shares	%
Richard Eu Yee Ming	–	–	–	–
Michelle Liem Mei Fung	–	–	639,206,697	53.18
William Nursalim alias William Liem	–	–	638,956,697	53.16
Cheng Hong Kok	–	–	–	–
Ooi Joon Hin	–	–	–	–

Separately, Mr. William Nursalim alias William Liem holds S$750,000 worth of S$65 million 2-year 7.75% per annum Notes due 2022 pursuant to Tuan Sing's MTN Programme.

Interests of the Substantial Shareholders of the Issuer

Name	Direct interest		Deemed interest	
	Number of Shares	%(4)	Number of Shares	%(4)
Nuri Holdings (S) Pte Ltd	638,956,697	53.16	–	–
Michelle Liem Mei Fung	–	–	639,206,697(1)(2)	53.18
William Nursalim alias William Liem	–	–	638,956,697(1)	53.16
Tan Enk Ee	404,863	0.03	638,956,697(1)	53.16
Koh Wee Meng	80,200,000	6.67	1,600,000(3)	0.13

Notes:

(1) Nuri Holdings (S) Pte Ltd holds 53.16 per cent. of the Issuer's issued and paid-up share capital as at the Latest Practicable Date and is a controlling shareholder of the Issuer. Ms Michelle Liem Mei Fung, Mr William Nursalim alias William Liem and Dr Tan Enk Ee are deemed to be controlling shareholders of the Issuer by virtue of their respective interests in Nuri Holdings (S) Pte Ltd.

(2) Ms Michelle Liem Mei Fung is deemed interested in 250,000 shares held by the Estate of David Lee Kay Tuan.

(3) Mr Koh Wee Meng, spouse of Madam Lim Wan Looi, is deemed to be interested in Madam Lim Wan Looi's direct interest of 0.13 per cent. in the Issuer.

(4) As shown in its Register of Substantial Shareholders as at the Latest Practicable Date, the shareholding is based as a percentage of the issued shares of the Issuer (excluding treasury shares) being 1,201,875,603.

SHARE CAPITAL

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

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

Share designation	Issued share capital	
	Number of Shares	Amount
Shares (including 12,054,000 treasury shares)	1,213,929,603	S$181,694,851.60

BORROWINGS

7. Save as disclosed in Appendix III, the Group had as at 31 December 2020 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

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

CHANGES IN ACCOUNTING POLICIES

9. There has been no significant change to the accounting policies of the Issuer since its audited financial accounts for the financial year ended 31 December 2020 except that the Issuer has adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations and the Covid-19-Related Rent Concessions Amendment to SFRS(I) 16.

LITIGATION

10. Save as disclosed below, there is no legal or arbitration proceedings pending or threatened against the Issuer or any of the Issuer's 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:

    Termination of main contractor

    In 2014, Asplenium Land Pte. Ltd. ("**Asplenium**"), a subsidiary of the Issuer, terminated the services of the former main contractor for Seletar Park Residence on grounds of unsatisfactory performance. Legal and arbitration proceedings were subsequently commenced against Asplenium for allegedly wrongful termination of the contract in 2015. The arbitration proceedings have concluded as at 3 July 2019. Both parties have made all payments due to the other as ordered by the Arbitral Tribunal as at 12 July 2019. While the former main contractor sought to challenge an award on costs in court, this was dismissed by the court on 27 April 2020. The deadline to appeal against the court's dismissal has expired.

    Separately, although the former main contractor had commenced court proceedings against Asplenium and third parties involved in the Seletar Park Residence project, the former main contractor has since discontinued its claims against Asplenium on 21 December 2020.

    All matters between Asplenium and the former main contractor in respect of the Seletar Park Residence project have been concluded.

MATERIAL ADVERSE CHANGE

11. There has been no material adverse change in the financial condition or business of the Issuer or the Group since 31 December 2020.

AUDITOR'S CONSENT

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

LEGAL ENTITY IDENTIFIER

13. The Legal Entity Identifier (LEI) of the Issuer is 8755001UMEYVQ6IVUY87.

DOCUMENTS AVAILABLE FOR INSPECTION

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

    (a) the Constitution of the Issuer;

    (b) the Trust Deed; and

    (c) the audited consolidated financial statements of the Group for the financial years ended 31 December 2019 and 31 December 2020; and

    (d) the unaudited financial statements announcement of the Group for the financial half year ended 30 June 2021.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The information in this Appendix II has been reproduced from the statutory accounts of Tuan Sing Holdings Limited and its subsidiaries for the financial year ended 31 December 2019 and has not been specifically prepared for inclusion in this Information Memorandum.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Tuan Sing Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 103 to 200.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition of development properties

The Group enters into contracts with customers to sell specified residential units which are under development based on the terms and specifications as set out in the contracts. The analysis of whether the contracts comprises one or more performance obligations, determination of whether the performance obligations are satisfied over time and the method used to measure progress for revenue recognition for these development properties requires estimate by management.

The stage of completion is measured by reference to certifications of the value of work performed to date by third party quantity surveyors as compared to the estimated total construction costs of the development project as approved by management. Significant judgements are required to determine the total construction costs which include estimation for variation works and any other claims from contractors. Any changes to the estimated total construction costs will impact the stage of completion, and consequentially the revenue recognised.

Our audit performed and responses thereon

We read the sales and purchase agreements of development properties and discussed with management to understand the relevant terms of the agreements and the basis of management's identification of performance obligations to determine whether the criteria for recognising revenue over time were met. We performed procedures to evaluate the design and implementation of the relevant controls put in place by the Group in respect of revenue recognition from the development properties.

We also reviewed management's estimated total construction cost for each of the development projects, and assessed the reasonableness of the assumptions and estimates applied by management which included key elements such as construction costs and variation works, taking also into consideration the need by management to account for any effects of significant or unusual events that occurred during the year which may impact the estimated total construction cost. In addition, we also used the value of the work performed to date as provided by third party quantity surveyors, compared to the estimated total construction cost and performed arithmetic computations of the stage of completion and revenue to be recognised for the year.

INDEPENDENT
AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

KEY AUDIT MATTERS (CONT'D)

Our audit performed and responses thereon (cont'd)

We found management's basis of identifying performance obligations and the basis of revenue recognition for these development properties to be appropriate. We also found management to have the relevant controls in place and that the key assumptions applied by management for estimated total construction costs to be reasonable based on supportable information available.

Further disclosures are made in Note 28 to the financial statements.

Valuation of development properties

The Group has residential properties under development and held for sale which are mainly located in Singapore. These development properties are stated at the lower of cost and net realisable values. The determination of the estimated net realisable value of these development properties is dependent upon the Group's expectations of future selling prices. There is a risk that the estimates of net realisable values may exceed future selling prices, resulting in losses when properties are sold.

Our audit performed and responses thereon

We discussed with and evaluated management's basis used in their assessment in determining whether the Group's properties under development and completed residential properties held for sale are impaired and the amount of impairment to be recorded if any, based on the Group's estimated selling prices of these properties, by comparing where available, to recently transacted prices and prices of past sales of comparable properties in surrounding locations. We also performed sensitivity analysis on the estimated selling prices used by management in their assessment and considered the adequacy of the disclosures in respect of the impairment losses presented in the financial statements for these properties.

We found management's estimates to be reasonable based on supportable information available, and that management had applied their knowledge of the business in determining the estimated selling prices of the respective properties, by taking into consideration the selling prices of recent sales of the respective properties and that of comparable properties, and expectations of the property market conditions. We found that the Group had appropriately recorded the impairment loss in profit or loss and the related disclosures to be appropriate.

Further disclosures are made in Note 10 to the financial statements.

Valuation of investment properties and hotel properties

The Group has investment and hotel properties stated at fair value, determined based on professional external valuers engaged by the Group.

The valuation process involves significant judgement and estimation. The valuations are dependent on the valuation methodology applied and the underlying assumptions used, which includes price per square metre of market comparables used; capitalisation rates; price per square metre of gross/net lettable area and value per room for hotel properties. A change in the key assumptions applied may have a significant impact to the valuation.

Our audit performed and responses thereon

We read the terms of engagement of the external valuers engaged and also considered the objectivity and independence of the external valuers including their qualifications and competency.

We considered the appropriateness of the valuation techniques used by the external valuers for the respective investment and hotel properties, taking into account the profile and type of these properties. We discussed with the external valuers on the results of their work, and compared the key assumptions used in their valuations by reference to externally published benchmarks or comparables where available and considered whether these assumptions are consistent with the current market environment.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates.

We found the external valuers to have the appropriate level of qualifications and experience, and that the valuation methodologies adopted were in line with generally accepted market practices for similar properties. The key assumptions used were within reasonable range, taking into account historical rates and available industry data for comparable markets and properties. We also found that the related disclosures in the financial statements to be appropriate.

Further disclosures on the investment properties and hotel properties are found in Notes 14 and 12 to the financial statements respectively.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Company and Strategy, Highlights of the Year, Corporate Stewardship, Management Discussion and Analysis, Corporate Governance Report, Sustainability Report and Shareholding Statistics reports, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information which are expected to be made available to us after the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Loi Chee Keong.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

6 March 2020

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	Group			Company	
		31 December 2019 $'000	31 December 2018 $'000 (Restated)	1 January 2018 $'000 (Restated)	31 December 2019 $'000	31 December 2018 $'000
ASSETS						
Current assets						
Cash and bank balances	5	**172,274**	133,007	216,843	**37,558**	25,165
Trade and other receivables	6	**70,424**	76,142	89,130	**408**	347
Contract assets	7	**29,974**	13,517	4,480	**–**	–
Contract costs	8	**1,295**	757	485	**–**	–
Amounts due from subsidiaries	20	**–**	–	–	**378,149**	400,312
Inventories	9	**2,370**	2,792	2,906	**–**	–
Development properties	10	**343,067**	353,091	186,433	**–**	–
Asset classified held for sale	11	**–**	42,040	–	**–**	–
Total current assets		**619,404**	621,346	500,277	**416,115**	425,824
Non-current assets						
Property, plant and equipment	12	**414,256**	425,944	446,749	**2,386**	67
Right-of-use assets	13	**250**	–	–	**1,060**	–
Investment properties	14	**1,778,168**	1,742,662	1,592,687	**498**	498
Investments in subsidiaries	15	**–**	–	–	**760,760**	733,800
Investments in equity accounted investees	16	**137,863**	117,914	93,185	**–**	–
Financial asset at fair value through other comprehensive income	17	**30,916**	–	–	**–**	–
Deferred tax assets	23	**2,047**	2,135	2,253	**–**	–
Trade and other receivables	6	**14,433**	–	–	**–**	–
Contract assets	7	**–**	1,934	5,057	**–**	–
Other non-current assets		**5**	12	12	**–**	–
Total non-current assets		**2,377,938**	2,290,601	2,139,943	**764,704**	734,365
Total assets		**2,997,342**	2,911,947	2,640,220	**1,180,819**	1,160,189
LIABILITIES AND EQUITY						
Current liabilities						
Loans and borrowings	18	**281,062**	884,170	278,943	**149,763**	79,877
Lease liabilities	13	**63**	–	–	**907**	–
Trade and other payables	19	**109,045**	125,125	121,917	**31,674**	24,573
Amounts due to subsidiaries	20	**–**	–	–	**401,438**	308,288
Contract liabilities	22	**1,536**	593	372	**–**	–
Derivative financial instruments	35	**–**	–	87	**–**	–
Income tax payable		**4,148**	5,313	13,514	**–**	14
Total current liabilities		**395,854**	1,015,201	414,833	**583,782**	412,752
Non-current liabilities						
Loans and borrowings	18	**1,430,270**	746,271	1,179,177	**–**	149,203
Lease liabilities	13	**52**	–	–	**153**	–
Derivative financial instruments	35	**939**	–	–	**–**	–
Deferred tax liabilities	23	**50,805**	47,073	47,784	**–**	–
Other non-current liabilities	19	**349**	373	463	**–**	–
Total non-current liabilities		**1,482,415**	793,717	1,227,424	**153**	149,203
Capital, reserves and non-controlling interests						
Share capital	24	**175,234**	173,945	172,514	**175,234**	173,945
Treasury shares	25	**(2,955)**	(1,523)	–	**(2,955)**	(1,523)
Reserves	26	**932,684**	915,935	814,821	**424,605**	425,812
Equity attributable to owners of the Company		**1,104,963**	1,088,357	987,335	**596,884**	598,234
Non-controlling interests		**14,110**	14,672	10,628	**–**	–
Total equity		**1,119,073**	1,103,029	997,963	**596,884**	598,234
Total liabilities and equity		**2,997,342**	2,911,947	2,640,220	**1,180,819**	1,160,189

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 2019

	Note	Group 31 December 2019 $'000	Group 31 December 2018 $'000 (Restated)
Revenue	28	**310,689**	336,108
Cost of sales		**(239,153)**	(266,603)
Gross profit		**71,536**	69,505
Other operating income		**5,520**	5,754
Distribution costs		**(6,833)**	(5,143)
Administrative expenses		**(29,151)**	(25,494)
Other operating expenses		**(1,313)**	(1,080)
Share of results of equity accounted investees	16	**21,561**	19,214
Interest income	29	**5,836**	5,226
Finance costs	30	**(58,325)**	(45,458)
Profit before tax and fair value adjustments		**8,831**	22,524
Fair value adjustments	31	**33,207**	113,084
Profit before tax	32	**42,038**	135,608
Income tax expenses	33	**(9,359)**	(4,178)
Profit for the year		**32,679**	131,430
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties	35	**4,292**	7,754
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	35	**(1,288)**	(2,358)
		3,004	5,396
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	35	**(12,953)**	(19,278)
Share of exchange differences on translation of equity accounted investees	35	**(1,131)**	1,866
Cash flow hedges	35	**(939)**	82
Income tax relating to components of other comprehensive income that may be reclassified subsequently	35	**282**	(25)
		(14,741)	(17,355)
Other comprehensive loss for the year, net of tax	35	**(11,737)**	(11,959)
Total comprehensive income for the year		**20,942**	119,471
Profit attributable to:			
Owners of the Company		**33,213**	131,537
Non-controlling interests		**(534)**	(107)
		32,679	131,430
Total comprehensive income attributable to:			
Owners of the Company		**21,504**	119,432
Non-controlling interests		**(562)**	39
		20,942	119,471
Basic and diluted earnings per share (in cents)			
Including fair value adjustments	34	**2.8**	11.1
Excluding fair value adjustments	34	**0.4**	1.7

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Group	
		31 December 2019 $'000	31 December 2018 $'000 (Restated)
Operating activities			
Profit before tax		**42,038**	135,608
Adjustments for:			
Fair value gain	31	**(33,207)**	(113,084)
Share of results of equity accounted investees	16	**(21,561)**	(19,214)
Write-back of allowance for diminution in value for development properties, net	10	**(328)**	(842)
Depreciation of property, plant and equipment	12	**8,024**	7,916
Depreciation of right-of-use assets	13	**26**	–
Amortisation of contract costs	8	**2,607**	725
(Write-back) of allowance/allowance for doubtful trade and other receivables, net	6	**(53)**	525
Bad debts written off	6	**429**	–
Write-back of recognised corporate guarantee no longer required	16	**(346)**	–
Net gain on disposal of a subsidiary	37	**–**	(3,893)
Net loss disposal of an investment property	11	**48**	–
Net loss on disposal of property, plant and equipment	32	**14**	36
Interest income	29	**(5,836)**	(5,226)
Finance costs	30	**58,325**	45,458
Operating cash flows before movements in working capital		**50,180**	48,009
Development properties		**10,197**	(163,367)
Inventories		**400**	65
Trade and other receivables		**(7,310)**	31,222
Contract costs		**(3,489)**	(1,282)
Contract assets		**(14,523)**	(5,916)
Contract liabilities		**943**	221
Trade and other payables		**(18,507)**	3,298
Cash generated from/(used in) operations		**17,891**	(87,750)
Interest received		**8,198**	6,114
Income tax paid		**(5,599)**	(12,268)
Net cash from/(used in) operating activities		**20,490**	(93,904)
Investing activities			
Purchase of property, plant and equipment	12	**(7,103)**	(3,433)
Proceeds from disposal of property, plant and equipment		**44**	18
Proceeds from sale of an investment property		**41,992**	–
Additions to investment properties		**(6,920)**	(85,949)
Acquisition of financial asset designated at FVTOCI		**(25,396)**	–
Loan to related parties		**(5,000)**	(20,000)
Acquisition of investment in an associate		**–**	(14,888)
Acquisition of subsidiaries	37	**(4,677)**	(11,310)
Proceeds from disposal of a subsidiary	37	**–**	16,547
Net cash used in investing activities		**(7,060)**	(119,015)
Financing activities			
Proceeds from loans and borrowings		**687,268**	230,008
Repayment of loans and borrowings		**(589,206)**	(38,349)
Repayment of lease liabilities	13	**(25)**	–
Interest paid		**(58,901)**	(50,054)
Bank deposits pledged as securities for bank facilities		**(18,482)**	(2,543)
Dividend paid to shareholders		**(9,383)**	(5,431)
Purchase of treasury shares	25	**(1,432)**	(1,523)
Shares bought back and cancelled	24	**–**	(258)
Net cash from financing activities		**9,839**	131,850
Net increase/(decrease) in cash and cash equivalents		**23,269**	(81,069)
Cash and cash equivalents at the beginning of the year	5	**66,567**	151,145
Foreign currency translation adjustments		**(850)**	(3,509)
Cash and cash equivalents at the end of the year	5	**88,986**	66,567

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

STATEMENT OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group										
At 1 January 2019 (Previously reported)		173,945	(1,523)	(48,596)	139,151	156,909	673,566	1,093,452	15,012	1,108,464
Effects of changes in accounting policies	43	–	–	–	–	–	(5,095)	(5,095)	(340)	(5,435)
At 1 January 2019 (Restated)		173,945	(1,523)	(48,596)	139,151	156,909	668,471	1,088,357	14,672	1,103,029
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	33,213	33,213	(534)	32,679
Exchange differences on translation of foreign operations	35	–	–	(14,056)	–	–	–	(14,056)	(28)	(14,084)
Revaluation of properties	35	–	–	–	4,292	–	–	4,292	–	4,292
Cash flow hedges	35	–	–	–	–	(939)	–	(939)	–	(939)
Income tax adjustments relating to other comprehensive income	35	–	–	–	(1,288)	282	–	(1,006)	–	(1,006)
Other comprehensive (loss)/ income for the year, net of tax		–	–	(14,056)	3,004	(657)	–	(11,709)	(28)	(11,737)
Total		–	–	(14,056)	3,004	(657)	33,213	21,504	(562)	20,942
Transactions with owners, recognised directly in equity										
Transfer from revenue reserve to other capital reserves		–	–	–	–	22,755	(22,755)	–	–	–
Discount on investment in equity instrument designated as at FVTOCI		–	–	–	–	5,520	–	5,520	–	5,520
Discount on acquisition of a subsidiary		–	–	–	–	397	–	397	–	397
Issue of shares under the Scrip Dividend Scheme	24	1,289	–	–	–	–	–	1,289	–	1,289
Repurchase of shares	25	–	(1,432)	–	–	–	–	(1,432)	–	(1,432)
Dividend paid to shareholders:										
– Cash	27	–	–	–	–	–	(9,383)	(9,383)	–	(9,383)
– Share	27	–	–	–	–	–	(1,289)	(1,289)	–	(1,289)
Total		1,289	(1,432)	–	–	28,672	(33,427)	(4,898)	–	(4,898)
At 31 December 2019		175,234	(2,955)	(62,652)	142,155	184,924	668,257	1,104,963	14,110	1,119,073

Details of "Other capital reserves" disclosed in Note 26.

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group (cont'd)										
At 1 January 2018 (Previously reported)		172,514	–	(31,038)	133,755	150,662	563,698	989,591	10,628	1,000,219
Effects of changes in accounting policies	43	–	–	–	–	–	(2,256)	(2,256)	–	(2,256)
At 1 January 2018 (Restated)		172,514	–	(31,038)	133,755	150,662	561,442	987,335	10,628	997,963
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	131,537	131,537	(107)	131,430
Exchange differences on translation of foreign operations	35	–	–	(17,558)	–	–	–	(17,558)	146	(17,412)
Revaluation of properties	35	–	–	–	7,754	–	–	7,754	–	7,754
Cash flow hedges	35	–	–	–	–	82	–	82	–	82
Income tax adjustments relating to other comprehensive income	35	–	–	–	(2,358)	(25)	–	(2,383)	–	(2,383)
Other comprehensive (loss)/ income for the year, net of tax		–	–	(17,558)	5,396	57	–	(12,105)	146	(11,959)
Total		–	–	(17,558)	5,396	57	131,537	119,432	39	119,471
Transactions with owners, recognised directly in equity										
Transfer from revenue reserve to other capital reserves		–	–	–	–	17,388	(17,388)	–	–	–
Non-controlling interest arising from acquisition of a subsidiary		–	–	–	–	–	–	–	3,405	3,405
Non-controlling interest arising from incorporation of a subsidiary		–	–	–	–	–	–	–	600	600
Issue of shares under the Scrip Dividend Scheme	24	1,689	–	–	–	–	–	1,689	–	1,689
Shares bought back and cancelled	24	(258)	–	–	–	–	–	(258)	–	(258)
Repurchase of shares	25	–	(1,523)	–	–	–	–	(1,523)	–	(1,523)
Dividend paid to shareholders:										
– Cash	27	–	–	–	–	–	(5,431)	(5,431)	–	(5,431)
– Share	27	–	–	–	–	–	(1,689)	(1,689)	–	(1,689)
Goodwill paid over acquiring additional shares in a member of associate		–	–	–	–	(11,198)	–	(11,198)	–	(11,198)
Total		1,431	(1,523)	–	–	6,190	(24,508)	(18,410)	4,005	(14,405)
At 31 December 2018 (Restated)		173,945	(1,523)	(48,596)	139,151	156,909	668,471	1,088,357	14,672	1,103,029

\# *Details of "Other capital reserves" disclosed in Note 26.*

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Share capital $'000	Treasury shares $'000	Other capital reserve# $'000	Revenue reserve $'000	Total equity $'000
Company						
At 1 January 2019		**173,945**	**(1,523)**	**101,264**	**324,548**	**598,234**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**–**	**9,465**	**9,465**
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	**1,289**	**–**	**–**	**–**	**1,289**
Dividend paid to shareholders						
– Cash	27	**–**	**–**	**–**	**(9,383)**	**(9,383)**
– Share	27	**–**	**–**	**–**	**(1,289)**	**(1,289)**
Repurchase of shares	25	**–**	**(1,432)**	**–**	**–**	**(1,432)**
Total		**1,289**	**(1,432)**	**–**	**(10,672)**	**(10,815)**
At 31 December 2019		**175,234**	**(2,955)**	**101,264**	**323,341**	**596,884**
At 1 January 2018		172,514	–	101,264	319,787	593,565
Profit for the year, representing total comprehensive income for the year		–	–	–	11,881	11,881
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	1,689	–	–	–	1,689
Dividend paid to shareholders						
– Cash	27	–	–	–	(5,431)	(5,431)
– Share	27	–	–	–	(1,689)	(1,689)
Shares bought back and cancelled	24	(258)	–	–	–	(258)
Repurchase of shares	25	–	(1,523)	–	–	(1,523)
Total		1,431	(1,523)	–	(7,120)	(7,212)
At 31 December 2018		173,945	(1,523)	101,264	324,548	598,234

Details of "Other capital reserves" are disclosed in Note 26.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

1 GENERAL

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

The principal activity of the Company is that of investment holding. The principal activities of its significant subsidiaries and associates are disclosed in Notes 41 and 42 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2019 were authorised for issue by the Board of Directors on 6 March 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

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 SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

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

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

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

NOTES TO THE
FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation (cont'd)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Changes in the Group's ownership interests in existing subsidiaries

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). 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 SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation (cont'd)

Business combinations

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

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

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 SFRS(I) 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 SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *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 SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of consolidation (cont'd)

Associates (equity accounted investees)

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.

The results of and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Under the equity method, investment in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of the associate exceed 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), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired [Note 2(f)].

The requirements of SFRS(I) 1-28 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associates. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associates. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where the group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) 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 ("SGD") which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Foreign currency transactions

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

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

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

Exchange differences on transactions entered into in order to hedge certain foreign currency risks are described in the hedge accounting policies below Note 2(d).

Foreign currency translation

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency transactions and translation (cont'd)

Net investment in foreign operations

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

(d) 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 instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss under "interest income" line item.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

Equity instruments designated as at FVTOCI (cont'd)
Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in profit or loss.

The Group has designated all investments in equity instrument that are not held for trading as at FVTOCI.

Financial assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 40(e).

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date.

Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating income/(expense)" line item;

- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the "other operating income/(expense)" line item;

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating income/(expense)" line item; and

- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- An actual or expected significant deterioration in the operating results of the debtor;

- Significant increases in credit risk on other financial instruments of the same debtor; and

- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

Significant increase in credit risk (cont'd)

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the expected credit loss is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped based on the nature, size and industry of the debtors. Balances from related parties are assessed for expected credit on an individual basis.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (1) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, (2) held for trading, or (3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- 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
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

Financial liabilities and equity instruments (cont'd)

Financial liabilities at FVTPL (cont'd)

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in Note 40(e).

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and 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 liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

Financial liabilities and equity instruments (cont'd)

Derivative financial instruments

The Group enters into interest rate swap contracts to manage its exposure to interest rate risks. Further details of derivative financial instruments are disclosed in Note 35.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. 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.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the 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 is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (cont'd)

Financial liabilities and equity instruments (cont'd)

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available as of the date of the reporting rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

(e) Property, plant and equipment

Measurement

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

Cost includes professional fees and for qualifying assets, borrowing cost, capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

Revaluation

Certain land and buildings held for use in the production or supply of goods or services, or for administrative purpose, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising from the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising from the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation

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

	Useful lives
Building on freehold land	50 years
Leasehold land, buildings and improvements	Over the remaining lease periods ranging 3 to 99 years
Plant and equipment	1 to 15 years
Motor vehicles	5 to 10 years

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, plant and equipment (cont'd)

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.

(f) Goodwill

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

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

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

On disposal of a subsidiary or a relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

(g) Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and non-tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units (CGU), or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment of tangible and intangible assets excluding goodwill (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

(h) Investment properties

Investment properties comprise completed properties and properties under construction or redevelopment held to earn rental and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise.

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

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

(i) Development properties

Development properties comprise properties in the course of development and completed properties held for sale in the ordinary course of business.

Completed properties held for sale are stated at the lower of cost and estimated net realisable value. Cost is determined by apportionment of the total land cost and development costs capitalised attributable to properties. Net realisable value takes into account the estimated selling price, less cost to be incurred in marketing and selling, and the expected costs to completion, where appropriate.

Cost of development properties comprises costs that relate directly to the development, such as cost of land and construction and related costs that are attributable to development activities and can be allocated to the development project.

When losses are expected, full allowance are recognised as expenses immediately based on best estimates of net realisable value and estimated costs to completion.

Lands held for development and costs attributable to the development activities which are held for future development where no significant development has been undertaken is stated at cost less impairment loss (if any).

The Group's policy for revenue recognition in relation to development properties is described under "Revenue recognition" Note 2(n).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Inventories

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

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Allowance is made where necessary for obsolete, slow-moving and defective inventories.

(k) Cash and cash equivalents

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

(l) Leases

Before 1 January 2019

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

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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

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(o). 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Leases (Cont'd)

After 1 January 2019

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Leases (cont'd)

After 1 January 2019 (cont'd)

The Group as lessee (cont'd)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the statement of profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) 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.

(n) Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of goods
- Sale of development properties
- Revenue from hotel operations
- Revenue from services rendered
- Rental income
- Interest income
- Dividend income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods

The Group sells commodity trading products and polypropylene and polyethylene woven bags. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Under the Group's standard contract terms, customers do not have a right of return.

Sale of residential properties

The Group constructs and sells residential properties under long-term contracts with customers.

Under the terms of the contracts for sale of residential properties in Singapore, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue is recognised based on the stage of completion of construction. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the estimated total construction costs of the development projects as approved by management. Management considers that this method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue recognition (cont'd)

Sale of residential properties (cont'd)

For development properties whereby the Group has no enforceable right to payment until legal title has passed to the customer, revenue is recognised when the legal title has been transferred to the customer. The revenue is measured at the transaction price agreed under the contract. For development properties under construction, the Group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work signed by a third party surveyor and an invoice for the related milestone payment. For completed development properties, the Group is entitled to invoice customers in accordance with the payment schedule in the sales contract.

If the value of the goods transferred exceed the milestone payments, a contract asset is recognised. If the milestone payment exceeds the revenue recognised to date, a contract liability is recognised.

When the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money.

Revenue from hotel operations

Revenue from operations of a hotel is recognised from the following major sources: hotel stays, valet parking services and sales of food and beverages.

Provision of hotel stays and valet parking services are recognised as performance obligations satisfied over time. Progress towards complete satisfaction of these performance obligations is measured based on the proportion of the total duration of stay that has elapsed at the end of the reporting period. Payment for hotel stays and valet parking services sold to corporates are due from the customer at the end of the duration of stay. Payment for such services sold to individual customers are due from the customer prior to the stay. A contract asset is recognised for time which has elapsed representing the Group's right to consideration for the services performed to date, except for short durations of service where the effect would be immaterial.

Revenue from sales of food and beverages are recognised when control of the goods has transferred, being at the point in time when the food and beverages are consumed. This is also the point where the Group is entitled to payment.

The Group sells hotel packages to customers. The hotel packages offer combined goods and services. These goods and services are considered distinct as they are regularly supplied by the Group to customers on a stand-alone basis. These are therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on their stand-alone selling prices. Payment of the transaction price is due immediately when the customer purchases the hotel package.

Revenue from services rendered

The Group provides services to lessees of its investment properties and property management services. Such services are recognised as a performance obligation satisfied over time. Revenue of recognised for these services based on the stage of completion of the contract. Management has assessed that the stage of completion is determined as the proportion of the total service period that has elapsed as at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15. Payment for these services are due in accordance with payment schedules in the customer contract, on straight-line basis over the term of the contract.

Rental income

The Group's policy for recognition of revenue from operating leases is described above in Note 2(l).

Interest income

The Group's policy for recognition of interest income is described above in Note 2(d).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue recognition (cont'd)

Dividend income

Dividends on investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(o) 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.

(p) 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.

(q) Employee benefits

Retirement benefit obligations

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognised any related restructuring costs.

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.

(r) Income tax

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

Current tax

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

Deferred tax

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Income tax (cont'd)

Deferred tax (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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 and hotel properties that are 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.

(s) Non-current asset held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) 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

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

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:

Stage of completion for revenue recognition

The Group recognises contract revenue in Note 28 based on the stage of completion for the sale of development properties in Singapore where the Group has enforceable rights to payment for performance completed to date. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the estimated total construction costs of the development projects as approved by management.

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

The carrying amount of the Group's revenue recognised based on the stage of completion are disclosed in Note 28 to the financial statements.

Allowance for diminution in value for development properties

Development properties in the course of development and completed properties are stated at lower of cost and estimated net realisable value, assessed on an individual property basis. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value of each property is subject to management judgement and the effect of assumptions in respect of development plans, timing of sale and the prevailing market conditions. Management performs cost studies for each property, taking into account the costs incurred to date, the development status and costs to complete each development property. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

Allowance for diminution in value for development properties (cont'd)

During the year, a net write-back of allowance for diminution in value of $328,000 (2018: write-back of allowance for diminution in value of $842,000) was made on Singapore development properties, taking into account with reference to past sales of the respective properties and that of comparable properties, location and market conditions.

The carrying amounts of development properties and allowance for diminution in value are disclosed in Note 10.

Fair value measurement and valuation processes

The Group carries its hotel properties and investment properties at fair value based on independent professional valuations.

In determining fair values, the valuers have used valuation techniques (including direct comparison method, income method, capitalisation method and discounted cash flow method) which involve certain estimates and significant unobservable inputs which are disclosed in Notes 12 and 14. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties. The income method capitalises an income stream into a present value using single-year capitalisation rates. Capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. Discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows. In relying on valuation reports, the management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Information relating to the valuation techniques and inputs used in determining the fair value of hotel properties and investment properties are disclosed in Notes 12 and 14 respectively to the financial statements.

Deferred tax liabilities arising from increase in the carrying amount of investment in Grand Hotel Group

The Group's interest in Grand Hotel Group ("GHG") is held by TSH Australia Holdings Pte Ltd ("TAHAUD"), a wholly-owned subsidiary of the Company, through Tuan Sing (Australia) Trust ("TSAT") and Tuan Sing Real Estate Trust ("TSRET"). GHG comprises of the Grand Hotel Trust ("GHT") and its controlled entities and Grand Hotel Company Pty Ltd ("GHC") and its controlled entities. The units in GHT are 'stapled' to the shares of GHC. GHT is not liable for tax under the Australian tax legislation provided the taxable income (including any assessable component of capital gains from sale of investment assets) is fully distributed to unit holders in each year.

TAHAUD is subject to income taxes in the Australian jurisdiction. The Group has estimated deferred tax liability arising from an increase in the carrying amount of its investments in GHG amounting to A$43,594,000 (2018: A$43,249,000) or equivalent to $40,882,000 (2018: $42,107,000) Note 23. 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.

Loss allowance for receivables and refundable trade deposit

Loss allowance for aged trade receivables and refundable trade deposit are based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including current creditworthiness, past collection history of each customer, ongoing dealings with them and forward-looking macro-economic information. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional loss allowance may be required.

The carrying amount of trade and other receivables are disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

4 SEGMENT INFORMATION

Products and services from which reportable segments derive their revenue

For management purpose, the Group is organised into strategic business units based on their products and services. The Group's principal business operating units, during and at the end of the reporting period, are Property, Hotels Investment, Industrial Services and Other Investments. Accordingly, the Group's reportable operating segments under SFRS(I) 8 are as follows:

Segment	Principal activities
Property	Development of properties for sale, property investment and provision of property management services in Singapore, Australia, China and Indonesia.
Hotels Investment	Investment in hotels in Melbourne and Perth, Australia, managed by hotel operators.
Industrial Services	Trading and marketing of industrial commodities, as well as manufacturing of polypropylene woven bags in Malaysia.
Other Investments	Investment in GulTech, a printed circuit boards manufacturer with plants in China.

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. 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[3] $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others[2] $'000	Inter-Segment Eliminations $'000	Consolidated $'000
2019							
Revenue							
External revenue	107,879	101,238	101,390	–	182	–	310,689
Inter-segment revenue	1,144	522	–	–	20,736	(22,402)	–
	109,023	101,760	101,390	–	20,918	(22,402)	310,689
Results							
Profit before tax and fair value adjustments	(837)	3,867	1,544	21,832	4,509	(22,084)	8,831
Fair value adjustments	33,307	–	–	(100)	–	–	33,207
Profit before tax	32,470	3,867	1,544	21,732	4,509	(22,084)	42,038
Income tax expenses	(4,490)	(433)	(282)	–	(4,154)	–	(9,359)
Profit for the year	27,980	3,434	1,262	21,732	355	(22,084)	32,679
Profit attributable to:							
Owners of the Company	28,756	3,434	1,020	21,732	355	(22,084)	33,213
Non-controlling interests	(776)	–	242	–	–	–	(534)
Profit for the year	27,980	3,434	1,262	21,732	355	(22,084)	32,679

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

4 SEGMENT INFORMATION (CONT'D)

Segment revenues and results (cont'd)

	Property $'000	Hotels Investment[3] $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others[2] $'000	Inter-Segment Eliminations $'000	Consolidated $'000
2018 (Restated)							
Revenue							
External revenue	81,874	109,227	144,828	–	179	–	336,108
Inter-segment revenue	1,145	487	–	–	26,042	(27,674)	–
	83,019	109,714	144,828	–	26,221	(27,674)	336,108
Results							
Profit before tax and fair value adjustments	13,974	5,953	1,423	19,337	7,128	(25,291)	22,524
Fair value adjustments	113,120	–	–	(36)	–	–	113,084
Profit before tax	127,094	5,953	1,423	19,301	7,128	(25,291)	135,608
Income tax expenses	(2,840)	(999)	(266)	–	(73)	–	(4,178)
Profit for the year	124,254	4,954	1,157	19,301	7,055	(25,291)	131,430
Profit attributable to:							
Owners of the Company	124,665	4,954	853	19,301	7,055	(25,291)	131,537
Non-controlling interests	(411)	–	304	–	–	–	(107)
Profit for the year	124,254	4,954	1,157	19,301	7,055	(25,291)	131,430

Notes:

1. No revenue is reported under "Other Investments" as the Group's investment in GulTech is equity accounted for.
2. "Corporate and Others" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at Group-level upon consolidation.
3. Results of GHG's commercial, retail and car park components, which are currently leased out to various tenants, are included in the Property Segment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

4 SEGMENT INFORMATION (CONT'D)

Segment assets, liabilities and other segment information

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others $'000	Consolidated $'000
31 December 2019						
Assets						
Segment assets	**2,313,481**	**422,262**	**51,631**	**–**	**41,189**	**2,828,563**
Financial asset at fair value through other comprehensive income	**30,916**	**–**	**–**	**–**	**–**	**30,916**
Investments in equity accounted investees	**14,355**	**–**	**–**	**123,508**	**–**	**137,863**
Total assets	**2,358,752**	**422,262**	**51,631**	**123,508**	**41,189**	**2,997,342**
Liabilities						
Segment liabilities	**(77,406)**	**(17,928)**	**(3,487)**	**(5,023)**	**(8,140)**	**(111,984)**
Loans and borrowings	**(1,357,723)**	**(198,722)**	**(5,125)**	**–**	**(149,762)**	**(1,711,332)**
Income tax payable and deferred tax liabilities	**(7,799)**	**(189)**	**(384)**	**–**	**(46,581)**	**(54,953)**
Total liabilities	**(1,442,928)**	**(216,839)**	**(8,996)**	**(5,023)**	**(204,483)**	**(1,878,269)**
Net assets/(liabilities)	**915,824**	**205,423**	**42,635**	**118,485**	**(163,294)**	**1,119,073**
Other information						
Capital expenditure	**686**	**3,643**	**110**	**–**	**2,664**	**7,103**
Depreciation of property, plant and equipment	**164**	**7,268**	**248**	**–**	**344**	**8,024**
Depreciation of right-of-use assets	**9**	**–**	**17**	**–**	**–**	**26**
Write back of allowance for diminution in value for development properties	**328**	**–**	**–**	**–**	**–**	**328**
Write-back of recognised corporate guarantee no longer required	**–**	**–**	**–**	**346**	**–**	**346**
Revaluation gain of properties	**–**	**4,292**	**–**	**–**	**–**	**4,292**
Fair value gain on investment properties	**33,307**	**–**	**–**	**–**	**–**	**33,307**
Fair value loss on financial instruments	**–**	**–**	**–**	**(100)**	**–**	**(100)**
31 December 2018 (Restated)						
Assets						
Segment assets	2,276,512	435,242	55,939	–	26,340	2,794,033
Investments in equity accounted investees	14,828	–	–	103,086	–	117,914
Total assets	2,291,340	435,242	55,939	103,086	26,340	2,911,947
Liabilities						
Segment liabilities	(76,103)	(15,973)	(14,736)	(5,368)	(13,911)	(126,091)
Loans and borrowings	(1,195,203)	(206,158)	–	–	(229,080)	(1,630,441)
Income tax payable and deferred tax liabilities	(6,189)	(268)	(425)	–	(45,504)	(52,386)
Total liabilities	(1,277,495)	(222,399)	(15,161)	(5,368)	(288,495)	(1,808,918)
Net assets/(liabilities)	1,013,845	212,843	40,778	97,718	(262,155)	1,103,029
Other information						
Capital expenditure	77	3,064	175	–	117	3,433
Depreciation of property, plant and equipment	81	7,510	275	–	50	7,916
Write back of allowance for diminution in value for development properties	842	–	–	–	–	842
Revaluation gain of properties	–	7,754	–	–	–	7,754
Fair value gain on investment properties	113,120	–	–	–	–	113,120
Fair value loss on financial instruments	–	–	–	(36)	–	(36)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

4 SEGMENT INFORMATION (CONT'D)

Segment assets, liabilities and other segment information (cont'd)

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others $'000	Consolidated $'000
1 January 2018 (Restated)						
Assets						
Segment assets	1,905,383	455,994	76,918	–	108,740	2,547,035
Investments in equity accounted investees	–	–	–	93,185	–	93,185
Total assets	1,905,383	455,994	76,918	93,185	108,740	2,640,220
Liabilities						
Segment liabilities	(75,912)	(19,435)	(16,665)	(5,432)	(5,395)	(122,839)
Loans and borrowings	(1,011,132)	(218,624)	–	–	(228,364)	(1,458,120)
Income tax payable and deferred tax liabilities	(14,526)	(275)	(292)	–	(46,205)	(61,298)
Total liabilities	(1,101,570)	(238,334)	(16,957)	(5,432)	(279,964)	(1,642,257)
Net assets/(liabilities)	803,813	217,660	59,961	87,753	(171,224)	997,963
Other information						
Capital expenditure	74	4,096	93	–	–	4,263
Depreciation of property, plant and equipment	106	7,291	379	–	–	7,776
Write back of allowance for diminution in value for development properties	1,249	–	–	–	–	1,249
Revaluation gain of properties	–	33,846	–	–	–	33,846
Fair value gain on investment properties	44,525	–	–	–	–	44,525
Fair value gain on financial instruments	–	–	–	289	–	289

Note:

1. No capital expenditure and depreciation are reported under "Other Investments" as the Group's investment in GulTech is equity accounted for.

Geographical information

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

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers. Non-current assets other than the investment in associates and deferred tax assets are based on the geographical location of the assets.

	Revenue from external customers		Non-current assets		
	2019 $'000	2018 $'000	31 December 2019 $'000	31 December 2018 $'000 (Restated)	1 January 2018 $'000 (Restated)
Singapore	**160,974**	179,849	**1,540,624**	1,513,022	1,357,155
Australia	**118,724**	127,035	**635,259**	646,660	676,296
China	**19,510**	14,467	**21,738**	6,306	6,407
Malaysia	**8,314**	8,449	**4,387**	4,485	4,647
Indonesia	**3,167**	6,297	**36,020**	20	–
Others	**–**	11	**–**	59	–
	310,689	336,108	**2,238,028**	2,170,552	2,044,505

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4 SEGMENT INFORMATION (CONT'D)

Other segment information

Included in the Group revenue of $310.7 million (2018: $336.1 million) were sales of approximately $62.5 million (2018: $52.8 million) to a customer that contributed 10% or more to the Group's revenue for both years in the Industrial Services segment.

5 CASH AND BANK BALANCES

	Group		Company	
	31 December 2019 $'000	**31 December 2018 $'000**	**31 December 2019 $'000**	**31 December 2018 $'000**
Cash at banks and on hand	**49,344**	50,769	**16,718**	12,553
Fixed deposits	**111,582**	80,813	**20,840**	12,612
Amounts held under the Housing Developers (Project Account) Rules	**11,348**	1,425	**–**	–
	172,274	133,007	**37,558**	25,165

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 0.6% to 2.6% per annum (2018: 0.6% to 3.4% per annum) and for tenures ranging from 7 days to 2 years (2018: 7 days to 3 years).

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

The carrying amounts of the cash and bank balances approximate their fair values at the end of the reporting period. Further details regarding the exposure to interest rate risk, contractual and effective interest rates and foreign currency denomination of the cash and bank balances are disclosed under Note 40 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	
	31 December 2019 $'000	**31 December 2018 $'000**
Cash and cash equivalents per consolidated statement of cash flows		
Cash and bank balances (as per statements of financial position)	**172,274**	133,007
Encumbered fixed deposits and bank balances	**(83,288)**	(66,440)
	88,986	66,567

As at 31 December 2019, the Group had cash and cash equivalents placed with banks in China amounting to $78,815,000 (2018: $79,062,000), the repatriation of which into Singapore is subject to the Foreign Exchange Control Regulations in China. Of this amount, $63,123,000 (2018: $63,097,000) were fixed deposits ranging from 3 months to 2 years (2018: 2 years) but were classified as current on the basis that these deposits are used to secure a facility in Singapore which could be cancelled at short notice by the borrower and the sum of these deposits can be released without significant penalty and changes in value.

As at 31 December 2019, cash and bank balances amounting to $84,321,000 (2018: $77,279,000) were pledged to banks to secure credit facilities.

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6 TRADE AND OTHER RECEIVABLES

	Note	Group			Company	
		31 December 2019 $'000	31 December 2018 $'000	1 January 2018 $'000 (Restated)	31 December 2019 $'000	31 December 2018 $'000
Trade						
Trade debtors		**17,455**	16,243	17,884	**–**	–
Less: Loss allowance		**(748)**	(1,021)	(536)	**–**	–
		16,707	15,222	17,348	**–**	–
Amounts due from related parties (a)	21	**21,720**	21,699	31,040	**–**	–
Less: non-current portion	21	**(9,346)**	–	–	**–**	–
Total trade receivables – current		**29,081**	36,921	48,388	**–**	–
Non-trade						
Deposits		**952**	468	17,086	**73**	73
Prepayments		**5,445**	4,039	3,480	**289**	323
Interest receivables		**722**	3,103	4,434	**14**	23
Sundry debtors		**3,379**	2,373	5,567	**37**	–
Advances to suppliers		**–**	–	521	**–**	–
Tax recoverable		**16**	186	459	**–**	–
		10,514	10,169	31,547	**413**	419
Less: Loss allowance		**(126)**	(127)	(129)	**(72)**	(72)
		10,388	10,042	31,418	**341**	347
Amount due from related parties	21	**36,042**	29,179	9,324	**67**	–
		46,430	39,221	40,742	**408**	347
Less: non-current portion	21	**(5,087)**	–	–	**–**	–
Total non-trade receivables – current		**41,343**	39,221	40,742	**408**	347
Total trade and other receivables – current		**70,424**	76,142	89,130	**408**	347
Total trade and other receivables – non-current		**14,433**	–	–	**–**	–

(a) Included in the carrying amount of amounts due from related parties – trade as at 31 December 2019 were unbilled revenue of $240,000 (2018: $Nil) relating to rent-free period given to related party lessees [Note 21].

Analysis of trade receivables

Trade receivables are non-interest bearing and are generally on 7 to 180 days (2018: 7 to 120 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group assesses the potential customer's credit quality and determines credit limits to be allowed before accepting any new customer. Credit limits granted to customers are reviewed regularly.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS

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6 TRADE AND OTHER RECEIVABLES (CONT'D)

Analysis of amounts due from related parties

Certain past due trade amounts due from related parties bear interest rates ranging from 8% to 12% (2018: 8% to 12%) per annum in accordance with the billing terms and the remaining are non-interest bearing. The trade amounts due from related parties are generally on 90 to 180 days (2018: 90 to 180 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

For purpose of impairment assessment, the amounts due from related parties is considered to have low credit risk as the timing of payment is controlled by the ultimate holding company taking into account cash flow management within the ultimate holding company's group of companies and there has been no significant increase in the risk of default on the amounts due from related parties since initial recognition. Accordingly, for the purpose of impairment assessment for the amounts due from related parties, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the financial position of the related parties, adjusted for factors that are specific to the related parties and general economic conditions of the industry in which the related parties operate, in estimating the probability of default of the trade amounts due from related parties as well as the loss upon default. Management determines the trade amounts due from related parties are subject to immaterial credit loss.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL – credit-impaired $'000
Group	
Balance as at 1 January 2018	536
Amounts written off	(82)
Change in loss allowance due to new trade receivables originated	525
Exchange difference on consolidation	42
Balance as at 31 December 2018	1,021
Amounts written off	(199)
Change in loss allowance due to new trade receivables originated	(53)
Exchange difference on consolidation	(21)
Balance as at 31 December 2019	748

The following table shows the movement in expected credit losses (ECL) that has been recognised for other receivables:

	Lifetime ECL – credit-impaired $'000
Group	
Balance as at 1 January 2018	129
Exchange difference on consolidation	(2)
Balance as at 31 December 2018	127
Exchange difference on consolidation	(1)
Balance as at 31 December 2019	126
Company	
Balance as at 31 December 2018 and 31 December 2019	72

NOTES TO THE FINANCIAL STATEMENTS

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6 TRADE AND OTHER RECEIVABLES (CONT'D)

The following is an aging analysis of trade receivables:

	Group	
	31 December 2019 $'000	31 December 2018 $'000
Not past due	**10,978**	25,135
< 3 months	**8,988**	5,064
3 months to 6 months	**2,703**	1,717
6 months to 12 months	**11,228**	3,771
> 12 months	**4,530**	1,234
	38,427	36,921

Details of collateral

As at 31 December 2019, trade and other receivables amounting to $11,989,000 (2018: $10,724,000) included in the above balances were mortgaged to banks to secure certain credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

7 CONTRACT ASSETS

	Group	
	31 December 2019 $'000	31 December 2018 $'000
Sales contracts	**29,974**	15,451
Analysed as:		
Current	**29,974**	13,517
Non-current	**–**	1,934
	29,974	15,451

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The changes in contract assets are due to the differences between the agreed payment schedule and progress of the construction work.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the residential industry. None of the amounts due from customers at the end of the reporting period is past due. As there was no historical credit loss experience by the Group, the ECL is assessed by management to be insignificant.

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8 CONTRACT COSTS

	Group	
	31 December 2019 $'000	31 December 2018 $'000
Costs to obtain contracts	**1,295**	757

Costs to obtain contracts relate to commission paid to intermediaries as a result of obtaining residential property sales contracts.

These costs are amortised over the period of construction. Amortisation amounting to $2,607,000 (2018: $725,000) was recognised as part of the cost of sales recognised in profit or loss. There was no impairment loss in relation to the costs capitalised.

9 INVENTORIES

	Group	
	31 December 2019 $'000	31 December 2018 $'000
Raw materials	**681**	769
Work-in-progress	**933**	1,262
Finished goods	**756**	761
At cost	**2,370**	2,792

There was no allowance for inventory obsolescence recognised in profit or loss for the year ended 31 December 2019 and 31 December 2018.

Details of collateral

As at 31 December 2019, inventories amounting to $2,370,000 (2018: $2,792,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

10 DEVELOPMENT PROPERTIES

	Group		
	31 December 2019 $'000	31 December 2018 $'000 (Restated)	1 January 2018 $'000 (Restated)
Properties in the course of development	**313,011**	308,319	112,123
Land held for future development	**6,844**	7,024	7,236
Land held for sale	**–**	–	11,856
	319,855	315,343	131,215
Completed properties held for sale	**23,212**	37,748	55,218
	343,067	353,091	186,433
The above comprises:			
Properties in the course of development in Singapore	**262,103**	265,023	112,123
Properties in the course of development in Indonesia	**50,908**	43,296	–
Land held for future development in China	**6,844**	7,024	7,236
Land held for sale in China	**–**	–	11,856
Completed properties held for sale in Singapore	**23,212**	33,299	51,173
Completed properties held for sale in China	**–**	4,449	4,045
	343,067	353,091	186,433

NOTES TO THE FINANCIAL STATEMENTS

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10 DEVELOPMENT PROPERTIES (CONT'D)

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

For the land that was held for sale in China, the Group had entered into a sale and purchase agreement in 2017 to dispose its interests in a wholly-owned subsidiary which owned the land in Jiaozhou, China. The transaction had been completed during the year ended 31 December 2018.

The completed properties held for sale in Singapore includes one residential unit (31 December 2018: two residential units) held on behalf of a related party (Party B) as the balance consideration for the acquisition of land in Batam which was completed on 7 June 2018 (Note 37). Such balance consideration has yet to be settled in cash. Under the terms and conditions of the agreements, Party B is (a) entitled to request the Group to transfer ownership of the units to itself or a nominee in satisfaction of the relevant cash payment obligation; and (b) will not hold the Group liable for any loss suffered should the Group fail to achieve the selling price stipulated in the agreement, provided that Party B has agreed to the relevant sale.

For the completed properties held for sale in China, the Group has determined that there has been a change in the use of the properties. Accordingly, the Group has transferred properties amounting to $2,638,000 and $1,873,000 to property, plant and equipment (Note 12) and investment properties (Note 14) respectively as at 31 December 2019.

Properties in the course of development and land held for future development or sale

	Group		
	31 December 2019 $'000	**31 December 2018 $'000 (Restated)**	**1 January 2018 $'000 (Restated)**
Land cost	**294,036**	299,342	127,591
Development cost incurred to-date	**24,291**	18,922	8,323
Others	**8,372**	4,103	2,537
	326,699	322,367	138,451
Less: Allowance for diminution in value	**(6,844)**	(7,024)	(7,236)
	319,855	315,343	131,215

Completed properties held for sale

	Group		
	31 December 2019 $'000	**31 December 2018 $'000 (Restated)**	**1 January 2018 $'000 (Restated)**
Completed properties, at cost	**23,911**	38,775	57,086
Less: Allowance for diminution in value	**(699)**	(1,027)	(1,868)
	23,212	37,748	55,218

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10 DEVELOPMENT PROPERTIES (CONT'D)

Allowance for diminution in value

The allowance for diminution in value for development properties held for sale was estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on expected selling prices for the development project after taking into consideration of prevailing market conditions. During the year, a net write-back in allowance for diminution in value for development properties of $328,000 (2018: $842,000) is included in "other operating expenses/cost of sales" in profit or loss (Note 32).

		Group	
	Note	2019 $'000	2018 $'000 (Restated)
Movements in allowance for diminution in value			
At 1 January		**(8,051)**	(9,104)
Exchange difference on consolidation		**180**	211
Allowance made during the year	32	**(58)**	(135)
Write-back during the year	32	**386**	977
At 31 December		**(7,543)**	(8,051)

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

Included in the development properties is a carrying amount of $6,844,000 (31 December 2018: $7,024,000, 1 January 2018: $7,236,000) relating to a land parcel acquired in 2009 in Fuzhou, China with an expired certificate for the construction site planning. The Group has applied to the relevant authorities for its renewal since 2013. An allowance of $6,844,000 (31 December 2018: $7,024,000, 1 January 2018: $7,236,000) was made based on management's best estimate on net realisable value of the development site.

Details of collateral

As at 31 December 2019, development properties amounting to $262,103,000 (31 December 2018: $265,023,000, 1 January 2018: $112,123,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

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10 DEVELOPMENT PROPERTIES (CONT'D)

List of development properties

As at 31 December 2019, the development properties held by the Group are as follows:

Name of property/ location	Description/ planned use	Held by	Tenure	Land area (sq m)	Estimated gross floor area (sq m)	Year completed/ estimated completion	Group's effective equity interest
Properties in the course of development							
Kandis Residence, Jalan Kandis, Singapore	Condominium of 130 units (90 units booked/sold)	Dillenia Land Pte Ltd	99 years from 2016	7,046	10,850	2020	100%
Mont Botanik Residence, Jalan Remaja Singapore	Condominium of 108 units (49 units booked/sold)	Episcia Land Pte Ltd	Freehold	4,047	8,546	2021	100%
Peak Residence, 333 Thomson Road Singapore	Condominium of 90 units	TSRC Novena Pte Ltd	Freehold	5,331	8,209	2022	70%
Batam Land (I) Indonesia	Proposed integrated mixed-development township	PT Goodworth Investments	30 years from 2004	849,748	**	**	90%
Batam Land (II) Indonesia	Proposed integrated mixed-development township	PT Titian Damai Mandiri	30 years from 2019	401,229	**	**	100%
Land held for future development							
Land in Jin-an District, Fuzhou Fujian Province, China	Residential	Fujian Ji'Xing Real Estate Development Co., Ltd	70 years from 1994	163,740	*	*	100%
Completed properties held for sale							
Sennett Residence, Pheng Geck Avenue Singapore	Condominium townhouses of 332 units and three shop units (326 units booked/sold)	Clerodendrum Land Pte Ltd	99 years from 2011	8,664	33,328	2016	100%
Cluny Park Residence, Cluny Park Road Singapore	Condominium of 52 units (52 units booked/sold)	Shelford Properties Pte Ltd	Freehold	4,544	6,997	2016	100%

* Pending renewal of expired certificate for construction site planning.
** Subject to relevant authorities' approval.

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11 ASSET CLASSIFIED AS HELD FOR SALE

On 27 December 2018, the Group, together with the other subsidiary proprietors of all other strata units in Century Warehouse, accepted a tender bid by a private investment company for the collective sale of all the strata units and the common property of Century Warehouse at the consideration of $48,500,000 based on a 100 percent owners' consensus basis.

The Group owned close to 90 percent of the strata area and the share of the consideration is $42,040,000. The sale had been completed during the year and the net loss of $48,000 (Note 32) arose from the transaction cost incurred upon sale completion.

12 PROPERTY, PLANT AND EQUIPMENT

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost or valuation:						
At 1 January 2019		**402,688**	**7,420**	**29,382**	**526**	**440,016**
Effects from adoption of SFRS(I) 16	13	**–**	**(219)**	**–**	**–**	**(219)**
At 1 January 2019 (Restated)		**402,688**	**7,201**	**29,382**	**526**	**439,797**
Exchange differences on consolidation		**(14,776)**	**(84)**	**(1,721)**	**(2)**	**(16,583)**
Additions		**269**	**–**	**6,834**	**–**	**7,103**
Disposals		**–**	**(71)**	**(60)**	**(17)**	**(148)**
Write-offs		**–**	**–**	**(4,091)**	**–**	**(4,091)**
Revaluation		**1,026**	**–**	**–**	**–**	**1,026**
Reclassification		**71**	**–**	**(68)**	**(3)**	**–**
Transfer from development properties following change in use	10	**–**	**2,638**	**–**	**–**	**2,638**
Reclassified to investment properties	14	**–**	**–**	**(2,130)**	**–**	**(2,130)**
At 31 December 2019		**389,278**	**9,684**	**28,146**	**504**	**427,612**
At 1 January 2018		417,386	7,472	34,418	764	460,040
Exchange differences on consolidation		(22,925)	(124)	(2,883)	(3)	(25,935)
Additions		41	72	3,320	–	3,433
Disposals		–	–	(111)	(235)	(346)
Write-offs		–	–	(1,912)	–	(1,912)
Revaluation		4,736	–	–	–	4,736
Reclassification		3,450	–	(3,450)	–	–
At 31 December 2018		402,688	7,420	29,382	526	440,016
Comprising						
At 31 December 2019:						
At cost		**498**	**6,729**	**28,146**	**504**	**35,877**
At valuation		**388,780**	**2,955**	**–**	**–**	**391,735**
		389,278	**9,684**	**28,146**	**504**	**427,612**
At 1 January 2019:						
At cost		498	4,246	29,382	526	34,652
At valuation		402,190	2,955	–	–	405,145
		402,688	7,201	29,382	526	439,797
At 31 December 2018:						
At cost		498	4,465	29,382	526	34,871
At valuation		402,190	2,955	–	–	405,145
		402,688	7,420	29,382	526	440,016

NOTES TO THE FINANCIAL STATEMENTS

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12 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group (cont'd)						
Accumulated depreciation:						
At 1 January 2019		**–**	**533**	**10,281**	**356**	**11,170**
Effects from adoption of SFRS(I) 16	13	**–**	**(80)**	**–**	**–**	**(80)**
At 1 January 2019 (Restated)		**–**	**453**	**10,281**	**356**	**11,090**
Exchange differences on consolidation		**(38)**	**(13)**	**(1,091)**	**(2)**	**(1,144)**
Depreciation	32	**3,304**	**81**	**4,608**	**31**	**8,024**
Disposals		**–**	**(22)**	**(52)**	**(15)**	**(89)**
Write-offs		**–**	**–**	**(4,091)**	**–**	**(4,091)**
Revaluation		**(3,266)**	**–**	**–**	**–**	**(3,266)**
At 31 December 2019		**–**	**499**	**9,655**	**370**	**10,524**
At 1 January 2018		–	461	9,358	487	10,306
Exchange differences on consolidation		(112)	(16)	(1,698)	(3)	(1,829)
Depreciation	32	3,130	88	4,624	74	7,916
Disposals		–	–	(91)	(202)	(293)
Write-offs		–	–	(1,912)	–	(1,912)
Revaluation		(3,018)	–	–	–	(3,018)
At 31 December 2018		–	533	10,281	356	11,170
Accumulated impairment:						
At 1 January 2019		**–**	**2,902**	**–**	**–**	**2,902**
Exchange differences on consolidation		**–**	**(70)**	**–**	**–**	**(70)**
At 31 December 2019		**–**	**2,832**	**–**	**–**	**2,832**
At 1 January 2018		–	2,985	–	–	2,985
Exchange differences on consolidation		–	(83)	–	–	(83)
As at 31 December 2018		–	2,902	–	–	2,902
Carrying amount:						
At 31 December 2019		**389,278**	**6,353**	**18,491**	**134**	**414,256**
At 1 January 2019		402,688	3,846	19,101	170	425,805
At 31 December 2018		402,688	3,985	19,101	170	425,944

NOTES TO THE FINANCIAL STATEMENTS

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12 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Plant and equipment $'000
Cost:	
At 1 January 2019	**117**
Additions	**2,663**
At 31 December 2019	**2,780**
At 1 January 2018	–
Additions	117
At 31 December 2018	117
Accumulated depreciation:	
At 1 January 2019	**50**
Depreciation	**344**
At 31 December 2019	**394**
At 1 January 2018	–
Depreciation	50
At 31 December 2018	50
Carrying amount:	
At 31 December 2019	**2,386**
At 31 December 2018	67

Included in building and freehold land is freehold land with a carrying amount of $209,773,000 (2018: $217,015,000) which is not subject to depreciation.

The Group reviews the carrying amounts of its property, plant and equipment at the end of each reporting year to determine whether there is any indication that those assets have suffered impairment loss. No impairment loss was made in 2019 and 2018 as a result of such assessment.

Details of collateral

As at 31 December 2019, property, plant and equipment amounting to $407,942,000 (2018: $424,750,000) included in the above balances were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

Fair value measurement of hotel properties

The Group's hotel properties (including freehold land and buildings) are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulative depreciation and subsequent accumulative impairment loss. The fair value measurement is based on the valuation carried out by independent valuers, who have appropriate qualification and recent experience in the fair value measurement of the properties in the relevant locations.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2019 and 2018, the fair value measurement of the Group's hotel properties is classified within Level 3 of the fair value hierarchy. There is no change in the fair value hierarchy as compared to prior year.

Based on the valuation, revaluation gain amounting to $4,292,000 (2018: $7,754,000) was recognised in other comprehensive income [Note 35].

As at 31 December 2019, had freehold land and building been carried at historical cost, their aggregate carrying amount would have been approximately $308,416,000 (2018: $322,996,000) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

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12 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Fair value measurement of hotel properties (cont'd)

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 2019 and 2018 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2019			
Grand	Direct Comparison	Value per room	\$260,400 – \$465,300
Hyatt Melbourne	Capitalisation Approach	Capitalisation rate[1]	5.25%
121-131 Collins Street			
Melbourne, Victoria[a]	Discounted Cash Flow	Discount rate[1]	7.25% – 8.25%
	Method	Terminal yield rate[1]	4.75% – 5.75%
Hyatt	Direct Comparison	Value per room	\$150,500 – \$433,300
Regency Perth	Capitalisation Approach	Capitalisation rate[1]	5.00%
87-123 Adelaide Terrace			
East Perth	Discounted Cash Flow	Discount rate[1]	7.25% – 8.25%
Western Australia[a]	Method	Terminal yield rate[1]	4.75% – 5.75%
2018			
Grand	Direct Comparison	Value per room	\$632,800 – \$681,600
Hyatt Melbourne	Capitalisation Approach	Capitalisation rate[1]	5.25%
121-131 Collins Street			
Melbourne, Victoria[a]	Discounted Cash Flow	Discount rate[1]	7.25% – 8.25%
	Method	Terminal yield rate[1]	4.75% – 5.75%
Hyatt	Direct Comparison	Value per room	\$116,800 – \$146,100
Regency Perth	Capitalisation Approach	Capitalisation rate[1]	5.00%
87-123 Adelaide Terrace			
East Perth	Discounted Cash Flow	Discount rate[1]	7.25% – 8.25%
Western Australia[a]	Method	Terminal yield rate[1]	4.75% – 5.75%

[1] Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.

[a] The property valuation was performed by Jones Lang LaSalle Advisory Services Pty Ltd, an independent valuer, for both years.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

12 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

List of hotel properties

The carrying amount of the Group's hotel properties as at 31 December 2019 and 2018 included in property, plant and equipment are set out below. The non-hotel properties within the complexes are accounted for under investment properties [Note 14].

Name of Property	Description	Tenure	Land area (sq m)	Group's effective equity Interest	31 December 2019 A$'000[1]	31 December 2018 A$'000[1]	31 December 2019 S$'000	31 December 2018 S$'000
Australia								
Grand Hyatt Melbourne Australia	Located at the "Paris end" of Collins Street and its intersection with Russell Street. The Property is of 34 levels featuring one of Melbourne's largest 5-star hotels, complete with retail/commercial space. The carrying value of the retail/commercial space has been disclosed as investment property [Note 14].	Freehold	5,776	100%	**379,500**	379,573	**355,895**	369,552
Hyatt Regency Perth Australia	By Swan River and within walking distance from the central business district. The Property is an integrated 5-star hotel, office, retail and parking complex. The hotel is built over 9 levels. The carrying value of the office, retail and parking complex has been disclosed as investment property [Note 14].	Freehold	22,754	100%	**49,000**	50,096	**45,952**	48,773
					428,500	429,669	**401,847**	418,325

[1] Figures in A$ are for information.

13 LEASES (GROUP AS A LESSEE)

The Group leases several assets including office premises, accommodation for staff, office equipment and motor vehicles. The leases have varying terms and renewal rights. The average lease term is between 0.5 to 84 years and rentals are generally fixed for the same periods.

The Group does not have the option to purchase the leased assets for a nominal amount at the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

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13 LEASES (GROUP AS A LESSEE) (CONT'D)

Right-of-use assets

Group	Note	Leasehold land $'000	Leasehold Building $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Cost:						
At 1 January 2019		219	23	19	–	261
Additions		–	4	67	25	96
Disposals		–	(4)	–	–	(4)
Exchange differences on consolidation		–	(1)	–	–	(1)
At 31 December 2019		219	22	86	25	352
Accumulated depreciation:						
At 1 January 2019		80	–	–	–	80
Depreciation	32	3	15	8	–	26
Disposals		–	(4)	–	–	(4)
At 31 December 2019		83	11	8	–	102
Carrying amount:						
At 31 December 2019		136	11	78	25	250

Company	Leasehold Building $'000
Carrying amount as at 31 December 2019	1,060
Depreciation expense for the year ended 31 December 2019	–

There was a lease that expired in the current financial year and was replaced by a new lease for an identical underlying asset. This resulted in additions to right-of-use assets of $4,000. The additions to remaining right-of-use assets of $92,000 relates to new leases of assets during the year.

Lease liabilities

	Group 2019 $'000
Amounts due for settlement within 12 months (shown under current liabilities)	63
Amounts due for settlement after 12 months	52
	115
Maturity analysis:	
Not later than 1 year	63
Later than 1 year and not later than 5 years	52
	115

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

13 LEASES (GROUP AS A LESSEE) (CONT'D)

Lease liabilities (cont'd)

	Company 2019 $'000
Amounts due for settlement within 12 months (shown under current liabilities)	**907**
Amounts due for settlement after 12 months	**153**
	1,060
Maturity analysis:	
Not later than 1 year	**907**
Later than 1 year and not later than 5 years	**153**
	1,060

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Amounts recognised in profit or loss

	Note	Group 2019 $'000
From 1 January 2019		
Depreciation expense on right-of-use assets	32	**26**
Interest expense on lease liabilities	30	**2**
Expense relating to short-term leases	32	**293**
Before 1 January 2019		
Payment recognised as an expense during the year:		
Minimum lease payments under operating leases		300

At 31 December 2019, the Group is committed to $25,000 for short-term leases.

None of the leases in which the Group is the lessee contain variable lease payment terms. The total cash outflow for leases amount to $25,000 during the year.

At 31 December 2018, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group 2018 $'000
Within one year	219
In the second to fifth years inclusive	181
	400

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2019

14 INVESTMENT PROPERTIES

	Note	Completed investment properties $'000	Investment properties under redevelopment $'000	Total $'000
Group				
At 1 January 2019		**1,742,662**	**–**	**1,742,662**
Exchange differences on consolidation		**(8,724)**	**–**	**(8,724)**
Development costs		**6,920**	**–**	**6,920**
Net gain from fair value adjustments	31	**33,307**	**–**	**33,307**
Property transferred from development properties following change in use	10	**1,873**	**–**	**1,873**
Property reclassified from property, plant and equipment	12	**2,130**	**–**	**2,130**
At 31 December 2019		**1,778,168**	**–**	**1,778,168**
At 1 January 2018		1,106,736	485,951	1,592,687
Exchange differences on consolidation		(13,286)	–	(13,286)
Development costs		338	91,843	92,181
Net gain from fair value adjustments	31	13,481	99,639	113,120
Property reclassified as held for sale	11	(42,040)	–	(42,040)
Property reclassified as completed investment properties		677,433	(677,433)	–
At 31 December 2018		1,742,662	–	1,742,662
Company				
At 31 December 2019		**498**	**–**	**498**
At 31 December 2018		498	–	498

	Group 2019 $'000	Group 2018 $'000
Represented by:		
Completed investment properties in Singapore	**1,532,690**	1,510,023
Completed investment properties in Australia	**231,468**	226,382
Completed investment properties in China	**14,010**	6,257
	1,778,168	1,742,662

Fair value adjustments

The Group's investment properties are stated at fair value as at 31 December 2019 and 2018, based on valuation carried out by independent professional valuers, who have the appropriate qualification and experience in the location and category of the properties being valued. Based on these valuations, a net fair value gain amounting to $33,307,000 (2018: a net fair value gain amounting to $113,120,000) was recognised in profit or loss [Note 31].

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2019 and 2018, the fair value measurement of the Group's investment properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

14 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustments (cont'd)

Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2019 and 2018 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2019			
Singapore			
Robinson Point[a] 39 Robinson Road Singapore	Comparison Method	Price per square metre of lettable area[1]	$26,200 -$30,900
	Income Method	Net income margin*[1] Capitalisation rate[2]	75% to 85% 3.0% to 3.5%
The Oxley[a] 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Comparison Method	Price per square metre of strata floor area[1]	$22,500 -$35,600
	Income Method	Net income margin*[1] Capitalisation rate[2]	70% to 80% 3.0% to 3.5%
L&Y Building[b] #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	$6,300 – $7,500 $6,400 – $7,500 (ground floor)
Far East Finance Building[c] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	$9,700 – $35,600
Link@896[d] 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	Retail: $27,000 – $37,700 Office: $13,000 – $20,400
18 Robinson[c] 18 Robinson Road Singapore	Capitalisation Method	Capitalisation rate[2]	3.1%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	6.5% 3.35%
	Direct Comparison Method	Price per square metre of lettable area[1]	$23,600 – $30,900
Australia			
Fortescue Centre & Carpark (being part of the Hyatt Regency complex)[e]	Capitalisation Method	Capitalisation rate[2]	7.75%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	8.00% – 8.50% 7.75% – 8.25%
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex[e]	Capitalisation Method	Capitalisation rate[2]	Retail: 5.00% Carpark: 5.25%
	Discounted Cash Flow Method	Discount rate[2]	Retail: 6.00% – 6.50% Carpark: 6.50% – 7.00%
		Terminal yield rate[2]	Retail: 5.25% – 5.75% Carpark: 5.25% – 5.75%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

14 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
China			
No. 2950 ChunShen Road Shanghai, China[f]	Direct Comparison Method	Price per square metre of gross floor area[1]	$3,000 – $3,800
	Income Method	Capitalisation rate[2] Net income margin*[1]	6.00% 80%
6 shop units and basement commercial spaces within Lakeside Ville Phase III, Qingpu District, Shanghai, China[g]	Direct Comparison Method	Price per square metre of gross floor area[1]	$5,800 – $6,500 $880 – $1,270 (basement)
	Income Method	Capitalisation rate[2] Net income margin*[1]	6.00% 75% – 80%
Underground Carpark at Lane 558, Baochun Road, Minhang District, Shanghai, China[h]	Direct Comparison Method	Sale price per car park lot	$47,300 – $49,510
2018			
Singapore			
Robinson Point[a] 39 Robinson Road Singapore	Comparison Method	Price per square metre of lettable area[1]	$26,900 – $32,600
	Income Method	Net income margin*[1] Capitalisation rate[2]	75% – 85% 3.0% – 3.65%
The Oxley[a] 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Comparison Method	Price per square metre of strata floor area[1]	$21,100 – $37,300
	Income Method	Net income margin*[1] Capitalisation rate[2]	75% – 85% 3.00% – 3.65%
L&Y Building[b] #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	$5,600 – $13,000 $7,500 – $13,000 (ground floor)
Far East Finance Building[c] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	$26,300 – $37,200
Link@896[d] 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	Retail: $13,600 – $47,100 Office: $12,100 – $20,400
18 Robinson[c] 18 Robinson Road Singapore	Capitalisation Method	Capitalisation rate[2]	3.00%
	Discounted Cash Flow Method	Discount rate[2]	6.25% – 7.25%
	Direct Comparison Method	Price per square metre of lettable area[1]	$19,500 – $32,600

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

14 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Australia			
Fortescue Centre & Carpark (being part of the Hyatt Regency complex)[e]	Capitalisation Method	Capitalisation rate[2]	8.50%
	Discounted Cash Flow Method	Discount rate[2]	8.50% – 9.00%
		Terminal yield rate[2]	8.50% – 9.00%
	Direct Comparison	Land sale per square metre[1]	$3,100 – $8,300
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex[e]	Capitalisation Method	Capitalisation rate[2]	Retail: 5.00% Carpark: 5.50%
	Discounted Cash Flow Method	Discount rate[2]	Retail: 6.75% – 7.25% Carpark: 7.00% – 7.50%
		Terminal yield rate[2]	Retail: 5.25% – 5.75% Carpark: 5.75% – 6.25%
China			
No. 2950 ChunShen Road Shanghai, China[f]	Direct Comparison Method	Price per square metre of gross floor area[1]	$5,100 – $5,300
	Income Method	Capitalisation rate[2]	8.00%
		Net income margin*[1]	70% – 75%

Notes:

* Net income margin – net property income/annual gross rental income.

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

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

(2) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.

(a) The property valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, an independent valuer, for the two years.

(b) The property valuation was performed by Jones Lang LaSalle Property Consultants Pte Ltd, an independent valuer, for the two years.

(c) The property valuation was performed by Savills Valuation and Professional Services (S) Pte Ltd. The 2018 valuation was performed by CBRE Pte. Ltd.

(d) The property valuation was performed by Savills Valuation And Professional Services (S) Pte Ltd for three consecutive years.

(e) The valuation was performed by Jones Lang LaSalle Advisory Services Pty Ltd for three consecutive years.

(f) The property valuation was performed by Shanghai Orient Real Estate Appraisal Co. Ltd. The 2018 valuation was performed by Shanghai Shenjia Real Estate Appraisal Co. Ltd.

(g) The property valuation was performed by Shanghai Orient Real Estate Appraisal Co. Ltd.. Following the change in use of the leasehold properties within Lakeside Ville Phase III which were previously held for sale in China, there has been a transfer of leasehold properties from development properties (Note 10) to investment properties during the year.

(h) The property valuation was performed by Shanghai Orient Real Estate Appraisal Co. Ltd. Following the change in use of the leasehold properties which were previously held for sale in China, there has been a transfer of leasehold properties from development properties (Note 10) to investment properties during the year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

14 INVESTMENT PROPERTIES (CONT'D)

Operating lease disclosure

During the year, rental income from the Group's investment properties which were all leased under operating leases amounted to $41,033,000 (2018: $39,231,000) [Note 28]. Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $13,357,000 (2018: $8,844,000). Information on operating lease commitments is disclosed in Note 38 to the financial statements.

Details of collateral

As at 31 December 2019, investment properties amounting to $1,764,158,000 (2018: $1,778,445,000) included in the above balances were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

List of completed investment properties

The carrying amounts of completed investment properties held by the Group as at 31 December 2019 and 2018 are as follows:

Name of Property	Description	Tenure	Strata floor area (sq m)	Group's effective equity interest	31 December 2019 $'000	31 December 2018 $'000
Singapore						
Robinson Point 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	15,724	100%	**374,400**	368,000
The Oxley 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	3 floors of commercial space within a 10-storey building including residential units	Freehold	2,770	100%	**64,700**	64,000
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	3 out of a total of 24 strata units of a 5-storey industrial building	999 years from 1885	2,285	100%	**14,090**	14,090
Far East Finance Building #11-01/02 14 Robinson Road Singapore	1 strata unit (floor) within a 13-storey commercial building and a basement	999 years from 1884	402	100%	**10,000**	10,000
Link@896 896 Dunearn Road Singapore	A 5-storey commercial building with covered and surface carpark	Estate in Fee Simple (Lot 1182K), Estate in Fee Simple and 999 years from 7 May 1879 (Lot 1185L), Estate in Perpetuity (Lot 99907P), 999 years from 7 May 1879 (Lot 99891X)	23,500	100%	**388,000**	376,500

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

14 INVESTMENT PROPERTIES (CONT'D)

List of completed investment properties (cont'd)

Name of Property	Description	Tenure	Strata floor area (sq m)	Group's effective equity interest	31 December 2019 $'000	31 December 2018 $'000
18 Robinson[1] 18 Robinson Road Singapore	A 28-storey commercial building comprising office tower, retail podium, sky terrace and an automated guided vehicular car parking system	999-years from 1884 & 1885 (Lots 167X, 616W, 691X, 99280A, 99287W and 99289P) 99-years from 2013 (Lots 485M, 488P)	24,086	100%	**681,500**	677,433
					1,532,690	1,510,023

[1] The building for 18 Robinson was physically completed during the year ended 31 December 2018.

Name of property	Description	Tenure	Lettable floor area (sq m)	Group's effective equity interest	31 December 2019 A$'000[1]	31 December 2018 A$'000[1]	31 December 2019 S$'000	31 December 2018 S$'000
Australia								
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex	4 Collins St. retail shops consisting of 2 floors each, a bar & function room. A further 7 retail areas in and around Russell St. with 4-levels of basement car park	Freehold	3,024	100%	**155,400**	147,400	**145,734**	143,509
Fortescue Centre & Carpark (being part of the Perth Hyatt Regency complex)	A 3-level commercial building and plaza level shops and suites with 2-levels of basement car park	Freehold	23,557	100%	**91,420**	85,120	**85,734**	82,873
					246,820	232,520	**231,468**	226,382

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

14 INVESTMENT PROPERTIES (CONT'D)

List of completed investment properties (cont'd)

Name of property	Description	Tenure	Gross Floor floor area (sq m)	Group's effective equity interest	31 December 2019 RMB'000[1]	31 December 2018 RMB'000[1]	31 December 2019 S$'000	31 December 2018 S$'000
China								
No. 2950 ChunShen Road Shanghai, China	A 3-storey commercial building	58 years from 2008	2,170	100%	**31,960**	31,520	**6,181**	6,257
Lakeside Ville Phase III Qingpu district Shanghai, China	6 shop units and basement commercial spaces	70 years from 1997	3,896	100%	**26,730**	–	**5,170**	–
Lane 558, Baochun Road, Minhang district, Shanghai, China	Underground carpark	60 years from 2005	2,403	100%	**13,750**	–	**2,659**	–
					72,440	31,520	**14,010**	6,257

[1] Figures in A$ and RMB are for information only.

During the year ended 31 December 2018, interest costs capitalised was $6,232,000 at effective interest rate of 3.0% per annum) [Note 30].

15 INVESTMENTS IN SUBSIDIARIES

	Company 31 December 2019 $'000	Company 31 December 2018 $'000
Quoted shares, at cost	**115,976**	115,976
Unquoted shares, at cost	**585,027**	583,226
Loan to a subsidiary	**80,000**	79,877
Deemed investment arising from financial guarantees	**95,939**	74,005
	876,942	853,084
Less: Allowance for impairment	**(116,182)**	(119,284)
	760,760	733,800
Fair value of investment in a subsidiary for which there are published price quotations	**14,214**	12,666

Details of the Company's significant subsidiaries are disclosed in Note 41 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

15 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Financial guarantees

The Company provided guarantees to banks for credit facilities obtained by certain of its subsidiaries and recorded a deemed financial guarantee fee income in accordance with SFRS(I) 9 *Financial Instruments: Recognition and Measurement*. The deemed income is amortised over the period of the guarantees. The unamortised financial guarantee fee of $22,730,000 (2018: $10,649,000) is disclosed under the Company's non-trade payables in [Note 19] to the financial statements. The guarantee fee was not charged by the Company to the subsidiaries. The full amount of the guarantee fee is deemed to be additional investment in subsidiaries.

Movements in allowance for impairment

	Company	
	2019 $'000	**2018 $'000**
Allowance for impairment		
At 1 January	**(119,284)**	(123,114)
Allowance for impairment	**(873)**	(3,301)
Reversal of impairment	**3,975**	1,000
Write-off of impairment	**–**	6,131
	3,102	3,830
At 31 December	**(116,182)**	(119,284)

During the year, impairment loss amounting to $873,000 (2018: $3,301,000) was made in respect of the Company's investment in certain subsidiaries to reduce the carrying value of investment to the recoverable amounts after taking into account the current financial position of the subsidiaries. In addition, there was a reversal of impairment amounting to $3,975,000 (2018: $1,000,000) in relation to certain subsidiaries due to increase in their recoverable amounts.

Loan to a subsidiary

Loan to a subsidiary refers to unsecured advances which have no fixed terms of repayment and are not expected to be repaid in the next 12 months. These advances bear interest rate at 6.1% per annum (2018: 6.5% per annum).

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the Group as at 31 December 2019 and 2018 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned Subsidiaries 2019	2018
Development of properties for sale, property investment and provision of property management services.	Singapore, China, Australia and Indonesia	**36**	29
Investment in hotels in Australia	Australia	**4**	4
Investment holding: Owning investments in GulTech, a printed circuit boards manufacturer with operations in Singapore and China, and Pan-West, a Retailer of golf-related products.	Singapore, China and Malaysia	**3**	3
		43	36

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

15 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Non-wholly owned subsidiaries

Information about the composition of non-wholly owned subsidiaries of the Group as at 31 December 2019 and 2018 is as follows:

Principal activity	Country of incorporation and operation	Number of non-wholly owned subsidiaries 2019	2018
Trading and marketing of selected industrial commodities	Singapore and Malaysia	**9**	9
Property development	Singapore, Hong Kong, Indonesia	**6**	6
Manufacture and sale of polypropylene woven bags	Malaysia	**1**	1
		16	16

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group is disclosed below:

Name of subsidiary	Country of incorporation and principal place of business	Effective equity interest & voting power held by non-controlling interests 2019	2018	Net profit allocated to non-controlling interests 2019 $'000	2018 $'000 (Restated)	Accumulated non-controlling interests 2019 $'000	2018 $'000 (Restated)
SP Corporation Limited and its subsidiaries	Various	**19.8%**	19.8%	**496**	376	**11,043**	10,587
TSRC Novena Pte. Ltd.	Singapore	**30%**	30%	**(929)**	(355)	**(684)**	245
Goodworth Investment Pte Ltd, Splendourland Pte Ltd, PT Goodworth Investments	Singapore & Indonesia	**10%**	10%	**(98)**	(42)	**3,278**	3,364
Individually immaterial subsidiaries with non-controlling interests	Various			**(3)**	(86)	**473**	476
				(534)	(107)	**14,110**	14,672

The summarised financial information of SP Corporation Limited and its subsidiaries on a 100% basis is set out below:

	2019 $'000	2018 $'000
Current assets	**54,711**	67,520
Non-current assets	**9,467**	208
Current liabilities	**(8,378)**	(14,236)
Non-current liabilities	**(54)**	(49)
Equity attributable to owners	**55,746**	53,443
Revenue for the year	**93,076**	136,379
Net profit for the year	**2,503**	1,898

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

16 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

	Group	
	31 December 2019 $'000	31 December 2018 $'000
Unquoted equity shares, at cost	**87,127**	87,127
Exchange differences on consolidation	**2,034**	3,546
Share of post-acquisition results and reserves, net of dividends and distributions received	**48,702**	27,241
	137,863	117,914

Equity accounted investees

The Group equity accounted for Gul Technologies Singapore Pte Ltd ("GulTech"), Pan-West (Private) Limited ("Pan-West") and Sanya Summer Real Estate Co. Ltd ("SSRE"). In September 2018, the Group acquired 7.8% equity stake in SSRE, a Hainan-based property development company, for RMB75 million ($14.9 million), for which the Group has significant influence over SSRE.

In June 2018, GulTech increased its equity stake in Gultech (Wuxi) Electronics Co., Ltd from 51.0% to 100%. Goodwill of $11,198,000 paid over acquiring additional shares was included in the share of post-acquisition results and reserves. Details of the Group's significant associates are disclosed in Note 42 to the financial statements.

The Group's share of net assets and total comprehensive income of its associates is set out below:

		Group	
	Note	2019 $'000	2018 $'000
Share of net assets			
At 1 January		**117,914**	93,185
Exchange differences on consolidation		**(1,512)**	(9,337)
Acquisition of investment in an associate		**–**	14,888
Share of total comprehensive income (refer to below)		**21,461**	19,178
At 31 December		**137,863**	117,914
Share of total comprehensive income			
Share of results before fair value adjustments		**21,561**	19,214
Share of fair value loss on financial instruments	31	**(100)**	(36)
Share of total comprehensive income for the year		**21,461**	19,178

Details of asset revaluation reserve and cash flow hedging account are disclosed in Note 26 to the financial statements. Share of capital commitments of GulTech, an equity accounted investee is disclosed in Note 38 to the financial statements.

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16 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (CONT'D)

GulTech

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

	31 December 2019 US$'000[1]	31 December 2018 US$'000[1]	31 December 2019 S$'000	31 December 2018 S$'000
Current assets	**210,867**	186,863	**285,893**	255,835
Non-current assets	**143,493**	149,857	**194,548**	205,169
Current liabilities	**(147,404)**	(166,361)	**(199,850)**	(227,765)
Non-current liabilities	**(2,154)**	(1,082)	**(2,921)**	(1,481)
Equity attributable to owners	**204,802**	169,277	**277,670**	231,758
Revenue for the year	**316,261**	337,655	**431,506**	455,361
Net profit for the year	**35,524**	32,339	**48,469**	43,612

[1] Figures in US$ are for information.

SSRE

The summarised financial information of Sanya Summer Real Estate on a 100% basis is set out below:

	31 December 2019 RMB'000[1]	31 December 2018 RMB'000[1]	31 December 2019 S$'000	31 December 2018 S$'000
Current assets	**769,452**	179,353	**148,812**	35,599
Non-current assets	**521**	477,282	**101**	94,734
Current liabilities	**(100,759)**	(424)	**(19,487)**	(84)
Non-current liabilities	**(105,988)**	(100,000)	**(20,498)**	(19,848)
Equity attributable to owners	**563,226**	556,211	**108,928**	110,401
Net loss for the year	**(6,284)**	(13,318)	**(1,242)**	(2,713)

[1] Figures in RMB are for information.

Pan-West

The Group had recognised its share of losses of $4,998,000 (2018: $5,344,000) [Note 19] being the corporate guarantees given to certain banks in exchange for bank facilities granted to Pan-West and its subsidiary. Other than the aforementioned corporate guarantees, the Group had no other commitments in relation to Pan-West.

The Group has ceased recognising Pan-West's losses after the Group's share of Pan-West's accumulated losses exceeded the Group's cost of investment. Accordingly, the Group's nominal additional share of accumulated losses of Pan-West amounting to $8,398,000 (2018: $7,312,000) as at the end of the year was not recognised.

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17 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group	
	31 December 2019 $'000	31 December 2018 $'000
Investment in equity instrument designated at FVTOCI:		
Unquoted equity shares	**30,916**	–

The investment in unquoted equity investment represent a 2.26% investment in an investment holding company which owns a subsidiary in the property development business. The investee is a related party which is controlled by the majority shareholder of the Group. The fair value of the investment as at 31 December 2019 was determined by reference to the fair value of the underlying assets and the valuation was carried out by an independent valuer.

The investment is held for long-term strategic purpose and is not held for trading. Accordingly, management has elected to designate the investment as at FVTOCI as the management believes that recognising short-term fluctuations in the investment's fair value in profit or loss would not be consistent with the Group's strategy of holding the investment for long-term purposes and realising the performance potential in the long run.

18 LOANS AND BORROWINGS

	Group		Company	
	31 December 2019 $'000	31 December 2018 $'000	31 December 2019 $'000	31 December 2018 $'000
Short-term borrowings				
Bank loans	**126,175**	804,293	**–**	–
Notes issued under unsecured MTN Programme	**149,763**	79,877	**149,763**	79,877
Bills payable	**5,124**	–	**–**	–
	281,062	884,170	**149,763**	79,877
Long-term borrowings				
Bank loans	**1,231,927**	597,068	**–**	–
Notes issued under secured MTN Programme	**198,343**	–	**–**	–
Notes issued under unsecured MTN Programme	**–**	149,203	**–**	149,203
	1,430,270	746,271	**–**	149,203
Total borrowings	**1,711,332**	1,630,441	**149,763**	229,080
Represented by:				
Interest-bearing liabilities	**1,719,063**	1,633,675	**150,000**	230,000
Capitalised interest costs	**(7,731)**	(3,234)	**(237)**	(920)
	1,711,332	1,630,441	**149,763**	229,080
Security profile				
Secured borrowings				
Current	**131,299**	804,293	**–**	–
Non-current	**1,430,270**	597,068	**–**	–
	1,561,569	1,401,361	**–**	–
Unsecured borrowings				
Current	**149,763**	79,877	**149,763**	79,877
Non-current	**–**	149,203	**–**	149,203
	149,763	229,080	**149,763**	229,080
Total borrowings	**1,711,332**	1,630,441	**149,763**	229,080

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18 LOANS AND BORROWINGS (CONTD)

Multicurrency Medium Term Note Programme

The Company has in place a S$900 million Multicurrency Medium Term Note Programme ("MTN Programme") under which it can issue notes in series or tranches and may be denominated in Singapore Dollars or other currency deemed appropriate at the time.

Series I of S$80 million were issued on 14 October 2014. They are of five years duration, unsecured, bore a fixed interest rate of 4.50% per annum payable semi-annually in arrear and had matured and been redeemed on 14 October 2019. Series II of S$150 million were issued on 5 June 2017. They are of three years duration, unsecured, bear a fixed interest rate of 6.00% per annum payable semi-annually in arrear and will mature on 5 June 2020. At the end of the reporting period, the fair value of the Notes approximate their respective carrying amounts.

The Company's wholly owned subsidiary, Superluck Properties Pte Ltd ("Superluck"), has on 13 October 2019, established a S$500 million secured multicurrency medium term note programme, unconditionally and irrevocably guaranteed by the Company. Superluck has issued Series I of S$200 million on 18 October 2019. They are of three years duration, secured, bear a fixed rate of 2.80% per annum payable semi-annually in arrear and will mature on 18 October 2022. At the end of the reporting period, the fair value of the secured notes approximate their respective carrying amounts.

Details of collateral

Loans and borrowings from banks were secured over the Group's cash and bank balances [Note 5], trade and other receivables [Note 6], inventories [Note 9], development properties [Note 10], property, plant and equipment [Note 12], investment properties [Note 14] and covered by corporate guarantees [Note 39].

Interest rate profile

	Group		Company	
	31 December 2019 $'000	31 December 2018 $'000	31 December 2019 $'000	31 December 2018 $'000
Security profile				
Loans and borrowings				
Fixed rate	**348,106**	229,080	**149,763**	229,080
Variable rate	**1,363,226**	1,401,361	**–**	–
	1,711,332	1,630,441	**149,763**	229,080

The Group's exposure to fair value interest rate risk as at 31 December 2019 is disclosed in Note 40(b) to the financial statements.

Fair value

The fair value of the current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period because they are short term in nature. The fair value of the non-current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period as their interest rates approximate current market interest rates on or near the end of the reporting period. Further details regarding foreign currency denomination and maturity dates, contractual and effective interest rates are disclosed in Notes 40(a) and 40(d) respectively to the financial statements.

Loan maturity profile

The non-current borrowings are generally repayable from 11 January 2021 to 25 March 2024 (2018: 31 May 2019 to 11 September 2026). Information relating to the maturity profile of the Group's loans and borrowings is disclosed in Note 40(d) to the financial statements.

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18 LOANS AND BORROWINGS (CONTD)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2019 (restated) $'000	Financing cash flow (i) $'000	New lease liabilities $'000	Foreign exchange movement $'000	Other changes (ii) $'000	31 December 2019 $'000
Group						
Bank loans	**1,630,441**	**98,062**	**–**	**(12,717)**	**(4,454)**	**1,711,332**
Lease liabilities	**42**	**(25)**	**96**	**–**	**2**	**115**

	1 January 2018 $'000	Financing cash flow (i) $'000	New lease liabilities $'000	Foreign exchange movement $'000	Other changes (ii) $'000	31 December 2018 $'000
Group						
Bank loans	1,458,120	191,659	(20,107)	–	769	1,630,441

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

(ii) Other changes include interest accruals and payments.

19 TRADE AND OTHER PAYABLES

		Group		Company	
	Note	31 December 2019 $'000	31 December 2018 $'000	31 December 2019 $'000	31 December 2018 $'000
Trade					
Trade payables		**15,466**	33,482	**–**	224
Amounts due to related parties	21	**668**	5,934	**–**	–
		16,134	39,416	**–**	224
Non-trade					
Other creditors		**30,901**	26,640	**828**	329
Other provisions		**4,559**	4,726	**–**	–
Advanced billings		**10,362**	7,168	**–**	–
Accrued operating expenses		**36,170**	34,997	**4,200**	3,576
Accrued interest expenses		**6,676**	2,801	**666**	1,445
Financial guarantees to subsidiaries	15	**–**	–	**22,730**	10,649
Amounts due to related parties	21	**4,592**	9,750	**3,250**	8,350
		109,394	125,498	**31,674**	24,573
Less: Non-current portion		**(349)**	(373)	**–**	–
Current portion		**109,045**	125,125	**31,674**	24,573

The Group is granted various credit terms on its purchases from its large number of suppliers who are geographically dispersed. Trade payables are generally on 7 to 90 days (2018: 7 to 90 days) credit term. The Group manages liquidity risk of trade payables primarily by maintaining sufficient cash and credit facilities [Note 40(d)].

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19 TRADE AND OTHER PAYABLES (CONT'D)

Included in other creditors is a financial guarantee of $4,998,000 (2018: $5,344,000) granted to its associate, Pan-West, equivalent to the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary.

The carrying amount of trade and other payables approximate their fair values at the end of the reporting periods. Further details regarding the contractual and effective interest rates, maturity dates and foreign currency denomination are disclosed in Note 40 to the financial statements.

20 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company	
	31 December 2019 $'000	**31 December 2018 $'000**
Amounts due from subsidiaries – non-trade	**402,402**	424,576
Less: Allowance for impairment	**(24,253)**	(24,264)
	378,149	400,312
Amounts due to subsidiaries – non-trade	**(401,438)**	(308,288)

Movements in allowance for impairment

	Company	
	31 December 2019 $'000	**31 December 2018 $'000**
Movement in allowance for impairment		
At 1 January	**(24,264)**	(25,050)
Allowance made	**(713)**	(1,118)
Allowance written back	**724**	1,904
At 31 December	**(24,253)**	(24,264)

Amounts due from/(to) subsidiaries are unsecured and are repayable on demand. Interest is charged at 3.1% (2018: 3.0%) per annum on interest-bearing advances.

For purpose of impairment assessment, amounts due from subsidiaries are considered to have low credit risk as the timing of payment is controlled by the Company taking into account cash flow management within the Group and there has been no significant increase in the risk of default on the amounts due from subsidiaries since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Management has assessed the expected credit losses to be insignificant other than the amounts provided for.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for amounts due from subsidiaries.

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20 AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONT'D)

Movements in allowance for impairment (cont'd)

During the year, allowance for impairment of $713,000 (2018: $1,118,000) was made for amounts due from a subsidiary. The above assessment is after taking into account the current financial position of the subsidiary, and the allowance was due to decrease in net asset value of the underlying interest as at the reporting date. During the year, allowance written back of $724,000 (2018: $1,904,000) was made for subsidiaries due to an increase in net asset value of the underlying interest as at the reporting date.

21 AMOUNTS DUE FROM/(TO) RELATED PARTIES

		Group		Company	
	Note	31 December 2019 $'000	31 December 2018 $'000	31 December 2019 $'000	31 December 2018 $'000
Amounts due from:					
Other related parties					
Other related parties, trade	(a)	**12,374**	21,699	**–**	–
Other related parties, trade (Non-current)	(a)	**9,346**	–	**–**	–
Other related parties, non-trade:					
– Loan to a related party (Non-current)	(b)	**5,087**	–	**–**	–
– Loan to a related party	(c)	**21,500**	20,000	**–**	–
– Refundable trade deposit with other related parties	(d)	**8,135**	8,215	**–**	–
– Others		**1,320**	964	**67**	–
		57,762	50,878	**67**	–
Total		**57,762**	50,878	**67**	–
Presented as:					
Amounts due from related parties, trade	6	**21,720**	21,699	**–**	–
Amounts due from related parties, non-trade	6	**36,042**	29,179	**67**	–
		57,762	50,878	**67**	–
Amounts due to:					
Other related parties					
Other related parties, trade		**(668)**	(5,934)	**–**	–
Other related parties, non-trade	(e)	**(4,592)**	(9,750)	**(3,250)**	(8,350)
		(5,260)	(15,684)	**(3,250)**	(8,350)
Total		**(5,260)**	(15,684)	**(3,250)**	(8,350)
Presented as:					
Amounts due to related parties, trade	19	**(668)**	(5,934)	**–**	–
Amounts due to related parties, non-trade	19	**(4,592)**	(9,750)	**(3,250)**	(8,350)
		(5,260)	(15,684)	**(3,250)**	(8,350)

NOTES TO THE FINANCIAL STATEMENTS

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21 AMOUNTS DUE FROM/(TO) RELATED PARTIES (CONT'D)

Amounts due from/(to) other related parties

(a) Included in the trade and other receivables of SP Corporation Limited ("SP Corp"), a listed subsidiary of the Group, as at 31 December 2019 were:

(i) An amount of $8.2 million due from a related party, which is secured by two parcels of industrial land and building of the related party in Indonesia valued at approximately $20 million. During the financial year, a repayment agreement was signed by the related party to make quarterly repayments totalling $6.1 million over three years from the end of the reporting period. Accordingly, the amount of $3.9 million which is expected to be repaid after one year from the end of the reporting period has been classified as non-current. The remaining $2.1 million which is not covered under the repayment agreement is expected to be repaid within one year from the end of the reporting period and has been classified as current.

(ii) An amount of $12.1 million due from another related party which had signed a repayment agreement with respect to the past due amounts subsequent to the end of the reporting period, to make quarterly repayments totalling $11.4 million over two years from the end of the reporting period. Management has assessed that the signing of the agreement represents an adjusting event after the end of the reporting period. Accordingly, the amount of $5.4 million expected to be repaid after one year from the end of the reporting period has been classified as non-current. The remaining $0.7 million which is not covered under the repayment agreement is expected to be repaid within one year from the end of the reporting period and has been classified as current. The controlling party of this related party has provided a letter of financial support to the related party over the outstanding amount of $12.1 million. Management has assessed the ECL for this amount to be immaterial.

(b) Loan of $5.0 million to a related party is provided by a wholly-owned subsidiary of the Group, is repayable within two years from the date of disbursement on 8 October 2019 and carries fixed rate of 7.5% per annum. The loan and accrued interest shall be repaid in full on repayment date in cash, or in other repayment method as otherwise agreed between the parties.

(c) Loan to a related party is provided by SP Corp, is repayable within one year from the date of disbursement on 24 September 2018 and carries fixed rate of 7.5% per annum. Upon maturity, the loan and accrued interest totalling $21,500,000 have been extended for another year from 24 September 2019 and carries fixed rate of 7.5% per annum. The loan and all accrued interest shall be repaid in full on the extended repayment date in cash, or in such other repayment method as otherwise agreed between the parties, in which case interest would not apply.

(d) Refundable trade deposit relates to a deposit of US$6,000,000 or equivalent to $8,135,000 (2018: $8,215,000) placed by SP Corp, with a related party which owns a coal mine (Party A) to secure coal allocations. The deposit is secured by a corporate guarantee issued by the immediate holding company of Party A which is also a related party and also owns a coal mine.

The deposit is repayable within one year and subject to annual renewal by mutual agreement between the two parties. It bears an effective interest rate of 6.24% (2018: 6.83%) per annum.

(e) Included in the non-trade amounts due to related parties is an amount payable of $3,250,000 (2018: $8,350,000) to a related party in respect of the acquisition of land in Batam by the Group and the Company in the previous year (Note 10).

The trade and non-trade amounts due from/(to) other related parties were unsecured, interest-free, and repayable on demand unless otherwise stated.

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22 CONTRACT LIABILITIES

	Group	
	31 December 2019 $'000	**31 December 2018 $'000**
Contract liabilities	**1,536**	593

Contract liability mainly represents amounts of consideration billed to purchasers of the Group's development properties in advance of the stage of completion of construction.

23 DEFERRED TAX ASSETS AND LIABILITIES

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

	Group	
	31 December 2019 $'000	**31 December 2018 $'000**
Deferred tax assets and liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**140**	106
Deferred development costs	**1,546**	283
Revaluation of properties	**2,827**	1,353
Foreign income not remitted and which will be subject to tax if remitted in the future	**49,630**	47,107
Unutilised tax losses	**(4,793)**	(3,297)
Others	**(592)**	(614)
	48,758	44,938
Represented by:		
Deferred tax assets	**(2,047)**	(2,135)
Deferred tax liabilities	**50,805**	47,073
	48,758	44,938

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

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23 DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

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

	Note	Accelerated tax depreciation $'000	Deferred development costs $'000	Revaluation of properties $'000	Foreign income not remitted $'000	Unutilised tax losses $'000	Others $'000	Total $'000
Group								
At 1 January 2019		**106**	**283**	**1,353**	**47,107**	**(3,297)**	**(614)**	**44,938**
Exchange differences on consolidation		**–**	**–**	**(68)**	**(1,660)**	**8**	**50**	**(1,670)**
(Credited)/Charged to profit or loss	33	**34**	**1,263**	**1,542**	**3,177**	**(1,504)**	**(28)**	**4,484**
Charged to other comprehensive income	35	**–**	**–**	**–**	**1,006**	**–**	**–**	**1,006**
At 31 December 2019		**140**	**1,546**	**2,827**	**49,630**	**(4,793)**	**(592)**	**48,758**
At 1 January 2018		221	–	1,366	47,099	(1,630)	(1,525)	45,531
Exchange differences on consolidation		2	–	(41)	(2,429)	(47)	83	(2,432)
Transfer to income tax payable		–	–	–	–	–	(164)	(164)
(Credited)/Charged to profit or loss	33	(117)	283	28	54	(1,620)	992	(380)
Charged to other comprehensive income	35	–	–	–	2,383	–	–	2,383
At 31 December 2018		106	283	1,353	47,107	(3,297)	(614)	44,938

Deferred tax liabilities relating to equity interest in GHG

Deferred tax liabilities included an amount of $40,882,000 (31 December 2018: $42,107,000) on account of a provision made by the Group to recognise the taxable gains on the excess of the fair value of net assets of GHG over the tax cost base of the securities in GHG.

Deferred tax liabilities not recognised

At the end of the reporting year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was $303,000 (31 December 2018: $293,000). 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.

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23 DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

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 $34,996,000 (31 December 2018: $32,966,000) and capital allowances of $5,011,000 (31 December 2018: $3,572,000) which were available for carry forward and set-off against future taxable income. No deferred tax asset has been recognised to the unpredictability of the relevant future profit streams.

24 SHARE CAPITAL

	Group and Company			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	Number of shares ('000)		$'000	$'000
Issued and paid up:				
At 1 January	**1,186,406**	1,186,993	**173,945**	172,514
Issued under Scrip Dividend Scheme	**3,748**	4,446	**1,289**	1,689
Shares bought back and cancelled	**–**	(650)	**–**	(258)
Shares bought back and held as treasury shares	**(3,905)**	(4,383)	**–**	–
At 31 December	**1,186,249**	1,186,406	**175,234**	173,945

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 3,748,000 (2018: 4,446,000) ordinary shares at an issue price of 34.4 cents (2018: 38.0 cents) per share to eligible shareholders who have validly elected to participate in the Tuan Sing Scrip Dividend Scheme in respect of the first and final ordinary dividend of 0.6 cent per share for the financial year ended 31 December 2018.

Purchase and cancellation of shares

In the previous year, the Company acquired 650,000 ordinary shares through purchase on the Singapore Exchange under the Share Purchase Mandate approved by its shareholders. The shares purchased were cancelled subsequently.

25 TREASURY SHARES

	Group and Company			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	Number of shares		$'000	$'000
At the beginning of the year	**4,383,400**	–	**1,523**	–
Repurchased during the year	**3,905,000**	4,383,400	**1,432**	1,523
At the end of the year	**8,288,400**	4,383,400	**2,955**	1,523

During the year, the Company acquired 3,905,000 (2018: 4,383,400) of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $1,432,000 (2018: $1,523,000) and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

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26 RESERVES

	Group			Company	
	31 December 2019 $'000	31 December 2018 $'000 (Restated)	1 January 2018 $'000 (Restated)	31 December 2019 $'000	31 December 2018 $'000
Asset revaluation reserve	**142,155**	139,151	133,755	**–**	–
Foreign currency translation account	**(62,652)**	(48,596)	(31,038)	**–**	–
Other capital reserves:					
– Non-distributable capital reserves	**186,295**	157,623	151,434	**101,264**	101,264
– Cash flow hedging account	**(1,371)**	(714)	(772)	**–**	–
	184,924	156,909	150,662	**101,264**	101,264
Revenue reserve	**668,257**	668,471	561,442	**323,341**	324,548
	932,684	915,935	814,821	**424,605**	425,812

Asset revaluation reserve

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

Foreign currency translation account

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

Other capital reserves

Non-distributable capital reserves comprise mainly capital reduction reserve of the Company, share of reserve of an associate, GulTech and distribution reserve of GHG which is used to record the balance of amounts available for distribution as defined by the Trust Deed.

Cash flow hedging account represents the cumulative net change in fair value of the effective portion of the cash flow hedges.

Revenue reserve

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

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27 DIVIDEND

	Group and Company	
	31 December 2019 $'000	31 December 2018 $'000
Tax-exempt one-tier first and final dividend and special dividend paid in respect of the previous year		
Cash	**9,383**	5,431
Share	**1,289**	1,689
	10,672	7,120

The Directors proposed a tax exempt one-tier first and final dividend of 0.6 cent per share (2018: 0.6 cent per share) with no additional special dividend (2018: additional special dividend of 0.3 cent per share), total amounting to $7,117,000 (2018: $10,678,000), subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company, to be paid in respect of the financial year ended 31 December 2019.

28 REVENUE

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 4).

A disaggregation of the Group's revenue for the year, is as follows:

		Group	
	Note	31 December 2019 $'000	31 December 2018 $'000
Segment Revenue			
Revenue from contracts with customers:			
Sale of products		**101,378**	144,816
Sale of development properties		**65,362**	41,251
Hotel operations and related income		**101,238**	109,227
Services rendered		**191**	205
Others		**1,487**	1,378
		269,656	296,877
Rental income from investment properties	14	**41,033**	39,231
		310,689	336,108
At a point of time:			
Sale of products		**101,378**	144,816
Sale of completed development properties		**11,892**	22,238
Hotel operations – food and beverages		**31,008**	33,750
Over time:			
Sale of development properties under construction		**53,470**	19,013
Hotel operations – room sales and other income		**70,230**	75,477
Services rendered		**191**	205
Others		**1,487**	1,378
		269,656	296,877

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28 REVENUE (CONT'D)

Revenue represents the invoiced value of goods and services supplied. Included in the Group's revenue from sale of development properties is an amount of $53,470,000 (2018: $19,013,000) whereby the revenue is recognised based on the percentage of completion method.

As at 31 December 2019, the transaction price allocated to performance obligations that are partially satisfied amounted to $27,404,000 (2018: $13,264,000). Management expects that this amount will be recognised as revenue during the next financial period.

29 INTEREST INCOME

	Group	
	31 December 2019 $'000	31 December 2018 $'000
Interest income on bank deposits	**2,237**	3,313
Interest income from debtors	**188**	231
Interest income from related parties	**3,411**	1,682
	5,836	5,226

30 FINANCE COSTS

	Note	Group	
		31 December 2019 $'000	31 December 2018 $'000 (Restated)
Interest expense on loans and borrowings		**55,454**	49,761
Amortisation of capitalised finance costs		**2,869**	1,929
Interest expense on lease liabilities	13	**2**	–
		58,325	51,690
Less: Amounts capitalised – Investment properties	14	**–**	(6,232)
		58,325	45,458

31 FAIR VALUE ADJUSTMENTS

	Note	Group	
		31 December 2019 $'000	31 December 2018 $'000
Fair value gain/(loss) from:			
Subsidiaries		**33,307**	113,120
Share of an equity accounted investee	16	**(100)**	(36)
		33,207	113,084
Represented by:			
Fair value gain/(loss) in respect of:			
– investment properties		**33,307**	113,120
– financial instruments	16	**(100)**	(36)
		33,207	113,084

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31 FAIR VALUE ADJUSTMENTS (CONT'D)

The fair value adjustment is analysed as follows:

	Note	Group Gross $'000	Group Deferred tax $'000	Group Net $'000
31 December 2019				
Fair value gain on investment properties				
Subsidiaries	14	**33,307**	**(4,297)**	**29,010**
Fair value loss on financial instruments				
Share of an equity accounted investee	16	**(100)**	**–**	**(100)**
		33,207	**(4,297)**	**28,910**
31 December 2018				
Fair value gain on investment properties				
Subsidiaries	14	113,120	(1,219)	111,901
Fair value loss on financial instruments				
Share of an equity accounted investee	16	(36)	–	(36)
		113,084	(1,219)	111,865

32 PROFIT BEFORE TAX

Other than as disclosed elsewhere in these financial statements, profit before tax for the year has been arrived at after charging/(crediting) the following:

	Group 31 December 2019 $'000	Group 31 December 2018 $'000 (Restated)
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]	**8,024**	7,916
Depreciation of right-of-use assets [included in cost of sales, distribution costs, administrative expenses and other operating expenses]	**26**	–
Net loss on disposal of property, plant and equipment [included in other operating expenses]	**14**	36
Write-back of allowance for diminution in value for development properties, net [included in other operating (income)/expenses/cost of sales]	**(328)**	(842)
(Write-back) of allowance/Allowance for doubtful trade and other receivables, net [included in other operating (income)/expenses]	**(53)**	525
Bad debts written off [included in other operating expenses]	**429**	–

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32 PROFIT BEFORE TAX (CONT'D)

	Group	
	31 December 2019 $'000	**31 December 2018 $'000 (Restated)**
Foreign exchange loss, net [included in other operating expenses]	**334**	92
Expenses relating to short term leases [included in cost of sales, distribution costs, administrative expenses and other operating expenses]	**293**	–
Net loss on disposal of an investment property (Note 11) [included in other operating expenses]	**48**	–
Write-back of recognised corporate guarantee no longer required [included in other operating income]	**(346)**	(64)
Cost of inventories recognised as an expense	**98,389**	141,288
Net gain on disposal of a subsidiary (Note 37) [included in other operating income]	**–**	(3,893)
Auditors' remuneration		
Audit fees:		
– Auditors of the Company	**380**	328
– Other auditors	**233**	196
Non-audit fees:		
– Auditors of the Company	**177**	105
– Other auditors	**4**	23
Directors' remuneration		
Of the Company:		
– Salaries and wages	**1,988**	1,886
Of the subsidiaries:		
– Salaries and wages	**1,042**	1,066
– Defined contribution plans	**26**	24
	3,056	2,976
Employees benefit expenses (excluding Directors' remuneration)		
– Salaries and wages	**13,897**	11,943
– Defined contribution plans	**1,115**	1,044
– Others	**74**	74
	15,086	13,061

The Audit and Risk Committee has reviewed the non-audit services provided by the auditors, Deloitte & Touche LLP, Singapore and the overseas practices of Deloitte Touche Tohmatsu Limited and was of the opinion that these services would not affect the independence of the auditors.

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33 INCOME TAX EXPENSES

	Note	Group 31 December 2019 $'000	Group 31 December 2018 $'000 (Restated)
Current income tax:			
– Singapore		**1,467**	1,146
– Foreign		**2,420**	2,093
– Underprovision in prior years		**918**	1,254
		4,805	4,493
Withholding tax expense		**70**	65
Deferred tax	23	**4,484**	(380)
		9,359	4,178

Singapore income tax is calculated at 17% (2018: 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 31 December 2019 $'000	Group 31 December 2018 $'000 (Restated)
Profit before income tax	**42,038**	135,608
Income tax calculated at 17% (2018: 17%)	**7,146**	23,053
Adjustments:		
Share of results of an equity-accounted investee	**(3,665)**	(3,266)
Expenses not deductible for tax purposes	**4,243**	3,483
Tax losses not recognised as deferred tax assets	**681**	694
Tax losses not available for set-off against future income	**3,351**	2,170
Different tax rates of subsidiaries operating in other jurisdictions	**2,945**	1,137
Income that is not subject to tax	**(6,110)**	(23,554)
Utilisation of tax losses and capital allowance previously not recognised	**(143)**	(588)
Underprovision in prior years	**918**	1,254
Withholding tax expense	**70**	65
Others	**(77)**	(270)
	9,359	4,178

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34 EARNINGS PER SHARE

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

		Group		
	Note	Before fair value adjustments $'000	Fair value adjustments $'000	After fair value adjustments $'000
31 December 2019				
Profit before tax		**8,831**	**33,207**	**42,038**
Income tax expenses	31, 33	**(5,062)**	**(4,297)**	**(9,359)**
Profit for the year		**3,769**	**28,910**	**32,679**
Less:				
Non-controlling interests		**(534)**	**–**	**(534)**
Profit attributable to owners of the Company		**4,303**	**28,910**	**33,213**
31 December 2018 (Restated)				
Profit before tax		22,524	113,084	135,608
Income tax expenses	31, 33	(2,959)	(1,219)	(4,178)
Profit for the year		19,565	111,865	131,430
Less:				
Non-controlling interests		(107)	–	(107)
Profit attributable to owners of the Company		19,672	111,865	131,537

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	
	31 December 2019 $'000	31 December 2018 $'000 (Restated)
Profit attributable to owners of the Company		
Before fair value adjustments	**4,303**	19,672
Fair value adjustments	**28,910**	111,865
After fair value adjustments	**33,213**	131,537
Basic and diluted earnings per share (cents)		
Including fair value adjustments	**2.8**	11.1
Excluding fair value adjustments	**0.4**	1.7
Weighted average number of ordinary shares (in '000 shares) for the purpose of computation of basic and diluted earnings per share	**1,186,095**	1,188,806

There is no dilutive ordinary share in 2019 and 2018.

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35 OTHER COMPREHENSIVE INCOME

	Note	Group		
		Before tax $'000	Deferred tax $'000	After tax $'000
2019				
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	**4,292**	**(1,288)**	**3,004**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**(12,953)**	**–**	**(12,953)**
Share of exchange differences on translation of equity accounted investees		**(1,131)**	**–**	**(1,131)**
Cash flow hedges		**(939)**	**282**	**(657)**
		(10,731)	**(1,006)**	**(11,737)**
2018				
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	7,754	(2,358)	5,396
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(19,278)	–	(19,278)
Share of exchange differences on translation of an equity accounted investee		1,866	–	1,866
Cash flow hedges		82	(25)	57
		(9,576)	(2,383)	(11,959)

During the year, the Group entered into certain interest rate swap contracts to hedge its interest rate risk exposures. Derivatives that are designated and effective as hedging instruments are carried at fair value.

	Group	
	31 December 2019 $'000	31 December 2018 $'000
Derivatives that are designated and effective as hedging instruments carried at fair value	**939**	–

The Group used interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. Contracts with notional principal amount of A$177 million have fixed interest payments at a weighted average fixed rate of 1.19% per annum for periods up until January 2022 and have a floating interest rate of 3-month Bank Bill Swap Bid Rate.

All of the Group's interest rate swaps are designated and effective as cash flow hedges and the fair value change of these interest rate swaps, amounting to $939,000 (2018: $82,000) has been recognised in other comprehensive income during the year.

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35 OTHER COMPREHENSIVE INCOME (CONT'D)

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the end of the reporting year:

Group	Average contracted fixed interest rate		Notional principal amount		Fair value	
	31 December 2019 per annum	31 December 2018 per annum	31 December 2019 $'000	31 December 2018 $'000	31 December 2019 $'000	31 December 2018 $'000
3 month	1.19%	–	165,991	–	939	–

36 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party transactions disclosed elsewhere in the financial statements, the Group has the following significant related party transactions with the major shareholder, associates and the Directors of the Company and their associates:

	Group	
	31 December 2019 $'000	31 December 2018 $'000
Transactions with major shareholder		
Sale of products and services rendered	**16,190**	42,878
Sale of a completed development property	**–**	7,745
Rental income	**1,905**	1,909
Interest income	**3,411**	926
Purchase of products	**(78,496)**	(95,390)
Transactions with associates		
Management fee income	**180**	180
Interest income	**–**	756
Transactions with Directors of the Company and their associates		
MTN interest expense	**(158)**	(173)

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

One of the Group's subsidiary, SP Resources International Pte Ltd, is reliant on two related parties for the supply of 100% (2018: 100%) of its coal. The Group supplies 100% (2018: 100%) of its rubber products to one customer (2018: one customer) who is a related party. Sales to this related party for the financial year ended 31 December 2019 amounted to $8,260,000 (2018: $31,346,000).

At the end of the reporting year, the Group had commitments to lease certain commercial properties to Nuri and a related party of the Group. These non-cancellable operating leases had remaining lease terms of 2 months to 91 months (2018: 2 months to 103 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	
	31 December 2019 $'000	31 December 2018 $'000
Commitment with major shareholder		
Operating leases:		
– Within one year	**630**	648
– After one year but not more than five years	**1,615**	1,568
– After five years	**1,147**	1,405
	3,392	3,621

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36 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Remuneration of Directors and key management personnel

	Group	
	31 December 2019 $'000	**31 December 2018 $'000**
Short-term benefits and fees	**2,776**	2,997
Post-employment benefits (defined contribution plan)	**26**	30
	2,802	3,027

37 DISPOSAL/ACQUISITION OF A SUBSIDIARY

Disposal of a subsidiary

On 14 March 2018, the Group disposed its wholly-owned subsidiary, Qingdao Shenyang Property Co., Ltd ("Qingdao Shenyang"), China. Details of the disposal are as follows:

Carrying amount of net assets over which control was lost:

	Group 31 December 2018 $'000
Current assets	
Development properties	12,121
Other receivables	4,962
Total current assets	17,083
Current liabilities	
Other payables	(12)
Total current liabilities	(12)
Net assets	17,071
Consideration	
Cash	16,547
Deposit received in prior year	4,294
Deferred consideration	496
Total consideration	21,337
Gain on disposal (Note 32)	
Consideration received/receivable	21,337
Transaction costs	(1,193)
Net assets derecognised	(17,071)
Cumulative exchange differences in respect of the net assets of the Subsidiary reclassified from equity on loss of control of subsidiary	820
	3,893
Net cash inflow arising on disposal	
Cash consideration received	16,547

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37 DISPOSAL/ACQUISITION OF A SUBSIDIARY (CONT'D)

Acquisition of subsidiaries

(a) On 8 April 2019, the Group completed the acquisition of the entire issued share capital of PT Titian Damai Mandiri ("TDM") for a cash consideration of S$5.0 million. PT Titian Damai Mandiri is the legal and beneficial owner of a 40 hectares of land in Batam (Note 10).

	Group 31 December 2019 $'000
Consideration transferred	
Cash	**4,998**
Assets acquired and liabilities assumed:	
Current assets	
Development properties	**5,074**
Cash and cash equivalents	**321**
Net assets acquired and liabilities assumed	**5,395**
Discount on acquisition	
Consideration transferred	**4,998**
Less: Fair value of identifiable net assets acquired	**(5,395)**
Discount on acquisition	**(397)**
Net cash outflow arising on acquisition	
Consideration transferred	**4,998**
Less: Cash and cash equivalent acquired	**(321)**
Net cash outflow on acquisition	**4,677**

(b) On 7 June 2018, the Group completed the acquisition of 90% of the total issued share capital of Goodworth Investments Pte Ltd ("GIPL") and Splendourland Pte Ltd ("SPL") for an aggregate consideration of S$39.15 million from Habitat Properties Pte Ltd (a related party). GIPL and SPL jointly hold the entire issued share capital of PT Goodworth Investments ("PTGI"), the legal and beneficial owner of a 85 hectares land in Batam (Note 10).

	Group 31 December 2018 $'000
Consideration transferred	
Deposits paid in prior years	11,745
Cash paid during the year	11,310
Development property transferred	7,745
Deferred consideration (Note 21)	8,350
Total	39,150

During the year, cash consideration of $5,100,000 has been transferred to Habitat Properties Pte Ltd. As at 31 December 2019, the remaining consideration in respect of the acquisition of land in Batam by the Group was $3,250,000 (Note 21).

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37 DISPOSAL/ACQUISITION OF A SUBSIDIARY (CONT'D)

Acquisition of subsidiaries (cont'd)

	Group 31 December 2018 $'000
Assets acquired and liabilities assumed:	
Current assets	
Development properties	39,150
Other receivables	34
Current liabilities	
Trade and other payables	(34)
Net assets acquired and liabilities assumed	39,150

38 COMMITMENTS

Capital commitments

	Group	
	31 December 2019 $'000	31 December 2018 $'000
Development and investment properties expenditure contracted for but not provided in the financial statements	**23,676**	30,509
Capital expenditure contracted for but not provided in the financial statements	**6,721**	4,203
Share of commitments of equity-accounted investees – Capital expenditure contracted for but not provided in the financial statements	**6,970**	69

Operating lease commitments – where the Group is a lessor

The Group enters 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 month and seven years (2018: nine months and seven years).

The unguaranteed residual values do not represent a significant risk for the Group, as they relate to properties which are located in locations with a constant increase in value over the years. The Group did not identify any indications that this situation will change.

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 31 December 2019 $'000
Year 1	**38,174**
Year 2	**28,642**
Year 3	**21,409**
Year 4	**9,195**
Year 5	**5,469**
Year 6 and onwards	**1,947**
Total	**104,836**

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38 COMMITMENTS (CONT'D)

Operating lease commitments – where the Group is a lessor (cont'd)

As at 31 December 2018, the future minimum lease receivables under non-cancellable operating leases contracted for but not recognised as receivables were as follows:

	Group 31 December 2018 $'000
Within one year	31,667
After one year but not more than five years	38,902
After five years	1,917
Total	72,486

39 CONTINGENT LIABILITIES

	Company	
	31 December 2019 $'000	31 December 2018 $'000
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	**1,140,426**	970,489

The Group recognised a financial guarantee of $4,998,000 (2018: $5,344,000) granted to its associate, Pan-West, equivalent to the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary [Note 16].

40 FINANCIAL RISK MANAGEMENT

Financial risk management policies and objectives

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

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

Factors behind financial risks

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

The Group's financial instruments comprise loans and borrowings, cash and liquid resources, trade and other receivables, trade and other payables that arise directly from its operations. The Group manages its exposure to currency and interest rate risks by using a variety of techniques and instruments as described in Notes 40(a) and 40(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.

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 Notes 40(a) and 40(b) to the financial statements.

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40 FINANCIAL RISK MANAGEMENT (CONT'D)

Categories of financial instruments

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

	Group		Company	
	31 December 2019 $'000	31 December 2018 $'000	31 December 2019 $'000	31 December 2018 $'000
Financial assets				
Financial assets at FVTOCI	**30,916**	–	**–**	–
Financial assets at amortised cost	**281,644**	220,375	**415,826**	425,501
	312,560	220,375	**415,826**	425,501
Financial liabilities				
Financial liabilities at amortised cost	**1,810,364**	1,748,771	**560,145**	551,292
Financial guarantee contracts	**–**	–	**22,730**	10,649
Lease liabilities	**115**	–	**1,060**	–
	1,810,479	1,748,771	**583,935**	561,941
Derivative financial instruments	**939**	–	**–**	–
	1,811,418	1,748,771	**583,935**	561,941

(a) Currency risk

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

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

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

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40 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Currency risk (cont'd)

Currency risk exposure

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

	SGD $'000	USD $'000	AUD $'000	Others $'000
Group				
At 31 December 2019				
Financial assets				
Cash and bank balances	**63**	**47**	**35,059**	**114**
Trade and other receivables	**50**	**–**	**14**	**333**
	113	**47**	**35,073**	**447**
Financial liabilities				
Trade and other payables	**(310)**	**(19)**	**–**	**(61)**
Net financial (liabilities)/assets	**(197)**	**28**	**35,073**	**386**
Net currency exposure	**(197)**	**28**	**35,073**	**386**
At 31 December 2018				
Financial assets				
Cash and bank balances	494	406	23,535	89
Trade and other receivables	36	–	23	572
	530	406	23,558	661
Financial liabilities				
Trade and other payables	(63)	(97)	–	(60)
Net financial assets	467	309	23,558	601
Net currency exposure	467	309	23,558	601

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

	31 December 2019		31 December 2018	
	AUD $'000	MYR $'000	AUD $'000	MYR $'000
Company				
Financial assets				
Amounts due from subsidiaries	**–**	**43**	–	43
Financial liabilities				
Amounts due to subsidiaries	**(34,639)**	**–**	(23,537)	–
Net currency exposure	**(34,639)**	**43**	(23,537)	43

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40 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Currency risk (cont'd)

Sensitivity analysis for currency risk

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

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

	SGD		USD	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Profit or Loss	**20**	(47)	**(3)**	(31)
Company				
Profit or Loss	**–**	–	**–**	–

	AUD		Others	
	2019	**2018**	**2019**	**2018**
	$'000	**$'000**	**$'000**	**$'000**
Group				
Profit or Loss	**(3,507)**	(2,356)	**(39)**	(60)
Company				
Profit or Loss	**3,464**	2,354	**(4)**	(4)

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) Interest rate risk

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.

The Group's exposure to 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 40(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.

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40 FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

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

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit after tax would decrease or increase by $13,262,000 (2018: decrease or increase by $13,651,000).

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

(c) Overview of the Group's exposure to credit risk

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

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its trading records to rate its major customers and other debtors. The Group does not hold any collateral to cover its credit risks associated with its financial assets.

The Group's current credit risk framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

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40 FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Overview of the Group's exposure to credit risk (cont'd)

The assessment of the credit quality and exposure to credit risk of the Group's trade and other receivables have been disclosed in Note 6. The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
31 December 2019						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	**39,175**	**(748)**	**38,427**
Other receivables	6	In default	Lifetime ECL – credit impaired	**6,373**	**(126)**	**6,247**
Contract assets	7	(i)	Lifetime ECL (simplified approach)	**29,974**	**–**	**29,974**
Refundable trade deposit with related party	21	Performing	12-month ECL	**8,135**	**–**	**8,135**
Loans to related parties	21	Performing	12-month ECL	**26,587**	**–**	**26,587**
					(874)	
31 December 2018						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	37,942	(1,021)	36,921
Other receivables	6	In default	Lifetime ECL – credit impaired	6,908	(127)	6,781
Contract assets	7	(i)	Lifetime ECL (simplified approach)	15,451	–	15,451
Refundable trade deposit with related party	21	Performing	12-month ECL	8,215	–	8,215
Loan to a related party	21	Performing	12-month ECL	20,000	–	20,000
					(1,148)	
Company						
31 December 2019						
Other receivables	6	In default	Lifetime ECL – credit impaired	**191**	**(72)**	**119**
Amount due from subsidiaries	20	Performing	12-month ECL	**402,402**	**(24,253)**	**378,149**
					(24,325)	
31 December 2018						
Other receivables	6	In default	Lifetime ECL – credit impaired	96	(72)	24
Amount due from subsidiaries	20	Performing	12-month ECL	424,576	(24,264)	400,312
					(24,336)	

(i) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 6 includes further details on the loss allowance for these receivables.

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40 FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Overview of the Group's exposure to credit risk (cont'd)

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

With respect to trade and other receivables at the end of the reporting year, trade amounts due from other related parties includes an amount of $20,315,000 (2018: $20,183,000) which comprised of 2 (2018: 2) major customers with outstanding balances individually exceeding 5% of the Group's trade and other receivables as at 31 December 2019.

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

	Group	
	31 December 2019 $'000	**31 December 2018 $'000**
By geographical area		
Singapore	**19,543**	21,229
Australia	**3,437**	3,810
China (Including Hong Kong)	**3,431**	356
Malaysia	**2,131**	2,365
Indonesia	**9,591**	8,875
United States of America (USA)	**279**	266
Others	**15**	20
	38,427	36,921
By type of customers		
Related parties	**21,720**	21,699
Non-related parties	**16,707**	15,222
	38,427	36,921
By industry sector		
Property	**5,089**	3,125
Hotels investment	**3,232**	3,667
Industrial services	**30,106**	30,129
	38,427	36,921

(d) Liquidity risk

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

As at 31 December 2019, the Company's current liabilities exceed its current assets by $167,667,000 (31 December 2018: net current asset of $13,072,000). The directors are satisfied that the Company is able to refinance the loans that are due and it will not affect its ability to continue as a going concern within the next 12 months.

Analysis for liquidity and interest risk – non-derivative financial liabilities

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

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

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40 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

Analysis for liquidity and interest risk – non-derivative financial liabilities (cont'd)

	Effective interest rate %	On demand/ less than 1 year $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Group							
31 December 2019							
Non-interest bearing	**–**	**98,683**	**349**	**–**	**–**	**–**	**99,032**
Fixed interest rate instruments	**2.8 – 6.0**	**159,525**	**5,652**	**204,449**	**–**	**(21,405)**	**348,221**
Variable interest rate instruments	**2.6 – 3.1**	**157,598**	**116,605**	**1,156,181**	**–**	**(67,158)**	**1,363,226**
		415,806	**122,606**	**1,360,630**	**–**	**(88,563)**	**1,810,479**
31 December 2018							
Non-interest bearing	–	117,956	374	–	–	–	118,330
Fixed interest rate instruments	4.5 – 6.0	91,821	153,847	–	–	(16,588)	229,080
Variable interest rate instruments	2.2 – 3.5	824,997	67,766	543,371	219	(34,992)	1,401,361
		1,034,774	221,987	543,371	219	(51,580)	1,748,771

	Effective interest rate %	On demand or less than 1 year $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Company							
31 December 2019							
Non-interest bearing	**–**	**411,442**	**–**	**–**	**–**	**–**	**411,442**
Fixed interest rate instruments	**6.0**	**153,847**	**–**	**–**	**–**	**(4,084)**	**149,763**
Financial guarantee contracts	**–**	**22,730**	**–**	**–**	**–**	**–**	**22,730**
		588,019	**–**	**–**	**–**	**(4,084)**	**583,935**
31 December 2018							
Non-interest bearing	–	322,212	–	–	–	–	322,212
Fixed interest rate instruments	4.5 – 6.0	91,821	153,847	–	–	(16,588)	229,080
Financial guarantee contracts	–	10,649	–	–	–	–	10,649
		424,682	153,847	–	–	(16,588)	561,941

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 is claimed by the counterparty to the guarantee is $1,140,426,000 (2018: $970,489,000). Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is 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 which are guaranteed suffer credit losses.

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40 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

Analysis for liquidity and interest risk – non-derivative financial liabilities (cont'd)

As at the end of the reporting year, the Group's total obligation on guarantees in connection with Pan-West's bank facilities amounted to $4,998,000 (2018: $5,344,000). The earliest time that a guarantee could be called is as and when the guarantee is claimed by the counterparty.

Analysis for liquidity and interest risk – non-derivative financial assets

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

	Effective interest rate %	On demand or less than 1 year $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Group							
31 December 2019							
Non-interest bearing		**95,886**	**4**	**21**	**9**	**–**	**95,920**
Variable interest rate instruments	**0.2 – 6.2**	**37,335**	**–**	**–**	**–**	**(299)**	**37,036**
Fixed interest rate instruments	**0.8 -7.5**	**127,607**	**23,157**	**–**	**–**	**(2,076)**	**148,688**
		260,828	**23,161**	**21**	**9**	**(2,375)**	**281,644**
31 December 2018							
Non-interest bearing	–	65,742	1,934	3,218	–	–	70,894
Variable interest rate instruments	0.1 – 0.3	36,561	–	–	–	(326)	36,235
Fixed interest rate instruments	0.4 – 5.7	51,390	15,457	47,640	–	(1,241)	113,246
		153,693	17,391	50,858	–	(1,567)	220,375
Company							
31 December 2019							
Non-interest bearing	**–**	**415,826**	**–**	**–**	**–**	**–**	**415,826**
31 December 2018							
Non-interest bearing	–	425,501	–	–	–	–	425,501

(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 value of financial assets at FVTOCI is disclosed in Note 17.

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

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40 FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Fair value of financial assets and financial liabilities (cont'd)

- 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.

At the end of each reporting year, the Group and the Company's interest rate swap was measured based on Level 2. The valuation technique and key input is future cash flows which are estimated based on forward interest rates (from observable yield curves at the end of the reporting year) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

At the end of each reporting year, the Group's FVTOCI was measured based on Level 3. The fair value of the investment as at 31 December 2019 was determined by reference to the fair value of underlying assets and the valuation was carried out by an independent valuer.

Reconciliation of Level 3 fair value measurement:

	Group 31 December 2019 $'000
Opening balance	–
Addition	**30,916**
Closing balance	**30,916**

(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 18, issued capital, reserves and retained earnings disclosed in Notes 24 and 26 to the financial statements. In order to maintain or achieve an optimal capital structure, the Group may issue new shares, obtain new borrowings, sell assets to reduce borrowings, pay or adjust the amount of dividend payment or return capital to shareholders. The Group's overall strategy remains unchanged from the prior years.

The Group monitors capital risks through measuring the Group's gross gearing and net gearing. The Group's gross gearing is calculated as total borrowings divided by total equity, whilst net gearing is calculated as net borrowings divided by total equity. Net borrowings are calculated as total borrowings as disclosed in Note 18, less cash and bank balances as disclosed in Note 5 to the financial statements.

	Group	
	31 December 2019 $'000	**31 December 2018 $'000**
Total borrowings	**1,711,332**	1,630,441
Total equity	**1,119,073**	1,103,029
Gross gearing (times)	**1.53**	1.48
Net borrowings	**1,539,058**	1,497,434
Total equity	**1,119,073**	1,103,029
Net gearing (times)	**1.38**	1.36

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40 FINANCIAL RISK MANAGEMENT (CONT'D)

(g) Equity price risk management

The Group is exposed to equity risks arising from equity investment classified as FVTOCI. Equity investment measured at FVTOCI is held for strategic rather than trading purposes. The Group does not actively trade such investment. Further details of this equity investment can be found in Note 17.

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period. In respect of equity investment at FVTOCI, if equity price had been 10% higher/lower while all other variables were held constant, the Group's asset revaluation reserve would increase/decrease by approximately $3.1 million.

41 LISTING OF SIGNIFICANT SUBSIDIARIES

Information relating to the significant subsidiaries is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation/ establishment	Effective equity interest and voting power held by the Group 31 December 2019 %	31 December 2018 %
Significant subsidiaries directly held by the Company					
Asplenium Land Pte. Ltd.		Property development	Singapore	**100**	100
Clerodendrum Land Pte. Ltd.		Property development	Singapore	**100**	100
Dillenia Land Pte. Ltd.		Property development	Singapore	**100**	100
Episcia Land Pte. Ltd.		Property development	Singapore	**100**	100
Gerbera Land Pte. Ltd.		Property development	Singapore	**100**	100
Oxley Development Pte Ltd		Property investment	Singapore	**100**	100
SP Corporation Limited		Investment holding	Singapore	**80.2**	80.2
Superluck Properties Pte Ltd		Property investment	Singapore	**100**	100
Significant subsidiaries indirectly held by the Company					
39 Robinson Road Pte. Ltd.		Property investment	Singapore	**100**	100
Grand Hotel Group	(i)	Property investment	Australia	**100**	100
Habitat Properties (Shanghai) Ltd.	(i)	Property development	China	**100**	100
Shelford Properties Pte Ltd		Property development	Singapore	**100**	100
SP Resources International Pte. Ltd.		Trading of industrial products	Singapore	**80.2**	80.2
SP Global Hong Kong Limited	(i)	Investment holding	Hong Kong	**80.2**	80.2
TSRC Novena Pte. Ltd.		Property development	Singapore	**70**	70
PT Goodworth Investments	(ii)	Property development	Indonesia	**90**	90
PT Titian Damai Mandiri	(ii)	Property development	Indonesia	**100**	–

All subsidiaries in Singapore are audited by Deloitte & Touche LLP, Singapore.

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

(ii) Analytical review performed by overseas practices of Deloitte Touche Tohmatsu Limited.

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42 LISTING OF SIGNIFICANT ASSOCIATES

Associates are those in which the Group has significant influence, but not control in the operating and financial policy decisions.

Information relating to the significant associates is disclosed as below:

				Effective equity interest and voting power held by the Group	
Name of company	Note	Principal activities	Country of incorporation	31 December 2019 %	31 December 2018 %
Gul Technologies Singapore Pte. Ltd.	(i)	Manufacture of printed circuit boards	Singapore	**44.5**	44.5
Sanya Summer Real Estate Co. Ltd	(ii)	Property Developer	China	**7.8**	7.8

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

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

43 ADOPTION OF NEW AND REVISED STANDARDS

On 1 January 2019, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

SFRS(I) 16 *Leases*

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, with exemption for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's consolidated financial statements is described below.

The date of initial application of SFRS(I) 16 for the Group is 1 January 2019.

In applying SFRS(I) 16 for the first time, the Group has used the following practical expedients permitted by the Standard:

- No reassessment on whether a contract is or contains a lease if the contract was entered into before 1 January 2019. Accordingly, the definition of a lease in accordance with SFRS(I) 1-17 and SFRS(I) INT 4 will continue to be applied to those leases entered or modified before 1 January 2019.

- For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group has opted to recognise a lease expense on a straight-line basis as permitted by SFRS(I) 16. This expense is presented within cost of sales and administrative expenses in the consolidated statement of profit or loss.

- The Group accounted for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.

- The Group has used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

- The Group has excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application.

- The Group has adjusted right-of-use asset by the amount of provision for onerous leases recognised under SFRS(I) 1-37 to approximate impairment.

NOTES TO THE FINANCIAL STATEMENTS

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43 ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

SFRS(I) 16 *Leases* (cont'd)

Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. SFRS(I) 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies the definition of a lease and related guidance set out in SFRS(I) 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of SFRS(I) 16, the Group had carried out an implementation project. The project has shown that the new definition in SFRS(I) 16 does not significantly change the scope of contracts that meet the definition of a lease for the Group.

Impact on lessee accounting

Former operating leases

SFRS(I) 16 changes how the Group accounts for leases previously classified as operating leases under SFRS(I) 1-17, which were off-balance-sheet.

Applying SFRS(I) 16, for all leases, the Group:

(a) Recognises right-of-use assets and lease liabilities in the statements of financial position, initially measured at the present value of future lease payments;

(b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and

(c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under SFRS(I) 1-17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under SFRS(I) 16, right-of-use assets are tested for impairment in accordance with SFRS 1-36 Impairment of Assets. This replaces the previous requirement to recognise a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognise a lease expense on a straight-line basis as permitted by SFRS(I) 16. This expense is presented within cost of sales and administrative expenses in the consolidated statement of profit or loss.

The Group has applied SFRS(I) 16 using the modified retrospective approach. Lease liabilities were measured at the present value of the remaining lease payments, discounted using lessee's incremental borrowing rate as of 1 January 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 ranged between 2.8% to 5.1%.

Explanation of difference between operating lease commitments and lease liabilities:

	Group 2019 $'000
Operating lease commitments disclosed as at 31 December 2018	**400**
Less: Short-term leases recognised on a straight-line basis as expense	**(277)**
Less: Lease which was novated during the year	**(79)**
	44
Less: Discounted using lessee's incremental borrowing rate (2.8% to 5.1 %)	**(2)**
Lease liability recognised as at 1 January 2019	**42**

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43 ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

SFRS(I) 16 *Leases* (cont'd)

Impact on lessee accounting (cont'd)

Former finance leases

The main difference between SFRS(I) 16 and SFRS(I) 1-17 with respect to assets formerly held under a finance lease is the measurement of residual value guarantees provided by a lessee to a lessor. SFRS(I) 16 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by SFRS(I) 1-17. This change did not have an effect on the Group's consolidated financial statements.

Impact on Lessor Accounting

SFRS(I) 16 does not change substantially how a lessor accounts for leases. Under SFRS(I) 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, SFRS(I) 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under SFRS(I) 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under SFRS(I) 1-17). This change did not have a material effect on the Group's consolidated financial statements.

Capitalisation of Borrowing Costs

On 6 March 2019, the International Financial Reporting Standards Interpretation Committee ("IFRIC") has finalised the agenda decision and concluded that borrowing costs should not be capitalised when the borrowings relate to the construction of a residential multi-unit real estate development for which revenue is recognised over time. The Group has applied the changes in accounting policies retrospectively to each reporting year presenting, using the full retrospective approach. Management has quantified the impact as disclosed below:

(A) Impact on the Statement of Financial Position as at 1 January 2018 (date of initial adoption):

Group	As previously reported $'000	Effects of change in accounting policy $'000	Note	As adjusted $'000
Current assets				
Development properties	188,680	(2,247)	10	186,433
Trade and other receivables	89,148	(18)	6	89,130
Current liabilities				
Income tax payable	13,523	(9)		13,514
Capital, reserves and non-controlling interests				
Reserves	817,077	(2,256)	26	814,821
Non-controlling interests	10,628	–	15	10,628

(B) Impact on the Statement of Financial Position as at 31 December 2018 (end of last period):

	As previously reported $'000	Effects of change in accounting policy $'000	Note	As adjusted $'000
Current assets				
Development properties	358,530	(5,439)	10	353,091
Current liabilities				
Income tax payable	5,317	(4)		5,313
Capital, reserves and non-controlling interests				
Reserves	921,030	(5,095)	26	915,935
Non-controlling interests	15,012	(340)	15	14,672

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

43 ADOPTION OF NEW AND REVISED STANDARDS (CONT'D)

Capitalisation of Borrowing Costs (cont'd)

(C) Impact on the Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2018 (last financial year):

	As previously $'000	Effects of change in accounting policy $'000	Note	As adjusted $'000
Cost of sales	(267,390)	787		(266,603)
Other operating income	6,142	(388)		5,754
Other operating expenses	(1,087)	7		(1,080)
Finance costs	(41,861)	(3,597)	30	(45,458)
Income tax expenses	(4,190)	12	33	(4,178)
Profit for the year	134,609	(3,179)		131,430

(D) Impact on the Statement of Cash Flows for the year ended 31 December 2018 (last financial year):

	As previously reported $'000	Effects of change in accounting policy $'000	Note	As adjusted $'000
Operating activities				
Profit before tax	138,799	(3,191)		135,608
Write-back of allowance for diminution in value for development properties, net	(1,576)	734	10	(842)
Finance costs	41,861	3,597	30	45,458
Development properties	(162,227)	(1,140)	10	(163,367)

44 STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements were issued but not effective and are expected to have an impact to the Group and the Company in the periods of their initial adoption.

Effective for annual periods beginning on or after 1 January 2020

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements and SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material*
- Amendments to SFRS(I) 3 *Business Combinations: Definition of a Business*
- Amendments to References to the *Conceptual Framework in SFRS(I) Standards*

Effective date is deferred indefinitely

- Amendments to SFRS(I) 10 *Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The information in this Appendix III has been reproduced from the statutory accounts of Tuan Sing Holdings Limited and its subsidiaries for the financial year ended 31 December 2020 and has not been specifically prepared for inclusion in this Information Memorandum.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the 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 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 88 to 171.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition of development properties

The Group recognises revenue based on the stage of completion for the sale of development properties under development on the terms and specifications as set out in the contracts. The analysis of whether the contracts comprises one or more performance obligations, determination of whether the performance obligations are satisfied over time and the method used to measure progress for revenue recognition for these development properties requires estimate by management.

The stage of completion is measured by reference to certifications of the value of work performed to date by third party quantity surveyors as compared to the estimated total construction costs of the development project as approved by management. Significant judgements are required to determine the total construction costs which include estimation for variation works and any other claims from contractors. Any changes to the estimated total construction costs will impact the stage of completion, and consequentially the revenue recognised.

Our audit performed and responses thereon

We read the sales and purchase agreements of development properties and discussed with management to understand the relevant terms of the contracts and the basis of management's identification of performance obligations to determine whether the criteria for recognising revenue over time were met. We performed procedures to evaluate the design and implementation of the relevant controls put in place by the Group in respect of revenue recognition from the development properties.

We also reviewed management's estimated total construction cost for each of the development projects, and assessed the reasonableness of the assumptions and estimates applied by management which included key elements such as construction costs and variation works, taking also into consideration the need by management to account for any effects of significant or unusual events that occurred during the year which may impact the estimated total construction cost. In addition, we also used the value of the work performed to date as provided by third party quantity surveyors, compared to the estimated total construction cost and performed arithmetic computations of the stage of completion and revenue to be recognised for the year.

We found management's basis of identifying performance obligations and the basis of revenue recognition for these development properties to be appropriate. We also found that the key assumptions applied by management for estimated total construction costs to be reasonable based on supportable information available.

Further disclosures are made in Note 28 to the financial statements.

Valuation of development properties

The Group has residential properties under development and completed properties for sale which are mainly located in Singapore. These development properties are stated at the lower of cost and net realisable values.

The determination of the estimated net realisable value of these development properties is dependent upon the Group's expectations of future selling prices. Weakening market conditions and slow take up rate of development properties may impact and create downward pressure on the selling prices of these properties. There is a risk that the estimates of net realisable values may exceed future selling prices, resulting in losses when properties are sold.

Key Audit Matters (cont'd)
Valuation of development properties (cont'd)
Our audit performed and responses thereon
We discussed with and evaluated management's basis used in their assessment in determining whether the Group's properties under development and completed properties for sale are impaired and the amount of impairment to be recorded if any, based on the Group's estimated selling prices of these properties, by comparing where available, to recently transacted prices for the same project and prices of past sales of comparable properties in the vicinity. In addition, we made reference to valuation performed by professional external valuers engaged by the Group. We also performed sensitivity analysis on the estimated selling prices used by management in their assessment and considered the adequacy of the disclosures in respect of the impairment losses, if any, presented in the financial statements for these properties.

We found management's estimates to be reasonable based on supportable information available, and that management had applied their knowledge of the business in determining the estimated selling prices of the respective properties, by taking into consideration the selling prices of recent sales of the respective properties and that of comparable properties, and expectations of the property market conditions. We found that the Group had appropriately recorded the impairment loss in profit or loss and the related disclosures to be appropriate.

Further disclosures are made in Note 10 to the financial statements.

Valuation of investment properties and hotel properties
The Group has investment and hotel properties stated at fair value, determined based on professional external valuers engaged by the Group.

The valuation process involves significant judgement and estimation. The valuations are dependent on the valuation methodology applied and the underlying assumptions used, which includes price per square metre of market comparables used; capitalisation rates; price per square metre of gross / net lettable area and value per room for hotel properties. A change in the key assumptions applied may have a significant impact to the valuation.

Our audit performed and responses thereon
We read the terms of engagement of the external valuers engaged and also considered the objectivity and independence of the external valuers including their qualifications and competency.

We considered the appropriateness of the valuation techniques used by the external valuers for the respective investment and hotel properties, taking into account the profile and type of these properties. We discussed with the external valuers on the results of their work, and compared the key assumptions used in their valuations by reference to externally published benchmarks or comparables where available and considered whether these assumptions are consistent with the current market environment. We have also engaged our internal valuation specialists to assist in reviewing the valuation reports issued by external independent professional valuers for the Group's major investment and hotel properties by assessing whether the valuation methodology and key assumptions adopted is reasonable.

Some of the external valuers highlighted that given the unprecedented set of circumstances on which to base a judgment, less certainty and higher degree of caution should be attached to their valuation than would normally be the case. Due to the unknown future impact that the Coronavirus Disease ("COVID-19") pandemic might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates.

We found the external valuers to have the appropriate level of qualifications and experience, and that the valuation methodologies adopted were in line with generally accepted market practices for similar properties. The key assumptions used were within reasonable range, taking into account historical rates and available industry data for comparable markets and properties. We also found that the related disclosures in the financial statements to be appropriate.

Further disclosures on the investment properties and hotel properties are found in Notes 14 and 12 to the financial statements respectively.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Company and Strategy, 5-Year Financial Highlights, Corporate Stewardship, Management Discussion and Analysis, Corporate Governance Report, Sustainability Report and Shareholding Statistics reports, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Information Other than the Financial Statements and Auditor's Report Thereon (cont'd)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information which are expected to be made available to us after the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Kee Cheng Kong, Michael.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

9 March 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	Group		Company	
		31 December 2020 $'000	31 December 2019 $'000 (restated)	31 December 2020 $'000	31 December 2019 $'000 (restated)
ASSETS					
Current assets					
Cash and bank balances	5	**274,392**	172,274	**50,188**	37,558
Trade and other receivables	6	**55,816**	70,424	**506**	408
Contract assets	7	**46,966**	29,974	**–**	–
Contract costs	8	**2,855**	1,295	**–**	–
Amounts due from subsidiaries	20	**–**	–	**281,333**	378,149
Inventories	9	**2,146**	2,370	**–**	–
Development properties	10,45	**303,815**	344,611	**–**	–
		685,990	620,948	**332,027**	416,115
Assets classified as held for sale	11	**410,943**	–	**–**	–
Total current assets		**1,096,933**	620,948	**332,027**	416,115
Non-current assets					
Property, plant and equipment	12,45	**407,590**	412,712	**3,091**	2,386
Right-of-use assets	13	**266**	250	**9,557**	1,060
Investment properties	14	**1,452,351**	1,778,168	**498**	498
Investments in subsidiaries	15,45	**–**	–	**755,923**	759,284
Investments in equity accounted investees	16	**152,547**	137,863	**–**	–
Financial asset at fair value through other comprehensive income	17	**29,343**	30,916	**–**	–
Deferred tax assets	23	**1,721**	2,047	**–**	–
Trade and other receivables	6	**2,915**	14,433	**–**	–
Other non-current assets		**5**	5	**–**	–
Total non-current assets		**2,046,738**	2,376,394	**769,069**	763,228
Total assets		**3,143,671**	2,997,342	**1,101,096**	1,179,343
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	18	**210,130**	281,062	**–**	149,763
Lease liabilities	13	**54**	63	**1,940**	907
Trade and other payables	19	**153,604**	109,045	**21,047**	31,674
Amounts due to subsidiaries	20	**–**	–	**417,614**	401,438
Contract liabilities	22	**–**	1,536	**–**	–
Income tax payable		**3,776**	4,148	**–**	–
		376,564	395,854	**440,601**	583,782
Liabilities directly associated with assets classified as held for sale	11	**298,483**	–	**–**	–
Total current liabilities		**666,047**	395,854	**440,601**	583,782
Non-current liabilities					
Loans and borrowings	18	**1,254,823**	1,430,270	**63,795**	–
Lease liabilities	13	**84**	52	**7,533**	153
Derivative financial instruments	35	**2,038**	939	**–**	–
Deferred tax liabilities	23	**46,859**	50,805	**–**	–
Other non-current liabilities	19	**322**	349	**–**	–
Total non-current liabilities		**1,304,126**	1,482,415	**71,328**	153
Capital, reserves and non-controlling interests					
Share capital	24	**176,234**	175,234	**176,234**	175,234
Treasury shares	25	**(3,891)**	(2,955)	**(3,891)**	(2,955)
Reserves	26,45	**987,724**	932,684	**416,824**	423,129
Equity attributable to owners of the Company		**1,160,067**	1,104,963	**589,167**	595,408
Non-controlling interests		**13,431**	14,110	**–**	–
Total equity		**1,173,498**	1,119,073	**589,167**	595,408
Total liabilities and equity		**3,143,671**	2,997,342	**1,101,096**	1,179,343

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 2020

	Note	Group	
		31 December 2020 $'000	31 December 2019 $'000
Revenue	28	**196,817**	310,689
Cost of sales		**(148,240)**	(239,153)
Gross profit		**48,577**	71,536
Other operating income		**28,505**	5,520
Distribution costs		**(5,931)**	(6,833)
Administrative expenses		**(33,469)**	(29,151)
Other operating expenses		**(5,658)**	(1,313)
Share of results of equity accounted investees	16	**25,645**	21,561
Interest income	29	**4,833**	5,836
Finance costs	30	**(47,803)**	(58,325)
Profit before tax and fair value adjustments		**14,699**	8,831
Fair value adjustments	31	**45,188**	33,207
Profit before tax	32	**59,887**	42,038
Income tax expenses	33	**(1,356)**	(9,359)
Profit for the year		**58,531**	32,679
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties	35	**(27,263)**	4,292
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	35	**8,179**	(1,288)
Fair value loss on investments in equity instruments designated as at FVTOCI	35	**(1,573)**	–
		(20,657)	3,004
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	35	**26,938**	(12,953)
Share of exchange differences on translation of equity accounted investees	35	**(2,516)**	(1,131)
Cash flow hedges	35	**(1,027)**	(939)
Income tax relating to components of other comprehensive income that may be reclassified subsequently	35	**308**	282
		23,703	(14,741)
Other comprehensive income / (loss) for the year, net of tax	35	**3,046**	(11,737)
Total comprehensive income for the year		**61,577**	20,942
Profit attributable to:			
Owners of the Company		**59,009**	33,213
Non-controlling interests		**(478)**	(534)
		58,531	32,679
Total comprehensive income attributable to:			
Owners of the Company		**62,146**	21,504
Non-controlling interests		**(569)**	(562)
		61,577	20,942
Basic and diluted earnings per share (in cents)			
Including fair value adjustments	34	**5.0**	2.8
Excluding fair value adjustments	34	**1.5**	0.4

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group 31 December 2020 $'000	Group 31 December 2019 $'000
Operating activities			
Profit before tax		**59,887**	42,038
Adjustments for:			
Fair value gain	31	**(45,188)**	(33,207)
Share of results of equity accounted investees	16	**(25,645)**	(21,561)
Write-back of allowance for diminution in value for development properties, net	10	**(199)**	(328)
Depreciation of property, plant and equipment	12	**9,199**	8,024
Depreciation of right-of-use assets	13	**81**	26
Amortisation of contract costs	8	**3,472**	2,607
Allowance / (Write-back) of allowance for doubtful trade and other receivables, net	6	**746**	(53)
Bad debts written off	6	**25**	429
Write-back of recognised corporate guarantee no longer required	16	**–**	(346)
Net (gain) / loss on disposal of property, plant and equipment	32	**(5)**	14
Plant and equipment written off		**14**	–
Shares of results in a joint venture	16	**5**	–
Net loss on disposal of an investment property	11	**–**	48
Reversal of accruals for development costs previously capitalised	32	**(8,744)**	–
Rent concessions		**(74)**	–
Interest income	29	**(4,833)**	(5,836)
Finance costs	30	**47,803**	58,325
Operating cash flows before movements in working capital		**36,544**	50,180
Development properties		**40,751**	10,197
Inventories		**266**	400
Trade and other receivables		**8,584**	(7,310)
Contract costs		**(5,032)**	(3,489)
Contract assets		**(16,992)**	(14,523)
Contract liabilities		**(1,536)**	943
Trade and other payables		**7,845**	(18,507)
Cash generated from operations		**70,430**	17,891
Interest received		**5,225**	8,198
Income tax paid		**(6,530)**	(5,599)
Net cash from operating activities		**69,125**	20,490
Investing activities			
Purchase of property, plant and equipment	12	**(5,555)**	(7,103)
Proceeds from disposal of property, plant and equipment		**42**	44
Proceeds from sale of an investment property		**–**	41,992
Additions to investment properties		**(8,280)**	(6,920)
Deposits collected from planned divestment of a subsidiary	11	**50,000**	–
Loan to related parties	21	**–**	(5,000)
Proceeds from repayment of loan by a related party		**21,500**	–
Investment in an equity accounted investee	16	**(5)**	–
Acquisition of subsidiaries	37	**–**	(4,677)
Dividend received from an equity accounted investee	16	**9,352**	–
Acquisition of financial asset designated at FVTOCI		**–**	(25,396)
Net cash from / (used in) investing activities		**67,054**	(7,060)
Financing activities			
Proceeds from loans and borrowings		**238,658**	687,268
Repayment of loans and borrowings		**(218,527)**	(589,206)
Repayment of lease liabilities	13	**(82)**	(25)
Interest paid		**(49,032)**	(58,901)
Bank deposits pledged as securities for bank facilities		**5,941**	(18,482)
Dividend paid to shareholders	27	**(6,104)**	(9,383)
Purchase of treasury shares	25	**(936)**	(1,432)
Acquisition of non-controlling interests of a subsidiary		**(112)**	–
Net cash (used in) / from financing activities		**(30,194)**	9,839
Net increase in cash and cash equivalents		**105,985**	23,269
Cash and cash equivalents at the beginning of the year	5	**88,986**	66,567
Foreign currency translation adjustments		**3,427**	(850)
Cash and cash equivalents at the end of the year	5	**198,398**	88,986

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Investment revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group											
At 1 January 2020		175,234	(2,955)	(62,652)	142,155	–	184,924	668,257	1,104,963	14,110	1,119,073
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	59,009	59,009	(478)	58,531
Exchange differences on translation of foreign operations	35	–	–	24,513	–	–	–	–	24,513	(91)	24,422
Revaluation of properties	35	–	–	–	(27,263)	–	–	–	(27,263)	–	(27,263)
Cash flow hedges	35	–	–	–	–	–	(1,027)	–	(1,027)	–	(1,027)
Fair value loss on investments in equity instruments designated as at FVTOCI	35	–	–	–	–	(1,573)	–	–	(1,573)	–	(1,573)
Income tax adjustments relating to other comprehensive income	35	–	–	–	8,179	–	308		8,487	–	8,487
Other comprehensive income / (loss) for the year, net of tax		–	–	24,513	(19,084)	(1,573)	(719)	–	3,137	(91)	3,046
Total		–	–	24,513	(19,084)	(1,573)	(719)	59,009	62,146	(569)	61,577
Transactions with owners, recognised directly in equity											
Transfer from revenue reserve to other capital reserves		–	–	–	–	–	9,624	(9,624)	–	–	–
Effects of acquiring non-controlling interests of a subsidiary	15	–	–	–	(70)	–	68	–	(2)	(110)	(112)
Issue of shares under the Scrip Dividend Scheme	24	1,000	–	–	–	–	–	–	1,000	–	1,000
Repurchase of shares	25	–	(936)	–	–	–	–	–	(936)	–	(936)
Dividend paid to shareholders:											
- Cash	27	–	–	–	–	–	–	(6,104)	(6,104)	–	(6,104)
- Share	27	–	–	–	–	–	–	(1,000)	(1,000)	–	(1,000)
Total		1,000	(936)	–	(70)	–	9,692	(16,728)	(7,042)	(110)	(7,152)
At 31 December 2020		176,234	(3,891)	(38,139)	123,001	(1,573)	193,897	710,538	1,160,067	13,431	1,173,498

Details of "Other capital reserves" are disclosed in Note 26.

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group										
At 1 January 2019		173,945	(1,523)	(48,596)	139,151	156,909	668,471	1,088,357	14,672	1,103,029
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	33,213	33,213	(534)	32,679
Exchange differences on translation of foreign operations	35	–	–	(14,056)	–	–	–	(14,056)	(28)	(14,084)
Revaluation of properties	35	–	–	–	4,292	–	–	4,292	–	4,292
Cash flow hedges	35	–	–	–	–	(939)	–	(939)	–	(939)
Income tax adjustments relating to other comprehensive income	35	–	–	–	(1,288)	282	–	(1,006)	–	(1,006)
Other comprehensive (loss)/income for the year, net of tax		–	–	(14,056)	3,004	(657)	–	(11,709)	(28)	(11,737)
Total		–	–	(14,056)	3,004	(657)	33,213	21,504	(562)	20,942
Transactions with owners, recognised directly in equity										
Transfer from revenue reserve to other capital reserves		–	–	–	–	22,755	(22,755)	–	–	–
Discount on investment in equity instrument designated as at FVTOCI		–	–	–	–	5,520	–	5,520	–	5,520
Discount on acquisition of a subsidiary		–	–	–	–	397	–	397	–	397
Issue of shares under the Scrip Dividend Scheme	24	1,289	–	–	–	–	–	1,289	–	1,289
Repurchase of shares	25	–	(1,432)	–	–	–	–	(1,432)	–	(1,432)
Dividend paid to shareholders:										
- Cash	27	–	–	–	–	–	(9,383)	(9,383)	–	(9,383)
- Share	27	–	–	–	–	–	(1,289)	(1,289)	–	(1,289)
Total		1,289	(1,432)	–	–	28,672	(33,427)	(4,898)	–	(4,898)
At 31 December 2019		175,234	(2,955)	(62,652)	142,155	184,924	668,257	1,104,963	14,110	1,119,073

Details of "Other capital reserves" are disclosed in Note 26.

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

	Note	Share capital $'000	Treasury shares $'000	Other capital reserve# $'000	Revenue reserve $'000	Total equity $'000
Company						
At 1 January 2020		**175,234**	**(2,955)**	**101,264**	**321,865**	**595,408**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**–**	**799**	**799**
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	**1,000**	**–**	**–**	**–**	**1,000**
Dividend paid to shareholders						
- Cash	27	**–**	**–**	**–**	**(6,104)**	**(6,104)**
- Share	27	**–**	**–**	**–**	**(1,000)**	**(1,000)**
Repurchase of shares	25	**–**	**(936)**	**–**	**–**	**(936)**
Total		**1,000**	**(936)**	**–**	**(7,104)**	**(7,040)**
At 31 December 2020		**176,234**	**(3,891)**	**101,264**	**315,560**	**589,167**
At 1 January 2019		173,945	(1,523)	101,264	324,548	598,234
Adjustment for deemed investment in subsidiaries previously liquidated	45	–	–	–	(1,476)	(1,476)
At 1 January 2019 (restated)		173,945	(1,523)	101,264	323,072	596,758
Profit for the year, representing total comprehensive income for the year		–	–	–	9,465	9,465
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	1,289	–	–	–	1,289
Dividend paid to shareholders						
- Cash	27	–	–	–	(9,383)	(9,383)
- Share	27	–	–	–	(1,289)	(1,289)
Repurchase of shares	25	–	(1,432)	–	–	(1,432)
Total		1,289	(1,432)	–	(10,672)	(10,815)
At 31 December 2019 (restated)		175,234	(2,955)	101,264	321,865	595,408

Details of "Other capital reserves" are disclosed in Note 26.

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 its significant subsidiaries and associates are disclosed in Notes 41 and 42 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 9 March 2021.

2 Summary of significant accounting policies

(a) Basis of accounting

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

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 SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

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

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

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured 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 is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. 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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). 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 SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries, associates and joint 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 by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Business combinations *(cont'd)*

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

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) 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 SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *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 SFRS(I) 2 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets 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.

Associates and joint venture (equity accounted investees)

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.

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

The results of and assets and liabilities of associates or joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, investment in associates or joint venture are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates or joint venture. When the Group's share of losses of an associate or a joint venture exceed the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired (Note 2(f)).

The requirements of SFRS(I) 1-28 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in associates or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Associates and joint venture (equity accounted investees) (cont'd)
The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associates or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where the group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group applies SFRS(I) 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying SFRS(I) 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by SFRS(I) 1-28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with SFRS(I) 1-28).

(c) 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 ("SGD") which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

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

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which 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 to hedge certain foreign currency risks (see below under hedge accounting); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

2 Summary of significant accounting policies (cont'd)

(c) Foreign currency transactions and translation (cont'd)

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

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

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

(d) 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 instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Classification of financial assets (cont'd)
By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss under "interest income" line item.

Equity instruments designated as at FVTOCI
On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in profit or loss.

The Group has designated all investments in equity instrument that are not held for trading as at FVTOCI on initial recognition.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Equity instruments designated as at FVTOCI (cont'd)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets at FVTPL
Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL.

Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 40(e).

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date.

Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating income / (expense)" line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the "other operating income / (expense)" line item;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating income / (expense)" line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost, contract assets, as well as on loan commitments and financial guarantee contracts. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Impairment of financial assets (cont'd)
For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the expected credit loss is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped based on the nature, size and industry of the debtors. Balances from related parties are assessed for expected credit on an individual basis.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Measurement and recognition of expected credit losses (cont'd)
If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments
Classification as debt or equity
Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is 1) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, 2) held for trading, or 3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- 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
- it forms part of a contract containing one or more embedded derivatives, and SFRS(I) 9 permits the entire combined contract to be designated as at FVTPL.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Financial liabilities at FVTPL *(cont'd)*
Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Fair value is determined in the manner described in Note 40(e).

Financial liabilities subsequently measured at amortised cost
Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and 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 liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derivative financial instruments
The Group enters into interest rate swap contracts to manage its exposure to interest rate risks. Further details of derivative financial instruments are disclosed in Note 35.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. 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.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Derivative financial instruments (cont'd)
A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset.

Hedge accounting
The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in cash flow hedges as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the 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 is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

Cash flow hedges
The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in other comprehensive income will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Offsetting arrangements
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available as of the date of the reporting rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

(e) 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 (or at restated amounts, see below) less any subsequent accumulated depreciation and accumulated impairment losses.

Cost includes professional fees and for qualifying assets, borrowing cost, capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

2 Summary of significant accounting policies (cont'd)

(e) Property, plant and equipment (cont'd)

Revaluation

Certain land and buildings held for use in the production or supply of goods or services, or for administrative purpose, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising from the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising from the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation

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

	Useful lives
Building on freehold land	50 years
Leasehold land, buildings and improvements	Over the remaining lease periods ranging 3 to 99 years
Plant and equipment	1 to 15 years
Motor vehicles	5 to 10 years

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

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

Disposal

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

(f) Goodwill

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

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

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

On disposal of a subsidiary or a relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognized separately from goodwill. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

2 Summary of significant accounting policies (cont'd)

(g) Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and non-tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units ("CGU"), or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or 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 and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 (or CGU) in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

(h) Investment properties

Investment properties comprise completed properties and properties under construction held to earn rental and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise.

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

Transfers are made to or from investment properties when and only when there is a change in use. For a transfer from development property to investment property, the deemed costs of property for subsequent accounting is its fair value at the date of change in use with fair value gain or loss recognised in profit or loss. 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(e) up to the date of change in use.

(i) Development properties

Development properties comprise properties in the course of development and completed properties held for sale in the ordinary course of business.

Completed properties held for sale are stated at the lower of cost and estimated net realisable value. Cost is determined by apportionment of the total land cost and development costs capitalised attributable to properties. Net realisable value takes into account the estimated selling price, less cost to be incurred in marketing and selling, and the expected costs to completion, where appropriate.

Cost of development properties comprises costs that relate directly to the development, such as cost of land and construction and related costs that are attributable to development activities and can be allocated to the development project.

When losses are expected, full allowance are recognised as expenses immediately based on best estimates of net realisable value and estimated costs to completion.

Lands held for development and costs attributable to the development activities which are held for future development where no significant development has been undertaken is stated at cost less impairment loss (if any).

The Group's policy for revenue recognition in relation to development properties is described under "Revenue recognition" Note 2(n).

2 Summary of significant accounting policies (cont'd)

(i) Development properties (cont'd)

Costs attributable to the construction of showflat are capitalised as prepayment and disclosed under trade and other receivables when incurred and are recognised in the profit or loss in the period when the development properties are launched for sale.

(j) Inventories

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

Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Allowance is made where necessary for obsolete, slow-moving and defective inventories.

(k) Cash and cash equivalents

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

(l) Leases

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term on the same basis as the lease income.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of SFRS(I) 9, recognising an allowance for ECL on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is determined by obtaining interest rate from external financing sources and make certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

2 Summary of significant accounting policies (cont'd)

(l) Leases (cont'd)

The Group as lessee (cont'd)

- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the statement of profit or loss.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company has applied the amendment to SFRS(I) 16 *Leases: COVID-19-Related Rent Concessions*. The Company applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Company chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Company assesses whether there is a lease modification.

2 Summary of significant accounting policies (cont'd)

(m) 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.

(n) Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of goods
- Sale of residential properties
- Revenue from hotel operations
- Revenue from services rendered
- Rental income
- Interest income
- Dividend income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Sale of goods

The Group sells commodity trading products and polypropylene and polyethylene woven bags. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Under the Group's standard contract terms, customers do not have a right of return.

Sale of residential properties

The Group constructs and sells residential properties under long-term contracts with customers.

Under the terms of the contracts for sale of residential properties in Singapore, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Revenue is recognised based on the stage of completion of construction. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the estimated total construction costs of the development projects as approved by management. Management considers that this method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

For development properties whereby the Group has no enforceable right to payment until legal title has passed to the customer, revenue is recognised when the legal title has been transferred to the customer. The revenue is measured at the transaction price agreed under the contract. For development properties under construction, the Group becomes entitled to invoice customers for construction of residential properties based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work signed by a third party surveyor and an invoice for the related milestone payment. For completed development properties, the Group is entitled to invoice customers in accordance with the payment schedule in the sales contract.

If the value of the goods transferred exceed the milestone payments, a contract asset is recognised. If the milestone payment exceeds the revenue recognised to date, a contract liability is recognised.

When the period between the recognition of revenue and payment by the customer exceeds one year, an adjustment is made to the transaction price for the time value of money.

2 Summary of significant accounting policies (cont'd)

(n) Revenue recognition (cont'd)

Revenue from hotel operations

Revenue from operations of a hotel is recognised from the following major sources: hotel stays, valet parking services and sales of food and beverages.

Provision of hotel stays and valet parking services are recognised as performance obligations satisfied over time. Progress towards complete satisfaction of these performance obligations is measured based on the proportion of the total duration of stay that has elapsed at the end of the reporting period. Payment for hotel stays and valet parking services sold to corporates are due from the customer at the end of the duration of stay. Payment for such services sold to individual customers are due from the customer prior to the stay. A contract asset is recognised for time which has elapsed representing the Group's right to consideration for the services performed to date, except for short durations of service where the effect would be immaterial.

Revenue from sales of food and beverages are recognised when control of the goods has transferred, being at the point in time when the food and beverages are consumed. This is also the point where the Group is entitled to payment.

The Group sells hotel packages to customers. The hotel packages offer combined goods and services. These goods and services are considered distinct as they are regularly supplied by the Group to customers on a stand-alone basis. These are therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on their stand-alone selling prices. Payment of the transaction price is due immediately when the customer purchases the hotel package.

Revenue from services rendered

The Group provides services to lessees of its investment properties and property management services. Such services are recognised as a performance obligation satisfied over time. Revenue of recognised for these services based on the stage of completion of the contract. Management has assessed that the stage of completion is determined as the proportion of the total service period that has elapsed as at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under SFRS(I) 15. Payment for these services are due in accordance with payment schedules in the customer contract, on straight-line basis over the term of the contract.

Rental income

The Group's policy for recognition of revenue from operating leases is described above in Note 2(l).

Interest income

The Group's policy for recognition of interest income is described above in Note 2(d).

Dividend income

Dividends on investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(o) 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.

(p) 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.

(q) Employee benefits

Retirement benefit obligations

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognised any related restructuring costs.

2 Summary of significant accounting policies (cont'd)

(q) Employee benefits (cont'd)

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.

(r) Income tax

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

Current tax

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

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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 that are 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.

2 Summary of significant accounting policies (cont'd)

(s) Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(t) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. 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 profit or loss in the period in which they become receivable.

(u) 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

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

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:

Stage of completion for revenue recognition

The Group recognises contract revenue in Note 28 based on the stage of completion for the sale of development properties in Singapore where the Group has enforceable rights to payment for performance completed to date. The stage of completion is measured by reference to certifications of the value of work performed to date as compared to the total estimated construction costs of the development projects as approved by management.

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

The Group's revenue recognised based on the stage of completion are disclosed in Note 28 to the financial statements.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Allowance for diminution in value for development properties

Development properties in the course of development and completed properties are stated at lower of cost and estimated net realisable value, assessed on an individual property basis. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value of each property is subject to management judgement and the effect of assumptions in respect of development plans, timing of sale and the prevailing market conditions. Management performs cost studies for each property, taking into account the costs incurred to date, the development status and costs to complete each development property. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

During the year, a net write-back of allowance for diminution in value of $199,000 (2019 : write-back of allowance for diminution in value of $328,000) was made on Singapore development properties, taking into account with reference to actual and past sales of the respective properties and that of comparable properties, location and market conditions.

The carrying amounts of development properties and allowance for diminution in value are disclosed in Note 10.

Fair value measurement and valuation processes

The Group carries its hotel properties and investment properties at fair value based on independent professional valuations.

In determining fair values, the valuers have used valuation techniques (including direct comparison method, income method, income capitalisation method and discounted cash flow method) which involve certain estimates and significant unobservable inputs which are disclosed in Notes 12 and 14. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties. The income method capitalises an income stream into a present value using single-year capitalisation rates. Capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. Discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows. In 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 valuation reports are prepared in accordance with recognised appraisal and valuation standards, and have included a material valuation uncertainty clause, where applicable, due to the disruption to the market at that date caused by the COVID-19 outbreak. The inclusion of this clause indicates that there is substantially more uncertainty than normal and therefore a higher likelihood that the assumptions upon which the external valuers have based their valuations prove to be inaccurate. The carrying amounts of the Group's investment properties were current as at 31 December 2020 only and may change significantly after the balance sheet date as the future impact of the COVID-19 outbreak remains unknown.

Information relating to the valuation techniques and inputs used in determining the fair value of hotel properties and investment properties are disclosed in Notes 12 and 14 respectively to the financial statements.

Deferred tax liabilities arising from changes in the carrying amount of investment in Grand Hotel Group

The Group's interest in Grand Hotel Group ("GHG") is held by TSH Australia Holdings Pte Ltd ("TAHAUD"), a wholly-owned subsidiary of the Company, through Tuan Sing (Australia) Trust ("TSAT") and Tuan Sing Real Estate Trust ("TSRET"). GHG comprises of the Grand Hotel Trust ("GHT") and its controlled entities and Grand Hotel Company Pty Ltd ("GHC") and its controlled entities. The units in GHT are 'stapled' to the shares of GHC. GHT is not liable for tax under the Australian tax legislation provided the taxable income (including any assessable component of capital gains from sale of investment assets) is fully distributed to unit holders in each year.

TAHAUD is subject to income taxes in the Australian jurisdiction. The Group has estimated deferred tax liability arising from changes in the carrying amount of its investments in GHG amounting to A$33,121,000 (2019 : A$43,594,000) or equivalent to $33,446,000 (2019 : $40,882,000) (Note 23). 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.

Loss allowance for receivables and refundable trade deposit

Loss allowance for aged trade receivables and refundable trade deposit are based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including current creditworthiness, past collection history of each customer, ongoing dealings with them and forward-looking macro-economic information. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional loss allowance may be required.

The carrying amount of trade and other receivables are disclosed in Note 6 to the financial statements.

4 Segment information

Products and services from which reportable segments derive their revenue

For management purpose, the Group is organised into strategic business units based on their products and services. The Group's principal business operating units, during and at the end of the reporting period, are Property, Hotels Investment, Industrial Services and Other Investments. Accordingly, the Group's reportable operating segments under SFRS(I) 8 are as follows:

Segment	Principal activities
Property	Property development and investment and provision of construction management services in Singapore, Australia, China and Indonesia.
Hotels Investment	Investment in hotels in Melbourne and Perth, Australia, managed by hotel operators.
Industrial Services	Trading and marketing of industrial commodities, as well as manufacturing of polypropylene woven bags in Malaysia.
Other Investments	Investment in GulTech, a printed circuit boards manufacturer with plants in China.

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. 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[3]	Industrial Services	Other Investments[1]	Corporate and Others[2]	Inter-Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2020							
Revenue							
External revenue	126,818	32,454	37,365	–	180	–	196,817
Inter-segment revenue	3,131	374	–	–	21,120	(24,625)	–
	129,949	32,828	37,365	–	21,300	(24,625)	196,817
Results							
Profit before tax and fair value adjustments	20,548	(17,012)	1,584	24,732	(2,295)	(12,858)	14,699
Fair value adjustments	47,385	(2,308)	–	111	–	–	45,188
Profit before tax	67,933	(19,320)	1,584	24,843	(2,295)	(12,858)	59,887
Income tax expenses	(1,943)	496	(196)	–	287	–	(1,356)
Profit for the year	65,990	(18,824)	1,388	24,843	(2,008)	(12,858)	58,531
Profit attributable to:							
Owners of the Company	66,743	(18,824)	1,113	24,843	(2,008)	(12,858)	59,009
Non-controlling interests	(753)	–	275	–	–	–	(478)
Profit for the year	65,990	(18,824)	1,388	24,843	(2,008)	(12,858)	58,531

4 Segment information (cont'd)

Segment revenues and results (cont'd)

	Property[4]	Hotels Investment[3]	Industrial Services[4]	Other Investments[1]	Corporate and Others[2]	Inter-Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2019							
Revenue							
External revenue	107,879	101,238	101,390	–	182	–	310,689
Inter-segment revenue	1,144	522	–	–	20,736	(22,402)	–
	109,023	101,760	101,390	–	20,918	(22,402)	310,689
Results							
Profit before tax and fair value adjustments	(2,344)	3,867	3,051	21,832	4,509	(22,084)	8,831
Fair value adjustments	33,307	–	–	(100)	–	–	33,207
Profit before tax	30,963	3,867	3,051	21,732	4,509	(22,084)	42,038
Income tax expenses	(4,270)	(433)	(502)	–	(4,154)	–	(9,359)
Profit for the year	26,693	3,434	2,549	21,732	355	(22,084)	32,679
Profit attributable to:							
Owners of the Company	27,724	3,434	2,052	21,732	355	(22,084)	33,213
Non-controlling interests	(1,031)	–	497	–	–	–	(534)
Profit for the year	26,693	3,434	2,549	21,732	355	(22,084)	32,679

Notes:

1. No revenue is reported under "Other Investments" as the Group's investment in GulTech is equity accounted for.
2. "Corporate and Others" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at Group-level upon consolidation.
3. Results of GHG's commercial, retail and car park components, which are currently leased out to various tenants, are included in the Property Segment.
4. Comparative was adjusted for reclassification of a subsidiary from Property to Industrial segment to reflect actual segment it belongs.

4 Segment information (cont'd)

Segment assets, liabilities and other segment information

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others $'000	Consolidated $'000
31 December 2020						
Assets						
Segment assets	2,412,874	418,660	74,164	–	54,362	2,960,060
Deferred tax assets	–	1,641	80	–	–	1,721
Financial asset at fair value through other comprehensive income	29,343	–	–	–	–	29,343
Investments in equity accounted investees	15,115	–	–	137,432	–	152,547
Total assets	2,457,332	420,301	74,244	137,432	54,362	3,143,671
Liabilities						
Segment liabilities	(420,329)	(16,173)	(8,091)	(5,119)	(4,873)	(454,585)
Loans and borrowings	(1,185,442)	(215,716)	–	–	(63,795)	(1,464,953)
Income tax payable and deferred tax liabilities	(8,096)	(3,652)	(712)	–	(38,175)	(50,635)
Total liabilities	(1,613,867)	(235,541)	(8,803)	(5,119)	(106,843)	(1,970,173)
Net assets/ (liabilities)	843,465	184,760	65,441	132,313	(52,481)	1,173,498
Other information						
Capital expenditure	304	3,418	137	–	1,696	5,555
Depreciation of property, plant and equipment	405	7,781	232	–	781	9,199
Depreciation of right-of-use assets	8	45	28	–	–	81
Write back of allowance for diminution in value for development properties	199	–	–	–	–	199
Revaluation deficit on properties (in other comprehensive income)	–	27,263	–	–	–	27,263
Revaluation deficit on properties (in profit and loss)	–	2,308	–	–	–	2,308
Fair value gain on investment properties	47,385	–	–	–	–	47,385
Fair value gain on financial instruments	–	–	–	111	–	111

4 Segment information (cont'd)

Segment assets, liabilities and other segment information (cont'd)

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others $'000	Consolidated $'000
31 December 2019						
Assets						
Segment assets	2,290,605	420,215	74,507	–	41,189	2,826,516
Deferred tax assets	–	2,047	–	–	–	2,047
Financial asset at fair value through other comprehensive income	30,916	–	–	–	–	30,916
Investments in equity accounted investees	14,355	–	–	123,508	–	137,863
Total assets	2,335,876	422,262	74,507	123,508	41,189	2,997,342
Liabilities						
Segment liabilities	(77,384)	(17,928)	(3,509)	(5,023)	(8,140)	(111,984)
Loans and borrowings	(1,357,723)	(198,722)	(5,125)	–	(149,762)	(1,711,332)
Income tax payable and deferred tax liabilities	(7,550)	(189)	(633)	–	(46,581)	(54,953)
Total liabilities	(1,442,657)	(216,839)	(9,267)	(5,023)	(204,483)	(1,878,269)
Net assets/ (liabilities)	893,219	205,423	65,240	118,485	(163,294)	1,119,073
Other information						
Capital expenditure	686	3,643	110	–	2,664	7,103
Depreciation of property, plant and equipment	164	7,268	248	–	344	8,024
Depreciation of right-of-use assets	9	–	17	–	–	26
Write back of allowance for diminution in value for development properties	328	–	–	–	–	328
Write-back of recognised corporate guarantee no longer required	–	–	–	346	–	346
Revaluation gain on properties (in other comprehensive income)	–	4,292	–	–	–	4,292
Fair value gain on investment properties	33,307	–	–	–	–	33,307
Fair value loss on financial instruments	–	–	–	(100)	–	(100)

Note:
1. No capital expenditure and depreciation are reported under "Other Investments" as the Group's investment in GulTech is equity accounted for.

Geographical information

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

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers. Non-current assets other than the investment in equity accounted investees, deferred tax assets, financial asset at FVTOCI and trade and other receivables are based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2020 $'000	2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore	**135,878**	160,974	**1,160,183**	1,531,278
Australia	**48,477**	118,724	**667,879**	635,259
China	**3,930**	19,510	**27,617**	20,194
Malaysia	**7,932**	8,314	**4,336**	4,387
Indonesia	**600**	3,167	**197**	17
	196,817	310,689	**1,860,212**	2,191,135

4 Segment information (cont'd)

Other segment information

Included in the Group revenue of $196.8 million (2019 : $310.7 million) were sales of approximately $19.7 million (2019 : $77.1 million) to two customers from the Industrial Services segment that contributed 10% or more to the Group's revenue.

5 Cash and bank balances

	Group		Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Cash at banks and on hand	**127,607**	49,344	**20,498**	16,718
Fixed deposits	**117,587**	111,582	**29,690**	20,840
Amounts held under the Housing Developers (Project Account) Rules	**29,198**	11,348	**–**	–
	274,392	172,274	**50,188**	37,558
Cash and bank balances included in assets classified as held for sale (Note 11)	**4,801**	–	**–**	–
	279,193	172,274	**50,188**	37,558

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 0.03% to 1.9% per annum (2019 : 0.6% to 2.6% per annum) and for tenures ranging from 7 days to 1 year (2019 : 7 days to 2 years).

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

The carrying amounts of the cash and bank balances approximate their fair values at the end of the reporting period. Further details regarding the exposure to interest rate risk, contractual and effective interest rates and foreign currency denomination of the cash and bank balances are disclosed under Note 40 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	
	31 December 2020 $'000	31 December 2019 $'000
Cash and cash equivalents per consolidated statement of cash flows		
Cash and bank balances (as per statement of financial position)	**274,392**	172,274
Cash and bank balances included in assets classified as held for sale (Note 11)	**4,801**	–
	279,193	172,274
Encumbered fixed deposits and bank balances	**(80,795)**	(83,288)
	198,398	88,986

As at 31 December 2020, the Group had cash and cash equivalents placed with banks in China amounting to $83,816,000 (2019 : $78,815,000), the repatriation of which into Singapore is subject to the Foreign Exchange Control Regulations in China. Of this amount, $66,720,000 (2019 : $63,123,000) were fixed deposits ranging from 7 days to 6 months (2019 : 2 months to 2 years) and were classified as current on the basis that these deposits are used to secure a facility in Singapore which could be cancelled at short notice by the borrower and the sum of these deposits can be released without significant penalty and changes in value.

As at 31 December 2020, cash and bank balances amounting to $95,386,000 (2019 : $84,321,000) were pledged to banks to secure credit facilities.

6 Trade and other receivables

	Note	Group		Company	
		31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Trade					
Trade debtors		**16,456**	17,455	**–**	–
Less: Loss allowance		**(945)**	(748)	**–**	–
		15,511	16,707	**–**	–
Amounts due from related parties (a)	21	**15,629**	21,720	**–**	–
Less: non-current portion	21	**(2,915)**	(9,346)	**–**	–
Total trade receivables - current		**28,225**	29,081	**–**	–
Non-trade					
Deposits		**2,588**	952	**75**	73
Prepayments (b)		**5,235**	5,445	**298**	289
Grant receivable (c)		**446**	–	**138**	–
Interest receivables		**355**	722	**3**	14
Sundry debtors		**1,171**	3,379	**7**	37
Tax recoverable		**3,543**	16	**–**	–
		13,338	10,514	**521**	413
Less: Loss allowance		**(169)**	(126)	**(72)**	(72)
		13,169	10,388	**449**	341
Amount due from related parties	21	**14,413**	36,042	**57**	67
Amount due from joint venture	16	**20**	–	**–**	–
Less: Loss allowance	16	**(11)**	–	**–**	–
		27,591	46,430	**506**	408
Less: non-current portion	21	**–**	(5,087)	**–**	–
Total non-trade receivables - current		**27,591**	41,343	**506**	408
Total trade and other receivables - current		**55,816**	70,424	**506**	408
Total trade and other receivables - non-current		**2,915**	14,433	**–**	–

(a) Included in the carrying amount of amounts due from related parties – trade of the Group as at 31 December 2020 were unbilled revenue of $260,000 (2019 : $240,000) relating to rent-free period given to related party lessees.

(b) Included in the prepayment of the Group as at 31 December 2020 was cost of $989,000 (2019 : nil) attributable to the construction of showflat for development properties.

(c) Included in the grant receivable of the Group and the Company as at 31 December 2020 were Job Support Scheme ("JSS") payouts receivable of $375,000 and $138,000 respectively as part of the Singapore Government's measures to support business during the period of economic uncertainty impacted by COVID-19.

Analysis of trade receivables
Trade receivables are non-interest bearing and are generally on 7 to 180 days (2019 : 7 to 180 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.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

6 Trade and other receivables (cont'd)

Analysis of amounts due from related parties

Certain past due trade amounts due from related parties bear interest rates of 8% (2019 : 8%) per annum in accordance with the billing terms and the remaining are non-interest bearing. The trade amounts due from related parties are generally on 90 to 180 days (2019 : 90 to 180 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

For purpose of impairment assessment, the amounts due from related parties is considered to have low credit risk as the timing of payment is controlled by the ultimate holding company taking into account cash flow management within the ultimate holding company's group of companies and there has been no significant increase in the risk of default on the amounts due from related parties since initial recognition. Accordingly, for the purpose of impairment assessment for the amounts due from related parties, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the financial position of the related parties, adjusted for factors that are specific to the related parties and general economic conditions of the industry in which the related parties operate, in estimating the probability of default of the trade amounts due from related parties as well as the loss upon default. Management determines the trade amounts due from related parties are subject to immaterial credit loss.

The table below shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

	Lifetime ECL - credit-impaired $'000
Group	
Balance as at 1 January 2019	1,021
Amounts written off	(199)
Change in loss allowance due to new trade receivables originated	(53)
Exchange difference on consolidation	(21)
Balance as at 31 December 2019	748
Amounts written off	(451)
Change in loss allowance due to new trade receivables originated	602
Exchange difference on consolidation	46
Balance as at 31 December 2020	**945**

The following table shows the movement in ECL that has been recognised for other receivables:

	Lifetime ECL - credit-impaired $'000
Group	
Balance as at 1 January 2019	127
Exchange difference on consolidation	(1)
Balance as at 31 December 2019	126
Amounts written off	–
Change in loss allowance due to new trade receivables originated	52
Exchange difference on consolidation	2
Balance as at 31 December 2020	**180**
Company	
Balance as at 31 December 2019 and 31 December 2020	**(72)**

6 Trade and other receivables (cont'd)

The following is an aging analysis of trade receivables:

	Group	
	31 December 2020 $'000	**31 December 2019 $'000**
Not past due	**14,530**	10,978
< 3 months	**927**	8,988
3 months to 6 months	**121**	2,703
6 months to 12 months	**1,909**	11,228
> 12 months	**13,653**	4,530
	31,140	38,427

Details of collateral

As at 31 December 2020, trade and other receivables amounting to $12,221,000 (2019 : $11,989,000) included in the above balances were mortgaged to banks to secure certain credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

7 Contract assets

	Group	
	31 December 2020 $'000	**31 December 2019 $'000**
Sales contracts	**46,966**	29,974

Contract assets relate primarily to the Group's right to consideration for work completed but not billed at the reporting date in respect of its property development business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group invoices the customer.

The changes in contract assets are due to the differences between the agreed payment schedule and progress of the construction work.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the residential industry. None of the amounts due from customers at the end of the reporting period is past due. As there was no historical credit loss experience by the Group, the ECL is assessed by management to be insignificant.

8 Contract costs

	Group	
	31 December 2020 $'000	**31 December 2019 $'000**
Costs to obtain contracts	**2,855**	1,295

Costs to obtain contracts relate to commission and legal fees paid to intermediaries as a result of obtaining residential property sales contracts.

These costs are amortised over the period of construction. Amortisation amounting to $3,472,000 (2019 : $2,607,000) was recognised as part of the cost of sales recognised in profit or loss. There was no impairment loss in relation to the costs capitalised.

9 Inventories

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Raw materials	**737**	681
Work-in-progress	**788**	933
Finished goods	**621**	756
At cost	**2,146**	2,370

There was no allowance for inventory obsolescence recognised in profit or loss for the year ended 31 December 2020 and 31 December 2019.

Details of collateral
As at 31 December 2020, inventories amounting to $2,146,000 (2019 : $2,370,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

10 Development properties

	Group	
	31 December 2020 $'000	31 December 2019 $'000 (Restated)
Properties in the course of development	**283,042**	313,011
Land held for future development	**7,219**	6,844
	290,261	319,855
Completed properties held for sale	**13,554**	24,756
	303,815	344,611
The above comprises:		
Properties in the course of development in Singapore	**229,694**	262,103
Properties in the course of development in Indonesia	**53,348**	50,908
Land held for future development in China	**7,219**	6,844
Completed properties held for sale in Singapore	**13,173**	23,212
Completed properties held for sale in China	**381**	1,544
	303,815	344,611

There were two apartment units transferred to investment properties during the year due to change in use as these units were leased out to third parties. The carrying amount of these completed development properties of $1,544,000 were classified as property, plant and equipment in 2019 (Note 12) but should have remained and classified under development properties in 2019. Hence, the comparatives have been reclassified to what it should have been.

During the year, the Group has transferred properties amounting to $1,951,000 (2019 : $1,873,000) from development properties to investment properties (Note 14) due to change in use as these development properties were leased out to third parties.

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

For the year ended 31 December 2019, the completed properties held for sale in Singapore included a residential unit held on behalf of a related party (Party B) as the balance consideration for the acquisition of land in Batam which was completed on 7 June 2018 (Note 21). Such balance consideration was partially settled in cash through the sale of this unit during the year. Under the terms and conditions of the agreements, Party B will not hold the Group liable for any loss suffered should the Group fail to achieve the selling price stipulated in the agreement, provided that Party B has agreed to the relevant sale.

10 Development properties (cont'd)

Properties in the course of development and land held for future development or sale

	Group	
	31 December 2020 $'000	**31 December 2019 $'000**
Land cost	**265,534**	294,036
Development cost incurred to-date	**17,827**	24,291
Others	**14,119**	8,372
	297,480	326,699
Less: Allowance for diminution in value	**(7,219)**	(6,844)
	290,261	319,855

Completed properties held for sale

	Group	
	31 December 2020 $'000	**31 December 2019 $'000**
Completed properties, at cost	**14,053**	25,455
Less: Allowance for diminution in value	**(499)**	(699)
	13,554	24,756

Allowance for diminution in value

The allowance for diminution in value for development properties held for sale was estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on expected selling prices for the development project after taking into consideration of prevailing market conditions. During the year, a net write-back in allowance for diminution in value for development properties of $199,000 (2019 : $328,000) is included in "other operating expenses / cost of sales" in profit or loss (Note 32).

		Group	
	Note	**2020 $'000**	**2019 $'000**
Movements in allowance for diminution in value			
At 1 January		**(7,543)**	(8,051)
Exchange difference on consolidation		**(374)**	180
Allowance made during the year	32	**(13)**	(58)
Write-back during the year	32	**212**	386
At 31 December		**(7,718)**	(7,543)

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

Included in the development properties is a carrying amount of $7,219,000 (2019 : $6,844,000) relating to a land parcel acquired in 2009 in Fuzhou, China with an expired certificate for the construction site planning. The Group has applied to the relevant authorities for its renewal since 2013. According to the court judgement issued on 21 July 2020, it was affirmed that the legal title of the land belongs to the Group. The local authority attempted to compulsorily acquire the land and lost the case in two court hearings in 2019 and 2020. There is no further work on the land as it is pending resolution of certain development matters with the relevant government authorities.

An allowance of $7,219,000 (2019 : $6,844,000) was made based on management's best estimate on net realisable value of the development site.

Details of collateral

As at 31 December 2020, development properties amounting to $229,694,000 (2019 : $262,103,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

10 Development properties (cont'd)

List of development properties

As at 31 December 2020, the development properties held by the Group are as follows:

Name of property/ location	Description/ planned use	Held by	Tenure	Land area (sq. m)	Estimated gross floor area (sq m)	Year completed/ estimated completion	Group's effective equity interest
Properties in the course of development							
Kandis Residence, Jalan Kandis, Singapore	Condominium of 130 units (114 units booked/sold)	Dillenia Land Pte. Ltd.	99 years from 2016	7,046	10,850	2021	100%
Mont Botanik Residence, Jalan Remaja Singapore	Condominium of 108 units (77 units booked/sold)	Episcia Land Pte. Ltd.	Freehold	4,047	8,546	2022	100%
Peak Residence, 333 Thomson Road Singapore	Condominium of 90 units	TSRC Novena Pte. Ltd.	Freehold	5,331	8,209	2023	70%
Balmoral @ Opus Bay, Batam Land (I) Indonesia	Apartments of 559 units	PT Goodworth Investments	30 years from 2004	5,564	31,830	2025	90%
Cluny @ Opus Bay, Batam Land (I) Indonesia	Villas of 277 units	PT Goodworth Investments	30 years from 2004	186,886	76,716	2023 (Phase 1)	90%
Batam Land (I), Indonesia[(a)]	Proposed integrated mix-development	PT Goodworth Investments	30 years from 2004	657,299	*	*	90%
Batam Land (II), Indonesia	Proposed residential development	PT Titian Damai Mandiri	30 years from 2019	401,229	*	*	100%
Land held for future development							
Land in Jin-an District, Fuzhou Fujian Province, China	Residential	Fujian Ji'Xing Real Estate Development Co., Ltd	70 years from 1994	163,740	**	**	100%
Completed properties held for sale							
Lakeside Ville Phase III, Qingpu District, Shanghai China	172 units of apartments, townhouses and 8 units of commercial units (1 apartment unit left unsold)	Habitat Properties (Shanghai) Ltd	70 years from 1997	35,643	62,330	2010	100%
Sennett Residence, Pheng Geck Avenue Singapore	Condominium townhouses of 332 units and three shop units (330 units booked/sold)	Clerodendrum Land Pte. Ltd.	99 years from 2011	8,664	33,328	2016	100%

* Subject to relevant authorities' approval.
** Pending renewal of expired certificate for construction site planning.
(a) Excluding Balmoral @ Opus Bay and Cluny @ Opus Bay

11 Assets classified as held for sale

On 6 November 2020, Group's wholly-owned subsidiary, Robinson Point Limited ("RPL"), entered into a Sale and Purchase Agreement ("SPA") to dispose 100% of the issued shares in the capital of 39 Robinson Road Pte. Ltd. which owns Robinson Point, for a consideration of $500,000,000. The consideration is subject to adjustments based, *inter alia*, on the net asset value of 39 Robinson Road Pte. Ltd. as at the date of completion. The divestment is expected to complete in June 2021, subject to a number of conditions precedent. Deposits amounting to $50,000,000 were collected from the buyer and included in deposits received as at 31 December 2020 (Note 19). The operations are included in the Group's property segment for segment reporting purpose (Note 4).

The proceeds from the divestment are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these assets as held for sale.

The major classes of assets and liabilities comprising the disposal group classified as held for sale as at 31 December 2020 are as follows:

	2020 $'000
Cash and bank balances	**4,801**
Trade and other receivables	**1,142**
Investment property[1]	**405,000**
	410,943
Trade and other payables	**4,779**
Income tax payable	**1,006**
Bank loans[2]	**292,698**
	298,483
Net assets of disposed group	**112,460**

(1) For investment property held for sale valued by an independent valuer, the valuer has considered the comparison, income capitalisation and discounted cash flow approaches in arriving at the open market value as at the balance sheet date. In determining the fair value, the valuer used valuation techniques which involve certain estimates. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2020 and 2019 are disclosed in Note 14.

As at 31 December 2020, the investment property is mortgaged to a bank to secure credit facilities.

(2) The bank loan is repayable semi-annually by an amount equivalent to 50% of the rental income in excess of property maintenance expenses and property tax for the period. The bank loan bears annual interest rate based on a margin of 1.15% (2019 : 1.15%) per annum plus SWAP rate (2019 : SWAP).

The bank loan is secured by a first legal mortgage on the investment property.

12 Property, plant and equipment

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost or valuation:						
At 1 January 2020		**389,278**	**8,140**	**28,146**	**504**	**426,068**
Exchange differences on consolidation		**29,653**	**239**	**2,757**	**3**	**32,652**
Additions		**–**	**79**	**5,476**	**–**	**5,555**
Disposals		**–**	**–**	**(254)**	**–**	**(254)**
Write-offs		**–**	**–**	**(9,895)**	**–**	**(9,895)**
Revaluation		**(33,797)**	**–**	**–**	**–**	**(33,797)**
Reclassified to investment properties	14	**–**	**–**	**(2,285)**	**–**	**(2,285)**
At 31 December 2020		**385,134**	**8,458**	**23,945**	**507**	**418,044**
At 1 January 2019		402,688	7,201	29,382	526	439,797
Exchange differences on consolidation		(14,776)	(84)	(1,721)	(2)	(16,583)
Additions		269	–	6,834	–	7,103
Disposals		–	(71)	(60)	(17)	(148)
Write-offs		–	–	(4,091)	–	(4,091)
Revaluation		1,026	–	–	–	1,026
Reclassification		71	–	(68)	(3)	–
Transfer from development properties following change in use	10,45	–	2,638	–	–	2,638
Reclassified to investment properties	14	–	–	(2,130)	–	(2,130)
At 31 December 2019		389,278	9,684	28,146	504	427,612
Adjustment for transfer from development properties following change of use	45	–	(1,544)	–	–	(1,544)
At 31 December 2019 (restated)		389,278	8,140	28,146	504	426,068
Comprising						
At 31 December 2020		**809**	**8,458**	**23,945**	**507**	**33,719**
At cost		**384,325**	**–**	**–**	**–**	**384,325**
At valuation		**385,134**	**8,458**	**23,945**	**507**	**418,044**
At 31 December 2019 (restated):		809	8,140	28,146	504	37,599
At cost		388,469	–	–	–	388,469
At valuation		389,278	8,140	28,146	504	426,068
Accumulated depreciation:						
At 1 January 2020		**–**	**499**	**9,655**	**370**	**10,524**
Exchange differences on consolidation		**225**	**27**	**1,812**	**13**	**2,077**
Depreciation	32	**4,001**	**129**	**5,049**	**20**	**9,199**
Disposals		**–**	**–**	**(217)**	**–**	**(217)**
Write-offs		**–**	**–**	**(9,881)**	**–**	**(9,881)**
Revaluation		**(4,226)**	**–**	**–**	**–**	**(4,226)**
At 31 December 2020		**–**	**655**	**6,418**	**403**	**7,476**
At 1 January 2019		–	453	10,281	356	11,090
Exchange differences on consolidation		(38)	(13)	(1,091)	(2)	(1,144)
Depreciation	32	3,304	81	4,608	31	8,024
Disposals		–	(22)	(52)	(15)	(89)
Write-offs		–	–	(4,091)	–	(4,091)
Revaluation		(3,266)	–	–	–	(3,266)
At 31 December 2019		–	499	9,655	370	10,524

12 Property, plant and equipment (cont'd)

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group (cont'd)						
Accumulated impairment:						
At 1 January 2020		**–**	**2,832**	**–**	**–**	**2,832**
Exchange differences on consolidation		**–**	**146**	**–**	**–**	**146**
At 31 December 2020		**–**	**2,978**	**–**	**–**	**2,978**
At 1 January 2019		–	2,902	–	–	2,902
Exchange differences on consolidation		–	(70)	–	–	(70)
At 31 December 2019		–	2,832	–	–	2,832
Carrying amount:						
At 31 December 2020		**385,134**	**4,825**	**17,527**	**104**	**407,590**
At 31 December 2019 (restated)		389,278	4,809	18,491	134	412,712

	Plant and equipment $'000
Company	
Cost:	
At 1 January 2020	**2,780**
Additions	**1,493**
Disposals	**(4)**
Write-offs	**(14)**
At 31 December 2020	**4,255**
At 1 January 2019	117
Additions	2,663
At 31 December 2019	2,780
Accumulated depreciation:	
At 1 January 2020	**394**
Depreciation	**781**
Disposals	**(4)**
Write-offs	**(7)**
At 31 December 2020	**1,164**
At 1 January 2019	50
Depreciation	344
At 31 December 2019	394
Carrying amount:	
At 31 December 2020	**3,091**
At 31 December 2019	2,386

Included in building and freehold land is freehold land with a carrying amount of $207,535,000 (2019 : $209,773,000) which is not subject to depreciation.

The Group reviews the carrying amounts of its property, plant and equipment at the end of each reporting period to determine whether there is any indication that those assets have suffered impairment loss. No impairment loss was made in 2020 and 2019 as a result of such assessment.

12 Property, plant and equipment (cont'd)

Details of collateral

As at 31 December 2020, property, plant and equipment amounting to $401,964,000 (2019 : $407,942,000) included in the above balances were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

Fair value measurement of hotel properties

The Group's hotel properties (including freehold land and buildings) are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulative depreciation and subsequent accumulative impairment loss. The fair value measurement is based on the valuation carried out by independent valuers, who have appropriate qualification and recent experience in the fair value measurement of the properties in the relevant locations. The valuation conforms to International Valuation Standards.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2020 and 2019, the fair value measurement of the Group's hotel properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

Based on the valuation, revaluation loss amounting to $27,263,000 (2019 : revaluation gain amounting to $4,292,000) was recognised in other comprehensive income (Note 35). The revaluation loss is charged against related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of the same property. Revaluation loss of $2,308,000 which exceeded the balance accumulated in the revaluation reserve of the same property was recognised in profit or loss during the year (Note 31).

As at 31 December 2020, had freehold land and building been carried at historical cost, their aggregate carrying amount would have been approximately $328,841,000 (2019 : $308,416,000) for the Group.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2020 and 2019 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2020			
Grand Hyatt Melbourne	Capitalisation Approach	Capitalisation rate[1]	4.75%
121-131 Collins Street Melbourne, Victoria[a]	Discounted Cash Flow Method	Discount rate[1]	5.5% - 6.5%
		Terminal yield rate[1]	4.5% - 5.5%
Hyatt Regency Perth	Capitalisation Approach	Capitalisation rate[1]	5.0%
87-123 Adelaide Terrace East Perth Western Australia[a]	Discounted Cash Flow Method	Discount rate[1]	5.5% - 7.5%
		Terminal yield rate[1]	4.25% - 6.25%
2019			
Grand Hyatt Melbourne	Direct Comparison	Value per room	$260,400 - $465,300
121-131 Collins Street	Capitalisation Approach	Capitalisation rate[1]	5.25%
Melbourne, Victoria[b]	Discounted Cash Flow Method	Discount rate[1]	7.25% - 8.25%
		Terminal yield rate[1]	4.75% - 5.75%
Hyatt Regency Perth	Direct Comparison	Value per room	$150,500 - $433,300
87-123 Adelaide Terrace	Capitalisation Approach	Capitalisation rate[1]	5.00%
East Perth Western Australia[b]	Discounted Cash Flow Method	Discount rate[1]	7.25% - 8.25%
		Terminal yield rate[1]	4.75% - 5.75%

(1) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.
(a) The property valuation was performed by CBRE Valuation Pty Limited.
(b) The property valuation was performed by Jones Lang LaSalle Advisory Services Pty Ltd.

12 Property, plant and equipment (cont'd)

List of hotel properties

The carrying amount of the Group's hotel properties as at 31 December 2020 and 2019 included in property, plant and equipment are set out below. The non-hotel properties within the complexes are accounted for under investment properties (Note 14).

Name of Property	Description	Tenure	Land area (sq. m)	Group's effective equity interest	31 December 2020 A$'000[1]	31 December 2019 A$'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
Australia								
Grand Hyatt Melbourne Australia	Located at the "Paris end" of Collins Street and its intersection with Russell Street. The Property is of 34 levels featuring one of Melbourne's largest 5-star hotels, complete with retail/commercial space. The carrying value of the retail/commercial space has been disclosed as investment property (Note 14).	Freehold	5,776	100%	347,000	379,500	350,401	355,895
Hyatt Regency Perth Australia	By Swan River and within walking distance from the central business district. The Property is an integrated 5-star hotel, office, retail and parking complex. The hotel is built over 9 levels. The carrying value of the office, retail and parking complex has been disclosed as investment property (Note 14).	Freehold	22,754	100%	45,000	49,000	45,441	45,952
					392,000	428,500	395,842	401,847

[1] Figures in A$ are for information.

13 Leases (Group as a lessee)

The Group leases several assets including office premises, accommodation for staff, office equipment and motor vehicles. The leases have varying terms and renewal rights. The average lease term is between 3 to 84 years (2019 : 0.5 to 84 years) and rentals are generally fixed for the same periods.

The Group does not have the option to purchase the leased assets for a nominal amount at the end of the lease term.

Right-of-use assets

	Note	Leasehold land $'000	Leasehold building $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost:						
At 1 January 2020		**219**	**22**	**86**	**25**	**352**
Additions		**–**	**63**	**40**	**–**	**103**
Disposals		**–**	**(22)**	**(6)**	**–**	**(28)**
Exchange differences on consolidation		**–**	**–**	**5**	**2**	**7**
At 31 December 2020		**219**	**63**	**125**	**27**	**434**
At 1 January 2019		219	23	19	–	261
Additions		–	4	67	25	96
Disposals		–	(4)	–	–	(4)
Exchange differences on consolidation		–	(1)	–	–	(1)
At 31 December 2019		219	22	86	25	352

13 Leases (Group as a lessee) (cont'd)

Right-of-use assets (cont'd)

	Note	Leasehold land $'000	Leasehold building $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group (cont'd)						
Accumulated depreciation:						
At 1 January 2020		**83**	**11**	**8**	**–**	**102**
Depreciation	32	**3**	**19**	**33**	**26**	**81**
Disposals		**–**	**(14)**	**(4)**	**–**	**(18)**
Exchange differences on consolidation		**–**	**–**	**2**	**1**	**3**
At 31 December 2020		**86**	**16**	**39**	**27**	**168**
At 1 January 2019		80	–	–	–	80
Depreciation		3	15	8	–	26
Disposals		–	(4)	–	–	(4)
At 31 December 2019		83	11	8	–	102
Carrying amount:						
At 31 December 2020		**133**	**47**	**86**	**–**	**266**
At 31 December 2019		136	11	78	25	250

The Company leases office premises and office equipment. The average lease term is between 14 months to 5.7 years (2019 : average lease term was 14 months) and rentals are fixed for the same periods. The Company does not have the option to purchase the leased assets for a nominal amount at the end of the lease term.

	Leasehold building $'000	Plant and equipment $'000	Total $'000
Company			
Cost:			
At 1 January 2020	**1,060**	**–**	**1,060**
Additions	**11,425**	**39**	**11,464**
As at 31 December 2020	**12,485**	**39**	**12,524**
Accumulated depreciation:			
At 1 January 2020	**–**	**–**	**–**
Depreciation	**2,961**	**6**	**2,967**
At 31 December 2020	**2,961**	**6**	**2,967**
Carrying amount:			
At 31 December 2020	**9,524**	**33**	**9,557**
At 31 December 2019	1,060	–	1,060

13 Leases (Group as a lessee) (cont'd)

Lease liabilities

	Group	
	2020	2019
	$'000	$'000
Amounts due for settlement within 12 months (shown under current liabilities)	**54**	63
Amounts due for settlement after 12 months	**84**	52
	138	115
Maturity analysis:		
Not later than 1 year	**54**	63
Later than 1 year and not later than 5 years	**84**	52
	138	115

	Company	
	2020	2019
	$'000	$'000
Amounts due for settlement within 12 months (shown under current liabilities)	**1,940**	907
Amounts due for settlement after 12 months	**7,533**	153
	9,473	1,060
Maturity analysis:		
Not later than 1 year	**1,940**	907
Later than 1 year and not later than 5 years	**7,533**	153
	9,473	1,060

The Group and the Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

At 31 December 2020, the Group and the Company are committed to $22,000 and $8,000 respectively for short-term leases. As at 31 December 2019, the Group was committed to $284,000 for short term leases. The Company did not have any short term leases commitment as at 31 December 2019.

None of the leases in which the Group or the Company is the lessee contain variable lease payment terms. The total cash outflow for leases of the Group and the Company amounted to $82,000 and $3,091,000 respectively (2019 : $25,000 and nil) during the year.

14 Investment properties

	Note	Completed investment properties $'000
Group		
At 1 January 2020		**1,778,168**
Exchange differences on consolidation		**19,282**
Additions		**8,280**
Net gain from fair value adjustments	31	**47,385**
Property transferred from development properties following change in use	10	**1,951**
Property reclassified from property, plant and equipment	12	**2,285**
Classified as held for sale	11	**(405,000)**
At 31 December 2020		**1,452,351**
At 1 January 2019		1,742,662
Exchange differences on consolidation		(8,724)
Additions		6,920
Net gain from fair value adjustments	31	33,307
Property transferred from development properties following change in use	10	1,873
Property reclassified from property, plant and equipment	12	2,130
At 31 December 2019		1,778,168

14 Investment properties (cont'd)

	Note	Completed investment properties $'000
Company		
At 31 December 2020		**498**
At 31 December 2019		498

	Group 2020 $'000	Group 2019 $'000
Represented by:		
Completed investment properties in Singapore	**1,160,910**	1,532,690
Completed investment properties in Australia	**270,021**	231,468
Completed investment properties in China	**21,420**	14,010
	1,452,351	1,778,168

Fair value adjustments
The Group's investment properties are stated at fair value as at 31 December 2020 and 2019, based on valuation carried out by independent professional valuers, who have the appropriate qualification and experience in the location and category of the properties being valued. Based on these valuations, a net fair value gain amounting to $47,385,000 (2019 : $33,307,000) was recognised in profit or loss (Note 31).

In estimating the fair value of the investment properties, the highest and best use of the properties is their current use. The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2020 and 2019, the fair value measurement of the Group's investment properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2020 and 2019 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2020			
Singapore			
Robinson Point[(a)] (classified as assets held for sale) 39 Robinson Road Singapore	Comparison Method	Price per square metre of lettable area[(1)]	$17,000 - $37,900
	Income Capitalisation Method	Net income margin*[(1)] Capitalisation rate[(2)]	78% 2.6%
	Discounted Cash Flow Method	Discount rate[(2)] Terminal yield rate[(2)]	6% 2.85%
The Oxley[(a)] 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Comparison Method	Price per square metre of strata floor area[(1)]	$19,500 - $35,600
	Income Method	Net income margin*[(1)] Capitalisation rate[(2)]	80% - 85% 3%
L&Y Building[(b)] #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	$6,600 - $9,100
Far East Finance Building[(c)] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	$28,000 - $35,000

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2020 (cont'd)			
Singapore (cont'd)			
Link@896[c] 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	Office: $16,000 - $18,800 Retail: $19,600 - $52,700
	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	67% - 74% 3.5%
18 Robinson[c] 18 Robinson Road Singapore	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	67% - 76% 3.1%
	Discounted Cash Flow Method	Discount rate [2] Terminal yield rate[2]	6.25% - 6.75% 3.1% - 3.6%
	Direct Comparison Method	Price per square metre of lettable area[1]	$23,200 - $40,300
Shop unit #01-30 & #01-32 within Sennett Residence[d] 39 Pheng Geck Avenue Singapore	Comparison Method	Price per square metre of strata floor area[1]	$19,600 - $23,400
Australia			
Commercial Centre & Carpark (being part of the Hyatt Regency complex)[e]	Capitalisation Method	Capitalisation rate[2]	8%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	7.5% 8%
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex[e]	Capitalisation Method	Capitalisation rate[2]	Retail: 5% Carpark: 5%
	Discounted Cash Flow Method	Discount rate[2]	Retail: 6.5% Carpark: 7%
		Terminal yield rate[2]	Retail: 5.25% Carpark: 5.25%
25 George Parade Melbourne[f]	Capitalisation Method	Capitalisation rate[2]	3%
	Comparison Method	Land value rate[1] Building value rate[1]	$27,700 - $30,300 $32,800 - $33,900
China			
No. 2950 ChunShen Road Shanghai, China[g]	Comparison Method	Price per square metre of gross floor area[1]	$6,100 - $7,700
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	7.0% 5.0%
6 shop units and basement commercial spaces within Lakeside Ville Phase III, Qingpu District, Shanghai, China[g]	Comparison Method	Price per square metre of gross floor area[1]	Aboveground: $6,600 - $7,700 Basement: $1,100 - $1,400
	Discounted Cash Flow Method	Discount rate[2]	Aboveground: 6.5% Basement: 6.5%
		Terminal yield rate[2]	Aboveground: 4.5% Basement: 4.5%

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2020 (cont'd)			
China (cont'd)			
Underground Carpark at Lane 558, Baochun Road, Minhang District, Shanghai, China [(g)]	Comparison Method	Sale price per car park lot	S$57,100 - S$61,200
Unit #201 No. 363 Lakeside Ville Phase III, Qingpu District, Shanghai, China[(h)]	Comparison Method	Price per square metre of gross floor area[(1)]	$10,000 - $12,200
Unit #1102 No. 391 Lakeside Ville Phase III, Qingpu District, Shanghai, China[(h)]	Comparison Method	Price per square metre of gross floor area[(1)]	$9,500 - $12,200
2019			
Singapore			
Robinson Point[(a)] 39 Robinson Road Singapore	Comparison Method	Price per square metre of lettable area[(1)]	$26,200 - $30,900
	Income Method	Net income margin*[(1)] Capitalisation rate[(2)]	75% to 85% 3.0% to 3.5%
The Oxley[(a)] 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Comparison Method	Price per square metre of strata floor area[(1)]	$22,500 - $35,600
	Income Method	Net income margin*[(1)] Capitalisation rate[(2)]	70% to 80% 3.0% to 3.5%
L&Y Building[(b)] #01-03, #01-04, #05-01 59 Jalan Pemimpin, Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	$6,300 - $7,500 $6,400 - $7,500 (ground floor)
Far East Finance Building[(c)] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	$9,700 - $35,600
Link@896[(c)] 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	Retail: $27,000 - $37,700 Office: $13,000 - $20,400
18 Robinson[(c)] 18 Robinson Road Singapore	Income Capitalisation Method	Net income margin*[(1)] Capitalisation rate[(2)]	77% 3.1%
	Discounted Cash Flow Method	Discount rate[(2)] Terminal yield rate[(2)]	6.5% 3.35%
	Direct Comparison Method	Price per square metre of lettable area[(1)]	$23,600 - $30,900
Australia			
Commercial Centre & Carpark (being part of the Hyatt Regency complex)[(e)]	Capitalisation Method	Capitalisation rate[(2)]	7.75%
	Discounted Cash Flow Method	Discount rate[(2)] Terminal yield rate[(2)]	8.00% - 8.50% 7.75% - 8.25%

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2019 (cont'd)			
Australia (cont'd)			
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex[e]	Capitalisation Method	Capitalisation rate[2]	Retail: 5.00% Carpark: 5.25%
	Discounted Cash Flow Method	Discount rate[2]	Retail: 6.00% - 6.50% Carpark: 6.50% - 7.00%
		Terminal yield rate[2]	Retail: 5.25% - 5.75% Carpark: 5.25% - 5.75%
China			
No. 2950 ChunShen Road Shanghai, China[g]	Direct Comparison Method	Price per square metre of gross floor area[1]	$3,000 - $3,800
	Income Method	Capitalisation rate[2] Net income margin*[1]	6.00% 80%
6 shop units and basement commercial spaces within Lakeside Ville Phase III, Qingpu District, Shanghai, China[g]	Direct Comparison Method	Price per square metre of gross floor area[1]	$5,800 - $6,500 $880 - $1,270 (basement)
	Income Method	Capitalisation rate[2] Net income margin*[1]	6.00% 75% - 80%
Underground Carpark at Lane 558, Baochun Road, Minhang District, Shanghai, China[g]	Direct Comparison Method	Sale price per car park lot	$47,300 - $49,510

Notes:

- * Net income margin = net property income/annual gross rental income.
- \# Total development cost includes construction cost, professional fees, interest cost, land holding cost and other development related cost.
- (1) Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.
- (2) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.
- (a) The property valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd for both years.
- (b) The property valuation was performed by Savills Valuation and Professional Services (S) Pte Ltd. The 2019 valuation was performed by Jones Lang LaSalle Property Consultants Pte Ltd.
- (c) The property valuation was performed by Savills Valuation and Professional Services (S) Pte Ltd for both years.
- (d) The property valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd. Following the change in use of the leasehold properties which were previously held for sale in Singapore, there has been a transfer of leasehold properties from development properties (Note 10) to investment properties during the year.
- (e) The property valuation was performed by CBRE Valuations Pty Limited. The 2019 valuation was performed by Jones Lang LaSalle Advisory Services Pty Ltd.
- (f) The property valuation was performed by CBRE Valuations Pty Limited. The site was acquired in December 2020.
- (g) The property valuation was performed by Beijing Colliers International Real Estate Valuation Co., Ltd. The 2019 valuation was performed by Shanghai Orient Real Estate Appraisal Co. Ltd.
- (h) The property valuation was performed by Beijing Colliers International Real Estate Valuation Co., Ltd. Following the change in use of the leasehold properties which were previously held for sale in China, there has been a transfer of leasehold properties from development properties (Note 10) to investment properties during the year.

Operating lease disclosure

During the year, rental income from the Group's investment properties which were all leased under operating leases amounted to $50,186,000 (2019 : $41,033,000) (Note 28). Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $13,383,000 (2019 : $13,357,000). Information on operating lease commitments is disclosed in Note 38 to the financial statements.

Details of collateral

As at 31 December 2020, investment properties amounting to $1,429,341,000 (2019 : $1,764,158,000) included in the above balances were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

14 Investment properties (cont'd)

List of completed investment properties

The carrying amounts of completed investment properties held by the Group as at 31 December 2020 and 2019 are as follows:

Name of property	Description	Tenure	Estimated lettable area (sq. m)	Group's effective equity interest	31 December 2020 $'000	31 December 2019 $'000
Singapore						
Robinson Point[a] 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	12,477	100%	–	374,400
18 Robinson 18 Robinson Road Singapore	A 28-storey commercial building comprising office tower, retail podium, sky terrace and an automated guided vehicular car parking system	999-years from 1884 & 1885 (Lots 167X, 616W, 691X, 99280A, 99287W and 99289P) 99-years from 2013 (Lots 485M, 488P)	17,786	100%	**681,500**	681,500
The Oxley 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	3 floors of commercial space within a 10-storey building including residential units	Freehold	2,557	100%	**65,000**	64,700
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	3 out of a total of 24 strata units of a 5-storey industrial building	999 years from 1885	2,100	100%	**14,820**	14,090
Far East Finance Building #11-01/02 14 Robinson Road Singapore	1 strata unit (floor) within a 13-storey commercial building and a basement	999 years from 1884	284	100%	**10,000**	10,000
Link@896 896 Dunearn Road Singapore	A 5-storey commercial building comprising retail and office units	Estate in Fee Simple (Lot 1182K), Estate in Fee Simple and 999 years from 7 May 1879 (Lot 1185L), Estate in Perpetuity (Lot 99907P), 999 years from 7 May 1879 (Lot 99891X)	17,973	100%	**388,000**	388,000
Sennett Residence 39 Pheng Geck Avenue Singapore	2 Shop Units (#01-30 & #01-32)	99 years from 2011	61	100%	**1,590**	–
					1,160,910	1,532,690
Asset classified as held for sale:						
Robinson Point[a] 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	12,477	100%	**405,000**	–
					1,565,910	1,532,690

[a] The carrying amount of Robinson Point has been classified as asset held for sale as at 31 December 2020 (Note 11).

14 Investment properties (cont'd)

List of completed investment properties (cont'd)

Name of property	Description	Tenure	Estimated lettable area (sq. m)	Group's effective equity interest	31 December 2020 A$'000[1]	31 December 2019 A$'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
Australia								
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex	4 Collins St. retail shops consisting of 2 floors each, a bar & function room. A further 7 retail areas in and around Russell St. with 4-levels of basement car park	Freehold	3,024	100%	**161,000**	155,400	**162,578**	145,734
Commercial Centre & Carpark (being part of the Perth Hyatt Regency complex)	A 3-level commercial building and plaza level shops and suites with 2-levels of basement car park	Freehold	19,064	100%	**101,800**	91,420	**102,798**	85,734
25 George Parade Melbourne	A single storey commercial building	Freehold	135	100%	**4,600**	–	**4,645**	–
					267,400	246,820	**270,021**	231,468

Name of property	Description	Tenure	Estimated lettable/ gross floor area (sq. m)	Group's effective equity interest	31 December 2020 RMB'000[1]	31 December 2019 RMB'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
China								
No. 2950 Chun Shen Road Shanghai, China	A 3-storey commercial building	58 years from 2008	2,170	100%	**33,100**	31,960	**6,752**	6,181
Lakeside Ville Phase III, Qingpu district Shanghai, China	6 shop units and basement commercial spaces	70 years from 1997	3,896	100%	**26,800**	26,730	**5,467**	5,170
Lane 558, Baochun Road, Minhang district, Shanghai, China	Underground carpark	61 years from 2005	2,403	100%	**13,900**	13,750	**2,836**	2,659
No. 363 Lakeside Ville Phase III, Qingpu district Shanghai, China	Unsold unit no. 201	70 years from 1997	200	100%	**11,000**	–	**2,244**	–
No. 391 Lakeside Ville Phase III, Qingpu district Shanghai, China	Unsold unit no. 1102	70 years from 1997	434	100%	**20,200**	–	**4,121**	–
					105,000	72,440	**21,420**	14,010

[1] Figures in A$ and RMB are for information only.

15 Investments in subsidiaries

	Company	
	31 December 2020 $'000	**31 December 2019 $'000 (Restated)**
Quoted shares, at cost	**115,976**	115,976
Unquoted shares, at cost	**585,139**	585,027
Loan to a subsidiary	**80,000**	80,000
Deemed investment arising from financial guarantees	**95,892**	94,463
	877,007	875,466
Less: Allowance for impairment	**(121,084)**	(116,182)
	755,923	759,284
Fair value of investment in a subsidiary for which there are published price quotations	**13,932**	14,214

Details of the Company's significant subsidiaries are disclosed in Note 41 to the financial statements.

Financial guarantees
The Company provided guarantees to banks for credit facilities obtained by certain of its subsidiaries and recorded a deemed financial guarantee fee income in accordance with SFRS(I) 9 *Financial Instruments: Recognition and Measurement*. The deemed income is amortised over the period of the guarantees. The unamortised financial guarantee fee of $14,876,000 (2019 : $22,730,000) is disclosed under the Company's non-trade payables in Note 19 to the financial statements. The guarantee fee was not charged by the Company to the subsidiaries. The full amount of the guarantee fee is deemed to be additional investment in subsidiaries.

Movements in allowance for impairment

	Company	
	2020 $'000	**2019 $'000**
Allowance for impairment		
At 1 January	**(116,182)**	(119,284)
Allowance for impairment	**(5,007)**	(873)
Reversal of impairment	**105**	3,975
	(4,902)	3,102
At 31 December	**(121,084)**	(116,182)

During the year, impairment loss amounting to $5,007,000 (2019 : $873,000) was made in respect of the Company's investment in certain subsidiaries to reduce the carrying value of investment to the recoverable amounts after taking into account the current financial position of the subsidiaries. In addition, there was a reversal of impairment amounting to $105,000 (2019 : $3,975,000) in relation to certain subsidiaries due to increase in their recoverable amounts.

Loan to a subsidiary
Loan to a subsidiary refers to unsecured advances which have no fixed terms of repayment and are not expected to be repaid in the next 12 months. These advances bear interest rate at 4.1% per annum (2019 : 6.1% per annum).

15 Investments in subsidiaries (cont'd)

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the Group as at 31 December 2020 and 2019 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiaries	
		2020	**2019**
Property development, property investment and provision of construction management services	Singapore, China, Australia and Indonesia	**38**	36
Investment in hotels in Australia	Australia	**4**	4
Investment holding: Owning investments in GulTech, a printed circuit boards manufacturer with operations in Singapore and China, and Pan-West, a Retailer of golf-related products	Singapore, China and Malaysia	**3**	3
Administration of loyalty programme	Singapore	**1**	–
Manufacture and sale of polypropylene woven bags	Malaysia	**1**[(a)]	–
		47	43

Non-wholly owned subsidiaries

Information about the composition of non-wholly owned subsidiaries of the Group as at 31 December 2020 and 2019 is as follows:

Principal activity	Country of incorporation and operation	Number of non-wholly owned subsidiaries	
		2020	**2019**
Trading and marketing of selected industrial commodities	Singapore, Malaysia, Hong Kong	**10**	10
Property development	Singapore, Indonesia	**8**	5
Manufacture and sale of polypropylene woven bags	Malaysia	**–**[(a)]	1
		18	16

(a) On 10 September 2020, the Group completed the acquisition of the remaining 2.1% equity interest in Hypak Sdn. Bhd ("Hypak"). Following the acquisition, Hypak is now a wholly-owned subsidiary of the Group. The effects of acquiring the non-controlling interests have been recognised directly in the statement of changes in equity.

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group is disclosed below:

Name of subsidiary	Country of incorporation and principal place of business	Effective equity interest & voting power held by non-controlling interests		Net profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2020	**2019**	**2020**	**2019**	**2020**	**2019**
				$'000	**$'000**	**$'000**	**$'000**
SP Corporation Limited and its subsidiaries	Various	**19.8%**	19.8%	**276**	496	**11,239**	11,043
TSRC Novena Pte. Ltd.	Singapore	**30%**	30%	**(652)**	(929)	**(1,335)**	(684)
Goodworth Investment Pte Ltd, Splendourland Pte Ltd, PT Goodworth Investments	Singapore & Indonesia	**10%**	10%	**(133)**	(98)	**3,134**	3,278
Individually immaterial subsidiaries with non-controlling interests	Various			**31**	(3)	**393**	473
				(478)	(534)	**13,431**	14,110

15 Investments in subsidiaries (cont'd)

Non-wholly owned subsidiaries (cont'd)

The summarised financial information of SP Corporation Limited and its subsidiaries on a 100% basis is set out below:

	2020 $'000	2019 $'000
Current assets	**60,945**	54,711
Non-current assets	**3,614**	9,467
Current liabilities	**(7,267)**	(8,378)
Non-current liabilities	**(558)**	(54)
Equity attributable to owners	**56,734**	55,746
Revenue for the year	**29,432**	93,076
Expenses for the year	**(28,037)**	(90,573)
Net profit for the year	**1,395**	2,503
Other comprehensive income for the year	**(407)**	(200)
Total comprehensive income for the year	**988**	2,303
Net cash inflow / (outflow) from operating activities	**11,948**	(9,523)
Net cash inflow from investing activities	**21,476**	19
Net cash (outflow) / inflow from financing activities	**(5,047)**	5,157
Net cash inflow / (outflow) for the year	**28,377**	(4,347)

16 Investments in equity accounted investees

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Unquoted equity shares, at cost	**87,132**	87,127
Exchange differences on consolidation	**(120)**	2,034
Share of post-acquisition results and reserves, net of dividends and distributions received	**65,535**	48,702
	152,547	137,863

Equity accounted investees

Associates

The Group equity accounted for Gul Technologies Singapore Pte Ltd ("GulTech"), Pan-West (Private) Limited ("Pan-West") and Sanya Summer Real Estate Co. Ltd ("SSRE"). Details of the Group's significant associates are disclosed in Note 42 to the financial statements.

The Group's share of net assets and total comprehensive income of its associates is set out below:

	Note	Group	
		2020 $'000	2019 $'000
Share of net assets			
At 1 January		**137,863**	117,914
Exchange differences on consolidation		**(1,720)**	(1,512)
Share of total comprehensive income (refer to below)		**25,756**	21,461
Dividends		**(9,352)**	–
At 31 December		**152,547**	137,863
Share of total comprehensive income			
Share of results before fair value adjustments		**25,645**	21,561
Share of fair value gain / (loss) on financial instruments	31	**111**	(100)
Share of total comprehensive income for the year		**25,756**	21,461

Details of asset revaluation reserve and cash flow hedging account are disclosed in Note 26 to the financial statements. Share of capital commitments is disclosed in Note 38 to the financial statements.

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)
Associates (cont'd)
GulTech
The summarised financial information of GulTech on a 100% basis is set out below:

	31 December 2020 US$'000[1]	31 December 2019 US$'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
Current assets	**218,401**	219,867	**291,172**	298,096
Non-current assets	**148,630**	134,493	**198,153**	182,345
Current liabilities	**(133,501)**	(147,404)	**(177,984)**	(199,850)
Non-current liabilities	**(1,774)**	(2,154)	**(2,366)**	(2,921)
Equity attributable to owners	**231,756**	204,802	**308,975**	277,670
Revenue for the year	**361,501**	316,261	**498,980**	431,506
Net profit for the year	**41,993**	35,524	**57,963**	48,469

[1] Figures in US$ are for information.

SSRE
The summarised financial information of Sanya Summer Real Estate on a 100% basis is set out below:

	31 December 2020 RMB'000[1]	31 December 2019 RMB'000[1]	31 December 2020 S$'000	31 December 2019 S$'000
Current assets	**949,307**	769,452	**193,659**	148,812
Non-current assets	**361**	521	**74**	101
Current liabilities	**(142,963)**	(100,759)	**(29,165)**	(19,487)
Non-current liabilities	**(245,176)**	(105,988)	**(50,016)**	(20,498)
Equity attributable to owners	**561,529**	563,226	**114,552**	108,928
Net loss for the year	**(1,697)**	(6,284)	**(339)**	(1,242)

[1] Figures in RMB are for information.

Pan-West
The Group had recognised its share of losses of $4,998,000 (2019 : $4,998,000) (Note 19) being the corporate guarantees given to certain banks in exchange for bank facilities granted to Pan-West and its subsidiary. Other than the aforementioned corporate guarantees, the Group had no other commitments in relation to Pan-West.

The Group has ceased recognising Pan-West's losses after the Group's share of Pan-West's accumulated losses exceeded the Group's cost of investment. Accordingly, the Group's nominal additional share of accumulated losses of Pan-West amounting to $8,701,000 (2019 : $8,398,000) as at the end of the year was not recognised.

Joint venture
Greenwillow-AREI Partners Pte Ltd ("GAP")
GAP was an indirect wholly-owned subsidiary incorporated in 2019. During the year, GAP increased its paid-up share capital from $100 to $10,000 by the allotment of 4,900 shares to a wholly-owned subsidiary of the Group and 5,000 shares to a joint venture partner. Following the additional shares allotment, the Group has 50% interest in the ownership and voting rights in GAP that is held through a wholly-owned subsidiary. GAP is a strategic venture in the business of managing a portfolio of properties focused on retail businesses in Indonesia. The Group jointly controls the venture with other partner under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

The Group has ceased recognising GAP's losses after the Group's share of losses during the year of $16,000 exceeded the Group's cost of investment of $5,000. Accordingly, allowance for impairment loss of $11,000 has been made for amount due from GAP.

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)
Joint venture (cont'd)
Greenwillow-AREI Partners Pte Ltd ("GAP") (cont'd)
The Group's share of net assets and total comprehensive income of its joint venture is set out below:

	Note	31 December 2020 $'000
Net liabilities		**(22)**
Share of net assets		
At 1 January		**–**
Cost of initial recognition		**5**
Share of total comprehensive loss		**(5)**
At 31 December		**–**
Amount due from Joint Venture		
Amount due from joint venture (non-trade)	6	**20**
Allowance for impairment loss	6	**(11)**
Presented in trade and other receivables		**9**

The non-trade amount due from joint venture was unsecured, interest-free, and repayable on demand.

17 Financial asset at fair value through other comprehensive income

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Investment in equity instrument designated at FVTOCI:		
Unquoted equity shares	**29,343**	30,916

The investment in unquoted equity investment represents a 2.26% investment in an investment holding company which owns a subsidiary in the property development business. The investee is a related party which is controlled by the majority shareholder of the Group. The fair value of the investment as at 31 December 2020 was determined by reference to the fair value of the underlying assets and the valuation was carried out by an independent valuer. Based on the valuation, a fair value loss amounting to $1,573,000 was recognised in other comprehensive income (Note 35). As at 31 December 2019, the Group's share of the fair value of the underlying assets was higher than the consideration paid at acquisition which was completed in October 2019. A discount on acquisition amounting to $5,520,000 was recognised directly in the equity in the previous year.

The investment is held for long-term strategic purpose and is not held for trading. Accordingly, management has elected to designate the investment as at FVTOCI as the management believes that recognising short-term fluctuations in the investment's fair value in profit or loss would not be consistent with the Group's strategy of holding the investment for long-term purposes and realising the performance potential in the long run.

As at 31 December 2020 and 2019, the fair value measurement of the Group's financial asset at fair value through other comprehensive income is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2020 and 31 December 2019 are as follows:

Financial assets	Fair value as at 2020 Net assets ($'000)	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Financial asset at FVTOCI - Investments in unlisted shares	**29,343**	Income approach	Revenue growth rate[1]	6% - 8%

[1] Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.

17 Financial asset at fair value through other comprehensive income (cont'd)

Financial assets	Fair value as at 2019 Net assets ($'000)	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Financial asset at FVTOCI - Investments in unlisted shares	30,916	Income approach	Revenue growth rate[1]	8%

[1] Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.

18 Loans and borrowings

	Group		Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Short-term borrowings				
Bank loans	**210,130**	126,175	**–**	–
Notes issued under unsecured MTN Programme	**–**	149,763	**–**	149,763
Bills payable	**–**	5,124		–
	210,130	281,062	**–**	149,763
Long-term borrowings				
Bank loans	**992,092**	1,231,927	**–**	–
Notes issued under secured MTN Programme	**198,936**	198,343	**–**	–
Notes issued under unsecured MTN Programme	**63,795**	–	**63,795**	–
	1,254,823	1,430,270	**63,795**	–
Total borrowings	**1,464,953**	1,711,332	**63,795**	149,763
Represented by:				
Interest-bearing liabilities	**1,470,996**	1,719,063	**65,000**	150,000
Capitalised interest costs	**(6,043)**	(7,731)	**(1,205)**	(237)
	1,464,953	1,711,332	**63,795**	149,763
Security profile				
Secured borrowings				
Current	**210,030**	131,299	**–**	–
Non-current	**1,186,128**	1,430,270	**–**	–
	1,396,158	1,561,569	**–**	–
Unsecured borrowings				
Current	**100**	149,763	**–**	149,763
Non-current	**68,695**	–	**63,795**	–
	68,795	149,763	**63,795**	149,763
Total borrowings	**1,464,953**	1,711,332	**63,795**	149,763

Multicurrency Medium Term Note Programme

The Company has in place a S$900 million Multicurrency Medium Term Note Programme ("MTN Programme") under which it can issue notes in series or tranches and may be denominated in Singapore Dollars or other currency deemed appropriate at the time.

Series II of S$150 million were issued on 5 June 2017. These are of three years duration, unsecured, bear a fixed interest rate of 6.00% per annum payable semi-annually in arrear and had matured and been redeemed on 5 June 2020. Series III of S$65 million were issued on 19 May 2020. These are of two years duration, unsecured, bear a fixed interest rate of 7.75% per annum payable semi-annually in arrear and will mature on 19 May 2022. At the end of the reporting period, the fair value of the notes approximate the respective carrying amounts.

The Company's wholly owned subsidiary, Superluck Properties Pte Ltd ("Superluck"), has on 13 October 2019, established a S$500 million secured multicurrency medium term note programme, unconditionally and irrevocably guaranteed by the Company. Superluck has issued Series I of S$200 million on 18 October 2019. These are of three years duration, secured, bear a fixed rate of 2.80% per annum payable semi-annually in arrear and will mature on 18 October 2022. At the end of the reporting period, the fair value of the secured notes approximate the respective carrying amounts.

18 Loans and borrowings (cont'd)

Details of collateral

Loans and borrowings from banks were secured over the Group's cash and bank balances (Note 5), trade and other receivables (Note 6), inventories (Note 9), development properties (Note 10), property, plant and equipment (Note 12), investment properties (Note 14) and covered by corporate guarantees (Note 39).

Interest rate profile

	Group		Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Security profile				
Loans and borrowings				
Fixed rate	**367,141**	348,106	**63,795**	149,763
Variable rate	**1,097,812**	1,363,226	**–**	–
	1,464,953	1,711,332	**63,795**	149,763

The Group's exposure to fair value interest rate risk as at 31 December 2020 is disclosed in Note 40(b) to the financial statements.

Fair value

The fair value of the current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period because these are short term in nature. The fair value of the non-current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period as their interest rates approximate current market interest rates on or near the end of the reporting period. Further details regarding foreign currency denomination and maturity dates, contractual and effective interest rates are disclosed in Notes 40(a) and 40(d) respectively to the financial statements.

Loan maturity profile

The non-current borrowings are generally repayable from 2 January 2022 to 18 November 2025 (2019 : 11 January 2021 to 25 March 2024). Information relating to the maturity profile of the Group's loans and borrowings is disclosed in Note 40(d) to the financial statements.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 January 2020 $'000	Financing cash flow[(i)] $'000	New lease liabilities $'000	Foreign exchange movement $'000	Other changes[(ii)] $'000	31 December 2020 $'000
Group						
Bank loans[(1)]	**1,711,332**	**20,131**	**–**	**25,462**	**726**	**1,757,651**
Lease liabilities	**115**	**(82)**	**103**	**7**	**(5)**	**138**

(1) Includes borrowing of $292,698,000 under liabilities directly associated with asset classified as held for sale as at 31 December 2020.

	1 January 2019 $'000	Financing cash flow[(i)] $'000	New lease liabilities $'000	Foreign exchange movement $'000	Other changes[(ii)] $'000	31 December 2019 $'000
Group						
Bank loans	1,630,441	98,062	–	(12,717)	(4,454)	1,711,332
Lease liabilities	42	(25)	96	–	2	115

(i) The cash flows make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.
(ii) Other changes include interest accruals and payments.

19 Trade and other payables

	Note	Group 31 December 2020 $'000	Group 31 December 2019 $'000	Company 31 December 2020 $'000	Company 31 December 2019 $'000
Trade					
Trade payables		**20,917**	15,466	**–**	–
Amounts due to related parties	21	**–**	668	**–**	–
Total trade payables - current		**20,917**	16,134	**–**	–
Non-trade					
Other creditors		**31,602**	30,901	**791**	828
Other provisions		**3,686**	4,559	**–**	–
Advanced billings		**7,172**	10,362	**–**	–
Deposits received	11	**50,000**	–	**–**	–
Accrued operating expenses		**33,318**	36,170	**4,569**	4,200
Accrued interest expenses		**4,717**	6,676	**593**	666
Financial guarantees to subsidiaries	15	**–**	–	**14,876**	22,730
Deferred grant income		**321**	–	**218**	–
Amounts due to related parties	21	**2,193**	4,592	**–**	3,250
		133,009	93,260	**21,047**	31,674
Less non- current portion		**(322)**	(349)	**–**	–
Total non-trade payables - current		**132,687**	92,911	**21,047**	31,674
Total trade and other payables - current		**153,604**	109,045	**21,047**	31,674
Total trade and other payables - non-current		**322**	349	**–**	–

The Group is granted various credit terms on its purchases from its large number of suppliers who are geographically dispersed. Trade payables are generally on 7 to 90 days (2019 : 7 to 90 days) credit term. The Group manages liquidity risk of trade payables primarily by maintaining sufficient cash and credit facilities (Note 40(d)).

Included in other creditors of the Group is a financial guarantee of $4,998,000 (2019 : $4,998,000) granted to its associate, Pan-West, equivalent to the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary.

The deferred grant income relates to the wage support for local employees under the JSS from the Singapore Government. Grant income amounting to $1,719,000 has been recognised in the profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the JSS grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty to be 17 months commencing April 2020.

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 40 to the financial statements.

20 Amounts due from / (to) subsidiaries

	Company 31 December 2020 $'000	Company 31 December 2019 $'000
Amounts due from subsidiaries - non-trade	**305,609**	402,402
Less: Allowance for impairment	**(24,276)**	(24,253)
	281,333	378,149
Amounts due to subsidiaries - non-trade	**(417,614)**	(401,438)
Movement in allowance for impairment		
At 1 January	**(24,253)**	(24,264)
Allowance made	**(23)**	(713)
Allowance written back	**–**	724
At 31 December	**(24,276)**	(24,253)

20 Amounts due from / (to) subsidiaries (cont'd)

Amounts due from / (to) subsidiaries are unsecured and are repayable on demand. Interest is charged at 2.1% (2019 : 3.1%) per annum on interest-bearing advances.

For purpose of impairment assessment, amounts due from subsidiaries are considered to have low credit risk as the timing of payment is controlled by the Company taking into account cash flow management within the Group and there has been no significant increase in the risk of default on the amounts due from subsidiaries since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Management has assessed the expected credit losses to be insignificant other than the amounts provided for.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for amounts due from subsidiaries.

During the year, allowance for impairment of $23,000 (2019 : $713,000) was made for amounts due from a subsidiary. The above assessment is after taking into account the current financial position of the subsidiary, and the allowance was due to decrease in net asset value of the underlying interest as at the reporting date. In 2019, allowance written back of $724,000 was made for subsidiaries due to an increase in net asset value of the underlying interest as at the reporting date.

21 Amounts due from / (to) related parties

	Note	Group		Company	
		31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Amounts due from:					
Other related parties					
Other related parties, trade	(a)	**12,714**	12,374	**–**	–
Other related parties, trade (Non-current)	(a)	**2,915**	9,346	**–**	–
Other related parties, non-trade:					
- Loan to a related party (Non-current)	(c)	**–**	5,087	**–**	–
- Loan to a related party	(c)	**5,463**	–	**–**	–
- Loan to a related party	(a)	**–**	21,500	**–**	–
- Refundable trade deposit with a related party	(b)	**7,999**	8,135	**–**	–
- Others		**951**	1,320	**57**	67
Total		**30,042**	57,762	**57**	67
Presented as:					
Amounts due from related parties, trade	6	**15,629**	21,720	**–**	–
Amounts due from related parties, non-trade	6	**14,413**	36,042	**57**	67
		30,042	57,762	**57**	67
Amounts due to:					
Other related parties					
Other related parties, trade		**–**	(668)	**–**	–
Other related parties, non-trade	(d)	**(2,193)**	(4,592)	**–**	(3,250)
Total		**(2,193)**	(5,260)	**–**	(3,250)
Presented as:					
Amounts due to related parties, trade	19	**–**	(668)	**–**	–
Amounts due to related parties, non-trade	19	**(2,193)**	(4,592)	**–**	(3,250)
		(2,193)	(5,260)	**–**	(3,250)

21 Amounts due from / (to) related parties

Amounts due from / (to) other related parties

a) Included in the trade and other receivables of SP Corporation Limited ("SP Corp"), a listed subsidiary of the Group, as at 31 December 2020 were:

(i) An amount of $8.7 million due from a related party, of which $8.0 million is secured by two parcels of industrial land and building of the related party in Indonesia valued at approximately $18.4 million (2019 : $20 million). In 2020, the repayment agreement was revised with the related party to make quarterly repayments amounting $5.8 million over two years from 31 December 2020. Accordingly, an amount of $2.9 million due from this related party expected to be repaid after one year from 31 December 2020 has been classified as non-current as at that date. The remaining unsecured trade receivable amounting to $0.7 million (2019 : $0.3 million) is expected to be repaid within one year from the end of the reporting period and has been classified as current. The controlling party of this related party has provided a letter of financial support to the related party over the outstanding amount. Management has assessed the ECL for this amount to be immaterial.

(ii) An amount of $6.4 million due from another related party which had signed a revised repayment agreement during the year to make quarterly repayments and fully settle the outstanding balance within one year from 31 December 2020. Accordingly, this amount of $6.4 million has been classified as current. The controlling party of this related party has provided a letter of financial support to the related party over the outstanding amount. Management has assessed the ECL for this amount to be immaterial.

As at 31 December 2019, SP Corp provided a loan amounting $21,500,000 to a related party with repayment being one year from 24 September 2019. Interest was charged at fixed rate of 7.5% per annum. The loan and all accrued interest were repaid in full during the year.

b) Refundable trade deposit relates to a deposit of US$6,000,000 or equivalent to $7,999,000 (2019 : $8,135,000) placed by SP Corp, with a related party which owns a coal mine (Party A) to secure coal allocations. The deposit is secured by a corporate guarantee issued by the immediate holding company of Party A which is also a related party and also owns a coal mine.

The deposit is repayable within one year and subject to annual renewal by mutual agreement between the two parties. It bears an effective interest rate of 4.53% (2019 : 6.24%) per annum.

c) Loan of $5.0 million to a related party is provided by a wholly-owned subsidiary of the Group. The loan is repayable within two years from the date of disbursement on 8 October 2019 and carries fixed rate of 7.5% per annum. The loan and accrued interest shall be repaid in full on repayment date in cash, or in other repayment method as otherwise agreed between the parties. The controlling party of this related party has provided a letter of financial support to the related party over the outstanding amount. Management has assessed the ECL for this amount to be immaterial.

d) Included in the non-trade amounts due to related parties as at 31 December 2019 was an amount payable of $3,250,000 to a related party in respect of the acquisition of land in Batam. The consideration payable was partially settled in cash through the sale of unit held on behalf during the year (Note 10). The remaining balance consideration of $500,000, being the shortfall in the selling prices achieved for the units held on behalf, was recognised as other income to the profit or loss during the year.

The trade and non-trade amounts due from / (to) other related parties were unsecured, interest-free, and repayable on demand unless otherwise stated.

22 Contract liabilities

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Contract liabilities	–	1,536

Contract liability mainly represents amounts of consideration billed to purchasers of the Group's development properties in advance of the stage of completion of construction.

23 Deferred tax assets and liabilities

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

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Deferred tax assets and liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**164**	140
Deferred development costs	**2,121**	1,546
Revaluation of properties	**4,331**	2,827
Foreign income not remitted and which will be subject to tax if remitted in the future	**44,689**	49,630
Unutilised tax losses	**(5,967)**	(4,793)
Others	**(200)**	(592)
	45,138	48,758
Represented by:		
Deferred tax assets	**(1,721)**	(2,047)
Deferred tax liabilities	**46,859**	50,805
	45,138	48,758

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

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

	Note	Accelerated tax depreciation $'000	Deferred development costs $'000	Revaluation of properties $'000	Foreign income not remitted $'000	Unutilised tax losses $'000	Others $'000	Total $'000
Group								
At 1 January 2020		**140**	**1,546**	**2,827**	**49,630**	**(4,793)**	**(592)**	**48,758**
Exchange differences on consolidation		**–**	**–**	**183**	**3,577**	**(160)**	**(70)**	**3,530**
Charged / (Credited) to profit or loss	33	**24**	**575**	**1,321**	**(31)**	**(1,014)**	**462**	**1,337**
Credited to other comprehensive income	35	**–**	**–**	**–**	**(8,487)**	**–**	**–**	**(8,487)**
At 31 December 2020		**164**	**2,121**	**4,331**	**44,689**	**(5,967)**	**(200)**	**45,138**
At 1 January 2019		106	283	1,353	47,107	(3,297)	(614)	44,938
Exchange differences on consolidation		–	–	(68)	(1,660)	8	50	(1,670)
Charged / (Credited) to profit or loss	33	34	1,263	1,542	3,177	(1,504)	(28)	4,484
Charged to other comprehensive income	35	–	–	–	1,006	–	–	1,006
At 31 December 2019		140	1,546	2,827	49,630	(4,793)	(592)	48,758

Deferred tax liabilities relating to equity interest in GHG

Deferred tax liabilities included an amount of $33,446,000 (31 December 2019 : $40,882,000) on account of a provision made by the Group to recognise the taxable gains on the excess of the fair value of net assets of GHG over the tax cost base of the securities in GHG.

Deferred tax liabilities not recognised

At the end of the reporting year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was $306,000 (31 December 2019 : $303,000). 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.

23 Deferred tax assets and liabilities (cont'd)

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 \$37,700,000 (31 December 2019 : \$34,996,000) and capital allowances of \$37,871,000 (31 December 2019 : \$5,011,000) which were available for carry forward and set-off against future taxable income. No deferred tax asset has been recognised due to the unpredictability of the relevant future profit streams.

24 Share capital

	Group and Company			
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	Number of shares ('000)		$'000	$'000
Issued and paid up:				
At 1 January	**1,186,249**	1,186,406	**175,234**	173,945
Issued under Scrip Dividend Scheme	**4,713**	3,748	**1,000**	1,289
Shares bought back and held as treasury shares	**(3,472)**	(3,905)	**–**	–
At 31 December	**1,187,490**	1,186,249	**176,234**	175,234

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

Issue of shares

During the year, the Company allotted and issued 4,713,000 (2019 : 3,748,000) ordinary shares at an issue price of 21.2 cents (2019 : 34.4 cents) per share to eligible shareholders who have validly elected to participate in the Tuan Sing Scrip Dividend Scheme in respect of the first and final ordinary dividend of 0.6 cent per share for the financial year ended 31 December 2019 (0.6 cent per share for the financial year ended 31 December 2018).

25 Treasury shares

	Group and Company			
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	Number of shares ('000)		$'000	$'000
At the beginning of the year	**8,288**	4,383	**2,955**	1,523
Repurchased during the year	**3,472**	3,905	**936**	1,432
At the end of the year	**11,760**	8,288	**3,891**	2,955

During the year, the Company acquired 3,472,000 (2019 : 3,905,000) of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was \$936,000 (2019 : \$1,432,000) and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

26 Reserves

	Group		Company	
	31 December 2020 $'000	31December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000 (Restated)
Asset revaluation reserve	**123,001**	142,155	**–**	–
Foreign currency translation account	**(38,139)**	(62,652)	**–**	–
Other capital reserves:				
- Capital reserves	**195,987**	186,295	**101,264**	101,264
- Cash flow hedging account	**(2,090)**	(1,371)	**–**	–
	193,897	184,924	**101,264**	101,264
Investment revaluation reserve	**(1,573)**	–	**–**	–
Revenue reserve	**710,538**	668,257	**315,560**	321,865
	987,724	932,684	**416,824**	423,129

26 Reserves (cont'd)

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

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

Other capital reserves
Capital reserves comprise mainly capital reduction reserve of the Company, share of reserve of an associate, GulTech and distribution reserve of GHG which is used to record the balance of amounts available for distribution as defined by the Trust Deed.

Cash flow hedging account represents the cumulative net change in fair value of the effective portion of the cash flow hedges.

Investment revaluation reserve
Investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of investments in equity instruments designated as at FVTOCI.

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

27 Dividend

	Group and Company	
	31 December 2020 $'000	31 December 2019 $'000
Tax-exempt one-tier first and final dividend and special dividend paid in respect of the previous year		
Cash	**6,104**	9,383
Share	**1,000**	1,289
	7,104	10,672

The Directors proposed a tax exempt one-tier first and final dividend of 0.6 cent per share (2019 : 0.6 cent per share) total amounting to $7,125,000 (2019 : $7,117,000), subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company, to be paid in respect of the financial year ended 31 December 2020.

28 Revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 4).

A disaggregation of the Group's revenue for the year, is as follows:

		Group	
	Note	31 December 2020 $'000	31 December 2019 $'000
Segment Revenue			
Revenue from contracts with customers:			
Sale of products		**37,364**	101,378
Sale of development properties		**74,567**	65,362
Hotel operations and related income		**32,454**	101,238
Services rendered		**771**	191
Others		**1,475**	1,487
		146,631	269,656
Rental income from investment properties	14	**50,186**	41,033
		196,817	310,689

28 Revenue (cont'd)

	Note	Group 31 December 2020 $'000	Group 31 December 2019 $'000
At a point of time:			
Sale of products		**37,364**	101,378
Sale of completed development properties		**10,850**	11,892
Hotel operations – food and beverages		**10,193**	31,008
Over time:			
Sale of development properties under construction		**63,717**	53,470
Hotel operations – room sales and other income		**22,261**	70,230
Services rendered		**771**	191
Others		**1,475**	1,487
		146,631	269,656

Revenue represents the invoiced value of goods and services supplied. Included in the Group's revenue from sale of development properties is an amount of $63,717,000 (2019 : $53,470,000) whereby the revenue is recognised based on the percentage of completion method.

As at 31 December 2020, the transaction price allocated to performance obligations that are partially satisfied amounted to $55,842,000 (2019 : $27,404,000). Management expects this amount to be recognised as revenue during the next financial period.

In 2020, the Group received property tax rebate and cash grant from the Singapore Government as part of the Government's relief measures to help businesses deal with the impact from COVID-19. Consequently, the Group recognised government grant income of $3,583,000 in the profit or loss as other income. The Group is required to fully pass on the property tax rebate received from the Singapore Government to the tenants in the form of waiver of contractual rent and a government grant expense of $2,396,000 has been recorded as operating expenses in profit or loss for the year (Note 32).

The Group is required to waive up to two months of contractual rent for eligible tenants of its investment properties under the Rental Relief Framework as mandated by the Singapore Government. Consequently, the Group recognised variable lease payment amounting to $3,494,000 as a reduction to income in profit or loss during the year and offset the obligation for rental reliefs against the lease receivable. This amount is offset by the property tax rebate and cash grant from the Singapore Government amounting to $2,396,000 which is included in the government grant income (Note 32).

29 Interest income

	Group 31 December 2020 $'000	Group 31 December 2019 $'000
Interest income on bank deposits	**1,948**	2,237
Interest income from debtors	**69**	188
Interest income from related parties	**2,816**	3,411
	4,833	5,836

30 Finance costs

	Group 31 December 2020 $'000	Group 31 December 2019 $'000
Interest expense on loans and borrowings	**42,884**	55,454
Amortisation of capitalised finance costs	**4,913**	2,869
Interest expense on lease liabilities	**6**	2
	47,803	58,325

31 Fair value adjustments

	Note	Group 31 December 2020 $'000	Group 31 December 2019 $'000
Fair value gain / (loss) from:			
Subsidiaries		**45,077**	33,307
Share of an equity accounted investee	16	**111**	(100)
		45,188	33,207
Represented by:			
Fair value adjustments in respect of:			
- investment properties		**47,385**	33,307
- property, plant and equipment		**(2,308)**	–
- financial instruments	16	**111**	(100)
		45,188	33,207

The fair value adjustment is analysed as follows:

	Note	Group Gross $'000	Group Deferred tax $'000	Group Net $'000
31 December 2020				
Fair value gain on investment properties				
Subsidiaries	14	**47,385**	**(4,332)**	**43,053**
Revaluation deficit on property, plant and equipment				
Subsidiaries	12	**(2,308)**	**692**	**(1,616)**
Fair value gain on financial instruments				
Share of an equity accounted investee	16	**111**	**–**	**111**
		45,188	**(3,640)**	**41,548**
31 December 2019				
Fair value gain on investment properties				
Subsidiaries	14	33,307	(4,297)	29,010
Fair value loss on financial instruments				
Share of an equity accounted investee	16	(100)	–	(100)
		33,207	(4,297)	28,910

During the year, revaluation deficit of $2,308,000 on property, plant and equipment was recognised in the profit or loss, representing the revaluation loss that has exceeded the balance accumulated in the asset revaluation reserve of the same property.

32 Profit before tax

Other than as disclosed elsewhere in these financial statements, profit before tax for the year has been arrived at after charging/(crediting) the following:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]	**9,199**	8,024
Depreciation of right-of-use assets [included in cost of sales, distribution costs, administrative expenses and other operating expenses]	**81**	26
Net (gain)/loss on disposal of property, plant and equipment [included in other operating (income) / expenses]	**(5)**	14
Write-back of allowance for diminution in value for development properties, net [included in other operating (income) / expenses / cost of sales]	**(199)**	(328)
Allowance / (Write-back) of allowance for doubtful trade and other receivables, net [included in other operating (income) / expenses]	**746**	(53)
Bad debts written off [included in other operating expenses]	**25**	429
Foreign exchange (loss) / gain, net [included in other operating expenses]	**(421)**	334
Expenses relating to short term leases [included in cost of sales, distribution costs, administrative expenses and other operating expenses]	**284**	293
Net loss on disposal of an investment property [included in other operating expenses]	**–**	48
Write-back of recognised corporate guarantee no longer required [included in other operating income]	**–**	(346)
Cost of inventories recognised as an expense	**35,834**	98,389
Restructuring costs [included in other operating expenses]	**1,144**	–
Rent concessions [included in other operating income]	**(74)**	–
Government grant income [included in other operating income]	**(17,356)**	–
Government grant expense [included in other operating expense]	**2,396**	–
Reversal of accruals for development costs previously capitalised[1] [included in other operating expense]	**(8,744)**	–
Auditors' remuneration[2]		
Audit fees:		
- Auditors of the Company	**434**	380
- Other auditors	**276**	233
Non-audit fees:		
- Auditors of the Company	**400**	177
- Other auditors	**4**	4

32 Profit before tax (cont'd)

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Directors' remuneration		
Of the Company:		
- Salaries and wages	**1,977**	1,988
Of the subsidiaries:		
- Salaries and wages	**531**	1,042
- Defined contribution plans	**25**	26
	2,533	3,056
Employees benefit expenses (excluding Directors' remuneration)		
- Salaries and wages	**16,602**	13,897
- Defined contribution plans	**1,440**	1,115
- Others	**390**	74
	18,432	15,086

(1) Following the settlement of the final account of 18 Robinson's construction works, there was a reversal of accruals amounting to $8,744,000 during the year for development costs previously capitalised as part of the investment property under redevelopment. The reversal arose from the finalisation of content of work including variation orders and certain contracted works no longer required with the main contractor. 18 Robinson obtained its temporary occupation permit in January 2019.

(2) The Audit and Risk Committee has reviewed the non-audit services provided by the auditors, Deloitte & Touche LLP, Singapore and the overseas practices of Deloitte Touche Tohmatsu Limited and was of the opinion that these services would not affect the independence of the auditors

33 Income tax expenses

		Group	
	Note	31 December 2020 $'000	31 December 2019 $'000
Current income tax:			
- Singapore		**1,357**	1,467
- Foreign		**(1,024)**	2,420
- (Over)/Under provision in prior years		**(421)**	918
		(88)	4,805
Withholding tax expense		**107**	70
Deferred tax	23	**1,337**	4,484
		1,356	9,359

Singapore income tax is calculated at 17% (2019 : 17%) of the estimated assessable income for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

33 Income tax expenses (cont'd)

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

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Profit before income tax	**59,887**	42,038
Income tax calculated at 17% (2019 : 17%)	**10,181**	7,146
Adjustments:		
Share of results of an equity-accounted investee	**(4,357)**	(3,665)
Expenses not deductible for tax purposes	**4,600**	4,243
Tax losses not recognised as deferred tax assets	**2,368**	681
Tax losses not available for set-off against future income	**2,057**	3,351
Different tax rates of subsidiaries operating in other jurisdictions	**(654)**	2,945
Income that is not subject to tax	**(11,934)**	(6,110)
Utilisation of tax losses and capital allowance previously not recognised	**(530)**	(143)
(Over)/Under provision in prior years	**(421)**	918
Withholding tax expense	**107**	70
Others	**(61)**	(77)
	1,356	9,359

34 Earnings per share

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

	Note	Group		
		Before fair value adjustments $'000	Fair value adjustments $'000	After fair value adjustments $'000
<u>31 December 2020</u>				
Profit before tax		**14,699**	**45,188**	**59,887**
Income tax benefit / (expenses)	31, 33	**2,284**	**(3,640)**	**(1,356)**
Profit for the year		**16,983**	**41,548**	**58,531**
Less:				
Non-controlling interests		**(478)**	**–**	**(478)**
Profit attributable to owners of the Company		**17,461**	**41,548**	**59,009**
<u>31 December 2019</u>				
Profit before tax		8,831	33,207	42,038
Income tax expenses	31, 33	(5,062)	(4,297)	(9,359)
Profit for the year		3,769	28,910	32,679
Less:				
Non-controlling interests		(534)	–	(534)
Profit attributable to owners of the Company		4,303	28,910	33,213

34 Earnings per share (cont'd)

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	
	31 December 2020 $'000	31 December 2019 $'000
Profit attributable to owners of the Company		
Before fair value adjustments	**17,461**	4,303
Fair value adjustments	**41,548**	28,910
After fair value adjustments	**59,009**	33,213
Basic and diluted earnings per share (cents)		
Including fair value adjustments	**5.0**	2.8
Excluding fair value adjustments	**1.5**	0.4
Weighted average number of ordinary shares (in '000 shares) for the purpose of computation of basic and diluted earnings per share	**1,186,580**	1,186,095

There is no dilutive ordinary share in 2020 and 2019.

35 Other comprehensive income

	Note	Group		
		Before tax $'000	Deferred tax $'000	After tax $'000
2020				
Other comprehensive income / (loss)				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	**(27,263)**	**8,179**	**(19,084)**
Fair value loss on investments in equity instruments designated as FVTOCI	17	**(1,573)**	**–**	**(1,573)**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**26,938**	**–**	**26,938**
Share of exchange differences on translation of equity accounted investees		**(2,516)**	**–**	**(2,516)**
Cash flow hedges		**(1,027)**	**308**	**(719)**
		(5,441)	**8,487**	**3,046**
2019				
Other comprehensive income / (loss)				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	4,292	(1,288)	3,004
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(12,953)	–	(12,953)
Share of exchange differences on translation of equity accounted investees		(1,131)	–	(1,131)
Cash flow hedges		(939)	282	(657)
		(10,731)	(1,006)	(11,737)

35 Other comprehensive income (cont'd)

During the year, the Group entered into certain interest rate swap contracts to hedge its interest rate risk exposures. Derivatives that are designated and effective as hedging instruments are carried at fair value.

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Derivatives that are designated and effective as hedging instruments carried at fair value	**2,038**	939

The Group used interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. Contracts with notional principal amount of A$177 million have fixed interest payments at a weighted average fixed rate of 1.19% per annum for periods up until January 2022 and have a floating interest rate of 3-month Bank Bill Swap Bid Rate.

All of the Group's interest rate swaps are designated and effective as cash flow hedges and the fair value change of these interest rate swaps, amounting to $1,027,000 (2019 : $939,000) has been recognised in other comprehensive income during the year.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the end of the reporting year:

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	31 December 2020 per annum	31 December 2019 per annum	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Group						
3 month	**1.19%**	1.19%	**178,735**	165,991	**2,038**	939

36 Significant related party transactions

In addition to the related party transactions disclosed elsewhere in the financial statements, the Group has the following significant related party transactions with the major shareholder, associates and the Directors of the Company and their associates:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Transactions with major shareholder		
Sale of products and services rendered	**3,656**	16,190
Rental income	**2,028**	1,905
Interest income	**2,816**	3,411
Purchase of products and services	**(25,792)**	(78,496)
Purchase of property, plant and equipment	**(203)**	–
Transactions with associates		
Management fee income	**180**	180
Transactions with Directors of the Company and their associates		
MTN interest expense	**(93)**	(158)
Transactions with key management personnel of the Group		
MTN interest expense	**(24)**	–

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

One of the Group's subsidiary, SP Resources International Pte Ltd, is reliant on two related parties for the supply of 100% (2019 : 100%) of its coal. In addition, the Group supplies 100% (2019 : 100%) of its rubber products to two customers (2019 : one customer) who are related parties.

36 Significant related party transactions (cont'd)

At the end of the reporting year, the Group had commitments to lease certain commercial properties to Nuri and a related party of the Group. These non-cancellable operating leases have remaining lease terms of 2 months to 79 months (2019 : 2 months to 91 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	
	31 December 2020 $'000	**31 December 2019 $'000**
Commitment with major shareholder		
Operating leases:		
- Within one year	**672**	630
- Year 2	**419**	386
- Year 3	**432**	398
- Year 4	**445**	409
- Year 5	**458**	422
- After five years	**752**	1,147
	3,178	3,392

Remuneration of Directors and key management personnel

	Group	
	31 December 2020 $'000	**31 December 2019 $'000**
Short-term benefits and fees	**3,507**	4,081
Post-employment benefits (defined contribution plan)	**77**	80
	3,584	4,161

37 Acquisition of subsidiary

On 8 April 2019, the Group completed the acquisition of the entire issued share capital of PT Titian Damai Mandiri ("TDM") for a cash consideration of S$5.0 million. PT Titian Damai Mandiri is the legal and beneficial owner of a 40 hectares of land in Batam (Note 10).

	Group
	31 December 2019 $'000
Consideration transferred	
Cash	4,998
Assets acquired and liabilities assumed:	
Current assets	
Development properties	5,074
Cash and cash equivalents	321
Net assets acquired and liabilities assumed	5,395
Discount on acquisition	
Consideration transferred	4,998
Less: Fair value of identifiable net assets acquired	(5,395)
Discount on acquisition	(397)
Net cash outflow arising on acquisition	
Consideration transferred	4,998
Less: Cash and cash equivalent acquired	(321)
Net cash outflow on acquisition	4,677

38 Commitments

Capital commitments

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Development and investment properties expenditure contracted for but not provided in the financial statements	**50,715**	23,676
Capital expenditure contracted for but not provided in the financial statements	**61**	6,721
Share of commitments of equity-accounted investees		
- Capital expenditure contracted for but not provided in the financial statements	**8,781**	6,970

Operating lease commitments - where the Group is a lessor

The Group enters 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 1 month and 5.25 years (2019 : 1 month and 7 years).

The unguaranteed residual values do not represent a significant risk for the Group, as they relate to properties which are located in locations with a constant increase in value over the years. The Group did not identify any indications that this situation will change.

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	
	31 December 2020 $'000	31 December 2019 $'000
Year 1	**36,191**	38,174
Year 2	**31,309**	28,642
Year 3	**22,801**	21,409
Year 4	**13,650**	9,195
Year 5	**9,300**	5,469
Year 6 and onwards	**247**	1,947
Total	**113,498**	104,836

39 Contingent liabilities

	Company	
	31 December 2020 $'000	31 December 2019 $'000
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	**1,248,113**	1,140,426

The Group recognised a financial guarantee of $4,998,000 (2019 : $4,998,000) granted to its associate, Pan-West, equivalent to the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary (Note 16).

40 Financial risk management

Financial risk management policies and objectives

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

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

40 Financial risk management (cont'd)

Factors behind financial risks

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

The Group's financial instruments comprise loans and borrowings, cash and liquid resources, trade and other receivables, trade and other payables that arise directly from its operations. The Group manages its exposure to currency and interest rate risks by using a variety of techniques and instruments as described in Notes 40(a) and 40(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.

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 Notes 40(a) and 40(b) to the financial statements.

Categories of financial instruments

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

	Group		Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Financial assets				
Financial assets at FVTOCI	**29,343**	30,916	**–**	–
Financial assets at amortised cost	**371,311**	281,644	**331,729**	415,826
	400,654	312,560	**331,729**	415,826
Financial liabilities				
Financial liabilities at amortised cost	**1,561,386**	1,810,364	**487,362**	560,145
Financial guarantee contracts	**–**	–	**14,876**	22,730
Lease liabilities	**138**	115	**9,473**	1,060
	1,561,524	1,810,479	**511,711**	583,935
Derivative financial instruments	**2,038**	939	**–**	–
	1,563,562	1,811,418	**511,711**	583,935

(a) Currency risk

The Group's subsidiaries operate mainly in Singapore, Australia, China, Malaysia and Indonesia. As for its associates, GulTech operates mainly in China and Singapore, Pan-West operates mainly in Singapore, SSRE operates in China. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the Singapore dollar ("SGD"), Australian dollar ("AUD"), United States dollar ("USD"), Malaysian Ringgit ("MYR") and Indonesian Rupiah ("IDR"). Currency risk arises when transactions are denominated in foreign currencies.

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

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

40 Financial risk management (cont'd)

(a) Currency risk (cont'd)

Currency risk exposure

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

	SGD $'000	USD $'000	AUD $'000	Others $'000
Group				
At 31 December 2020				
Financial assets				
Cash and bank balances	**163**	**41**	**38,026**	**140**
Trade and other receivables	**27**	**–**	**3**	**29**
	190	**41**	**38,029**	**169**
Financial liabilities				
Trade and other payables	**(336)**	**(255)**	**–**	**(104)**
Net financial (liabilities)/assets	**(146)**	**(214)**	**38,029**	**65**
Net currency exposure	**(146)**	**(214)**	**38,029**	**65**
At 31 December 2019				
Financial assets				
Cash and bank balances	63	47	35,059	114
Trade and other receivables	50	–	14	333
	113	47	35,073	447
Financial liabilities				
Trade and other payables	(310)	(19)	–	(61)
Net financial (liabilities)/assets	(197)	28	35,073	386
Net currency exposure	(197)	28	35,073	386

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

	31 December 2020		31 December 2019	
	AUD $'000	MYR $'000	AUD $'000	MYR $'000
Company				
Financial assets				
Cash and bank balances	**38,026**	–	**35,059**	–
Amounts due from subsidiaries	**–**	11	**–**	43
	38,026	11	**35,059**	43
Financial liabilities				
Amounts due to subsidiaries	**(37,298)**	–	**(34,639)**	–
Net financial assets	**728**	11	**420**	43
Net currency exposure	**728**	11	**420**	43

Sensitivity analysis for currency risk

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

40 Financial risk management (cont'd)

(a) Currency risk (cont'd)

Sensitivity analysis for currency risk (cont'd)

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	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Group				
Profit or Loss	**15**	20	**21**	(3)
Company				
Profit or Loss	**–**	–	**–**	–

	AUD		Others	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Group				
Profit or Loss	**(3,803)**	(3,507)	**(7)**	(39)
Company				
Profit or Loss	**(73)**	(42)	**(1)**	(4)

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) Interest rate risk

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.

The Group's exposure to 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 40(d) to these financial statements.

Other than those disclosed in Note 35, the Group does not use derivative financial instruments to hedge fluctuations in interest rates for its borrowings.

Sensitivity analysis for interest rate risk

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

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit after tax would decrease or increase by $10,477,000 (2019 : decrease or increase by $13,262,000).

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

(c) Overview of the Group's exposure to credit risk

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

The Group develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Group uses its trading records to rate its major customers and other debtors. The Group does not hold any collateral to cover its credit risks associated with its financial assets.

40 Financial risk management (cont'd)

(c) Overview of the Group's exposure to credit risk (cont'd)

The Group's current credit risk framework comprises the following categories:

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The assessment of the credit quality and exposure to credit risk of the Group's trade and other receivables have been disclosed in Note 6. The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				$'000	$'000	$'000
Group						
31 December 2020						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	**32,085**	**(945)**	**31,140**
Other receivables	6	In default	Lifetime ECL – credit impaired	**5,531**	**(180)**	**5,351**
Contract assets	7	(i)	Lifetime ECL (simplified approach)	**46,966**	**–**	**46,966**
Refundable trade deposit with a related party	21	Performing	12-month ECL	**7,999**	**–**	**7,999**
Loans to a related party	21	Performing	12-month ECL	**5,463**	**–**	**5,463**
					(1,125)	
31 December 2019						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	39,175	(748)	38,427
Other receivables	6	In default	Lifetime ECL – credit impaired	6,373	(126)	6,247
Contract assets	7	(i)	Lifetime ECL (simplified approach)	29,974	–	29,974
Refundable trade deposit with related party	21	Performing	12-month ECL	8,135	–	8,135
Loans to related parties	21	Performing	12-month ECL	26,587	–	26,587
					(874)	

40 Financial risk management (cont'd)

(c) Overview of the Group's exposure to credit risk (cont'd)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Company						
31 December 2020						
Other receivables	6	In default	Lifetime ECL – credit impaired	**280**	**(72)**	**208**
Amount due from subsidiaries	20	Performing	12-month ECL	**305,609**	**(24,276)**	**281,333**
					(24,348)	
31 December 2019						
Other receivables	6	In default	Lifetime ECL – credit impaired	191	(72)	119
Amount due from subsidiaries	20	Performing	12-month ECL	402,402	(24,253)	378,149
					(24,325)	

(i) For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Note 6 includes further details on the loss allowance for these receivables.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

With respect to trade and other receivables at the end of the reporting year, trade amounts due from related parties includes an amount of $14,360,000 (2019 : $20,315,000) which comprised of 2 (2019 : 2) major customers with outstanding balances individually exceeding 5% of the Group's trade and other receivables as at 31 December 2020.

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

	Group	
	31 December 2020 $'000	31 December 2019 $'000
By geographical area		
Singapore	**12,709**	19,543
Australia	**4,282**	3,437
China (Including Hong Kong)	**3,601**	3,431
Malaysia	**1,834**	2,131
Indonesia	**8,696**	9,591
United States of America (USA)	**18**	279
Others	**–**	15
	31,140	38,427
By type of customers		
Related parties	**15,629**	21,720
Non-related parties	**15,511**	16,707
	31,140	38,427
By industry sector		
Property	**4,871**	5,089
Hotels investment	**3,265**	3,232
Industrial services	**23,004**	30,106
	31,140	38,427

40 Financial risk management (cont'd)

(d) Liquidity risk

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

As at 31 December 2020, the Company's current liabilities exceed its current assets by $108,574,000 (31 December 2019 : $167,667,000). The directors are satisfied that the Company is able to refinance the loans that are due and it will not affect its ability to continue as a going concern within the next 12 months.

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

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

	Effective interest rate % p.a.	On demand or less than 1 year $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Group							
31 December 2020							
Non-interest bearing	**–**	**96,110**	**322**	**–**	**–**	**–**	**96,432**
Lease liabilities (Fixed rate)	**2.0 - 3.3**	**59**	**63**	**25**	**–**	**(9)**	**138**
Fixed interest rate instruments	**2.0 - 7.75**	**13,108**	**374,458**	**3,794**	**–**	**(24,219)**	**367,141**
Variable interest rate Instruments	**2.0**	**219,922**	**532,166**	**360,808**	**–**	**(15,083)**	**1,097,813**
		329,199	**907,009**	**364,627**	**–**	**(39,311)**	**1,561,524**
31 December 2019							
Non-interest bearing	–	98,683	349	–	–	–	99,032
Fixed interest rate instruments	2.8 - 6.0	159,525	5,652	204,449	–	(21,405)	348,221
Variable interest rate instruments	2.6 - 3.1	157,598	116,605	1,156,181	–	(67,158)	1,363,226
		415,806	122,606	1,360,630	–	(88,563)	1,810,479
Company							
31 December 2020							
Non-interest bearing	**–**	**423,300**	**–**	**–**	**–**	**–**	**423,300**
Other provision (Fixed rate)	**2.8**	**–**	**–**	**307**	**–**	**(40)**	**267**
Lease liabilities (Fixed rate)	**2.0 - 2.8**	**2,173**	**1,989**	**5,963**	**–**	**(652)**	**9,473**
Fixed interest rate instruments	**7.75**	**5,037**	**66,905**	**–**	**–**	**(8,147)**	**63,795**
Financial guarantee contracts	**–**	**14,876**	**–**	**–**	**–**	**–**	**14,876**
		445,386	**68,894**	**6,270**	**–**	**(8,839)**	**511,711**
31 December 2019							
Non-interest bearing	–	411,442	–	–	–	–	411,442
Fixed interest rate instruments	6.0	153,847	–	–	–	(4,084)	149,763
Financial guarantee contracts	–	22,730	–	–	–	–	22,730
		588,019	–	–	–	(4,084)	583,935

40 Financial risk management (cont'd)

(d) Liquidity risk (cont'd)

At the end of the reporting year, the maximum amount that the Company could be forced to settle under the financial guarantee contracts if the full guaranteed amounts is claimed by the counterparty to the guarantee is $1,248,113,000 (2019 : $1,140,426,000). Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is 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 which are guaranteed suffer credit losses.

As at the end of the reporting year, the Group's total obligation on guarantees in connection with Pan-West's bank facilities amounted to $4,998,000 (2019 : $4,998,000). The earliest time that a guarantee could be called is as and when the guarantee is claimed by the counterparty.

Analysis for liquidity and interest risk - non-derivative financial assets

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

	Effective interest rate	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2020							
Non-interest bearing	**–**	**174,059**	**–**	**4**	**9**	**–**	**174,072**
Variable interest rate instruments	**0.2 - 4.5**	**50,368**	**–**	**–**	**–**	**(220)**	**50,148**
Fixed interest rate instruments	**0.03 - 7.5**	**144,889**	**2,974**	**–**	**–**	**(772)**	**147,091**
		369,316	**2,974**	**4**	**9**	**(992)**	**371,311**
31 December 2019							
Non-interest bearing	–	95,886	4	21	9	–	95,920
Variable interest rate instruments	0.2 - 6.2	37,335	–	–	–	(299)	37,036
Fixed interest rate instruments	0.8 - 7.5	127,607	23,157	–	–	(2,076)	148,688
		260,828	23,161	21	9	(2,375)	281,644
Company							
31 December 2020							
Non-interest bearing	**–**	**331,729**	**–**	**–**	**–**	**–**	**331,729**
31 December 2019							
Non-interest bearing	–	415,826	–	–	–	–	415,826

(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 value of financial assets at FVTOCI is disclosed in Note 17.

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.

40 Financial risk management (cont'd)

(e) Fair value of financial assets and financial liabilities (cont'd)

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

At the end of each reporting year, the Group and the Company's interest rate swap was measured based on Level 2. The valuation technique and key input is future cash flows which are estimated based on forward interest rates (from observable yield curves at the end of the reporting year) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

At the end of each reporting year, the Group's FVTOCI was measured based on Level 3. The fair value of the investment as at 31 December 2020 was determined by reference to the fair value of underlying assets and the valuation was carried out by an independent valuer.

Reconciliation of Level 3 fair value measurement:

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Balance as at beginning of the year	**30,916**	–
Addition	**–**	30,916
Fair value loss	**(1,573)**	–
Balance as at end of the year	**29,343**	30,916

(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 18, issued capital, reserves and retained earnings disclosed in Notes 24 and 26 to the financial statements.

In order to maintain or achieve an optimal capital structure, the Group may issue new shares, obtain new borrowings, sell assets to reduce borrowings, pay or adjust the amount of dividend payment or return capital to shareholders. The Group's overall strategy remains unchanged from the prior years.

The Group monitors capital risks through measuring the Group's gross gearing and net gearing. The Group's gross gearing is calculated as total borrowings divided by total equity, whilst net gearing is calculated as net borrowings divided by total equity. Net borrowings are calculated as total borrowings as disclosed in Note 18, less cash and bank balances as disclosed in Note 5 to the financial statements.

	Group	
	31 December 2020 $'000	31 December 2019 $'000
Total borrowings	**1,464,953**	1,711,332
Total equity	**1,173,498**	1,119,073
Gross gearing (times)	**1.25**	1.53
Net borrowings	**1,190,561**	1,539,058
Total equity	**1,173,498**	1,119,073
Net gearing (times)	**1.01**	1.38

The gross gearing of 1.25 times excludes the borrowings of 39 Robinson Road Pte Ltd which is classified as liabilities associated with assets held for sale. Had we included the borrowings of 39 Robinson Road Pte Ltd, the gross gearing would have been 1.50 times as at 31 December 2020.

40 Financial risk management (cont'd)

(g) Equity price risk management

The Group is exposed to equity risks arising from equity investment classified as FVTOCI. Equity investment measured at FVTOCI is held for strategic rather than trading purposes. The Group does not actively trade such investment. Further details of this equity investment can be found in Note 17.

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period. In respect of equity investment at FVTOCI, if equity price had been 10% higher/lower while all other variables were held constant, the Group's asset revaluation reserve would increase/decrease by approximately $2.9 million.

41 Listing of significant subsidiaries

Information relating to the significant subsidiaries is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation/ establishment	Effective equity interest and voting power held by the Group 31 December 2020 %	31 December 2019 %
Significant subsidiaries directly held by the Company					
Clerodendrum Land Pte. Ltd.		Property development	Singapore	**100**	100
Dillenia Land Pte. Ltd.		Property development	Singapore	**100**	100
Episcia Land Pte. Ltd.		Property development	Singapore	**100**	100
Gerbera Land Pte. Ltd.		Property development	Singapore	**100**	100
Oxley Development Pte Ltd		Property investment	Singapore	**100**	100
SP Corporation Limited		Investment holding	Singapore	**80.2**	80.2
Superluck Properties Pte Ltd		Property investment	Singapore	**100**	100
Significant subsidiaries indirectly held by the Company					
39 Robinson Road Pte. Ltd.		Property investment	Singapore	**100**	100
Grand Hotel Group	(i)	Property investment	Australia	**100**	100
Habitat Properties (Shanghai) Ltd.	(i)	Property development	China	**100**	100
SP Resources International Pte. Ltd.		Trading of industrial products	Singapore	**80.2**	80.2
SP Global Hong Kong Limited	(i)	Investment holding	Hong Kong	**80.2**	80.2
TSRC Novena Pte. Ltd.		Property development	Singapore	**70**	70
PT Goodworth Investments	(ii)	Property development	Indonesia	**90**	90
PT Titian Damai Mandiri	(ii)	Property development	Indonesia	**100**	100

All subsidiaries in Singapore are audited by Deloitte & Touche LLP, Singapore.

(i) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.
(ii) Analytical review performed for purpose of consolidation.

42 Listing of significant associates

Associates are those in which the Group has significant influence, but not control in the operating and financial policy decisions.

Information relating to the significant associates is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation	Effective equity interest and voting power held by the Group	
				31 December 2020	31 December 2019
				%	%
Gul Technologies Singapore Pte. Ltd.	(i)	Manufacture of printed circuit boards	Singapore	**44.5**	44.5
Sanya Summer Real Estate Co. Ltd	(ii),(iii)	Property Developer	China	**7.8**	7.8

(i) Audited by Deloitte & Touche LLP, Singapore
(ii) Audited by overseas practices of Deloitte Touche Tohmatsu Limited
(iii) The Group has significant influence via representation on the board of directors, and participation in policy-making processes

43 Adoption of new and revised standards

On 1 January 2020, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

COVID-19-Related Rent Concessions Amendment to SFRS(I) 16

In May 2020, the ASC issued COVID-19-Related Rent Concessions (Amendment to SFRS(I) 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to SFRS(I) 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying SFRS(I) 16 if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Company has applied the amendment to SFRS(I) 16 (as issued by the ASC in May 2020) in advance of its effective date.

Impact on accounting for changes in lease payments applying the exemption

The Company has applied the practical expedient retrospectively to all rent concessions that meet the conditions in SFRS(I) 16:46B, and has not restated prior period figures.

The Company has benefited from a one-month waiver of lease payments on a lease of office space. The waiver of lease payments of $21,000 has been accounted for as a rental relief from landlord under other income in profit or loss.

The Company has benefited from a 2-month waiver of lease payments on buildings. The waiver of lease payments of $53,000 has been accounted for as a rental relief from landlord under other income in profit or loss.

44 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements that are relevant to the Group and the Company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2021
- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2*

Effective for annual periods beginning on or after 1 January 2022
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*

Effective for annual periods beginning on or after 1 January 2023
- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

Effective date is deferred indefinitely
- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

As discussed in Note 43, the Company has early adopted the Amendment to SFRS(I) 16: Covid-19-Related Rent Concessions, which was effective for annual periods beginning on or after 1 June 2020.

45 Reclassification and comparative figures

(a) The carrying amount of a certain completed development property amounting to $1,544,000 classified as property, plant and equipment in 2019 should remain as development properties at 2019 as there was no change in use. Hence, the comparative has been reclassified.

	Group	
	31 December 2019	
	As previously reported	As reclassified
	$'000	$'000
Property, plant and equipment	414,256	412,712
Transfer from development properties following change in use under property, plant and equipment (Note 12)	2,638	1,094
Development properties	343,067	344,611

(b) The Company had de-recognised the deemed investments amounting to $1,476,000 arising from financial guarantees granted to certain subsidiaries that were liquidated prior to 1 January 2019, resulting in the following restatement made to prior year's financial statements:

	Company	
	31 December 2019	
	As previously reported	As restated
	$'000	$'000
Investments in subsidiaries	760,760	759,284
Reserves	424,605	423,129

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FIRST HALF ENDED 30 JUNE 2021

The information in this Appendix IV has been extracted and reproduced from the unaudited first half financial statements announcement of Tuan Sing Holdings Limited and its subsidiaries for the financial period ended 30 June 2021 and has not been specifically prepared for inclusion in this Information Memorandum.

TUAN SING HOLDINGS LIMITED
(Company Registration No. 196900130M)

Unaudited Condensed
Interim Financial Statements
For The Half Year Ended 30 June 2021

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		
	Note	**First Half 30.06.2021 $'000**	**First Half 30.06.2020 $'000**	**Better/ (Worse) %**
Revenue	5	**143,943**	91,862	57
Cost of sales		**(107,847)**	(67,419)	(60)
Gross profit		**36,096**	24,443	48
Other operating income		**93,256**	5,439	1,615
Distribution costs		**(5,392)**	(2,540)	(112)
Administrative expenses		**(16,878)**	(15,203)	(11)
Other operating expenses		**(262)**	(841)	69
Share of results of equity accounted investees		**17,028**	14,253	19
Interest income		**1,258**	3,085	(59)
Finance costs		**(24,120)**	(24,860)	3
Profit before tax and fair value adjustments		**100,986**	3,776	2,574
Fair value adjustments		**(118)**	3,199	nm
Profit before tax		**100,868**	6,975	1,346
Income tax expenses	8	**(945)**	(470)	(101)
Profit for the period	7	**99,923**	6,505	1,436
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**3,918**	9,055	(57)
Share of exchange differences on translation of equity accounted investees		**1,377**	2,982	(54)
Cash flow hedges		**545**	(1,887)	nm
Income tax relating to components of other comprehensive income that may be reclassified subsequently		**(163)**	566	nm
Other comprehensive income for the period, net of tax		**5,677**	10,716	(47)
Total comprehensive income for the period		**105,600**	17,221	513

nm: not meaningful

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

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	Note	Group		
		First Half 30.06.2021 $'000	**First Half 30.06.2020 $'000**	**Better/ (Worse) %**
Profit attributable to:				
Owners of the Company		**100,721**	6,613	1,423
Non-controlling interests		**(798)**	(108)	(639)
		99,923	6,505	1,436
Total comprehensive income attributable to:				
Owners of the Company		**106,436**	17,228	518
Non-controlling interests		**(836)**	(7)	nm
		105,600	17,221	513
Basic and diluted earnings per share (in cents)				
Including fair value adjustments	9	**8.5**	0.6	
Excluding fair value adjustments	9	**8.5**	0.4	

nm: not meaningful

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

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		As at 30.06.2021 $'000	**As at 31.12.2020 $'000**	**As at 30.06.2021 $'000**	**As at 31.12.2020 $'000**
ASSETS					
Current assets					
Cash and bank balances		**329,944**	274,392	**144,648**	50,188
Trade and other receivables	11	**54,674**	55,816	**396**	506
Contract assets		**39,493**	46,966	**-**	-
Contract costs		**2,923**	2,855	**-**	-
Amounts due from subsidiaries		**-**	-	**369,664**	281,333
Inventories		**2,412**	2,146	**-**	-
Development properties	12	**260,592**	303,815	**-**	-
		690,038	685,990	**514,708**	332,027
Assets classified as held for sale	13	**-**	410,943	**-**	-
Total current assets		**690,038**	1,096,933	**514,708**	332,027
Non-current assets					
Property, plant and equipment	14	**406,964**	407,590	**2,723**	3,091
Right-of-use assets		**340**	266	**10,250**	9,557
Investment properties	15	**1,455,886**	1,452,351	**498**	498
Investments in subsidiaries		**-**	-	**738,068**	755,923
Investments in equity accounted investees		**171,111**	152,547	**-**	-
Financial asset at fair value through other comprehensive income ("FVTOCI")		**29,343**	29,343	**-**	-
Deferred tax assets		**1,775**	1,721	**-**	-
Trade and other receivables	11	**1,471**	2,915	**-**	-
Other non-current assets		**5**	5	**-**	-
Total non-current assets		**2,066,895**	2,046,738	**751,539**	769,069
Total assets		**2,756,933**	3,143,671	**1,266,247**	1,101,096
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	16	**836,471**	210,130	**64,231**	-
Lease liabilities		**97**	54	**2,864**	1,940
Trade and other payables		**79,977**	153,604	**18,752**	21,047
Amounts due to subsidiaries		**-**	-	**611,732**	417,614
Contract liabilities		**1,121**	-	**-**	-
Derivative financial instruments		**1,511**	-	**-**	-
Income tax payable		**6,060**	3,776	**-**	-
		925,237	367,564	**697,579**	440,601
Liabilities directly associated with assets classified as held for sale	13	**-**	298,483	**-**	-
Total current liabilities		**925,237**	666,047	**697,579**	440,601
Non-current liabilities					
Loans and borrowings	16	**508,570**	1,254,823	**-**	63,795
Lease liabilities		**94**	84	**7,371**	7,533
Derivative financial instruments		**-**	2,038	**-**	-
Deferred tax liabilities	17	**45,339**	46,859	**-**	-
Other non-current liabilities		**352**	322	**-**	-
Total non-current liabilities		**554,355**	1,304,126	**7,371**	71,328

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

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group		Company	
		As at 30.06.2021 $'000	As at 31.12.2020 $'000	As at 30.06.2021 $'000	As at 31.12.2020 $'000
Capital, reserves and non-controlling interests					
Share capital	18	**181,695**	176,234	**181,695**	176,234
Treasury shares	19	**(3,985)**	(3,891)	**(3,985)**	(3,891)
Reserves		**1,087,036**	987,724	**383,587**	416,824
Equity attributable to owners of the Company		**1,264,746**	1,160,067	**561,297**	589,167
Non-controlling interests		**12,595**	13,431	**-**	-
Total equity		**1,277,341**	1,173,498	**561,297**	589,167
Total liabilities and equity		**2,756,933**	3,143,671	**1,266,247**	1,101,096

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

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group First Half 30.06.2021	Group First Half 30.06.2020
		$'000	$'000
Operating activities			
Profit before tax		**100,868**	6,975
Adjustments for:			
Fair value loss / (gain)		**118**	(3,199)
Share of results of equity accounted investees		**(17,028)**	(14,253)
(Write-back) / allowance for diminution in value for development properties, net		**(409)**	11
Depreciation of property, plant and equipment		**4,531**	4,611
Depreciation of right-of-use assets		**43**	15
Amortisation of contract costs		**2,649**	-
(Write-back) / allowance for doubtful trade and other receivables, net		**(257)**	135
Bad debts written off		**-**	6
Net gain on disposal of property, plant and equipment		**(3)**	(2)
Net gain on disposal of a subsidiary	22	**(88,953)**	-
Interest income		**(1,258)**	(3,085)
Finance costs		**24,120**	24,860
Operating cash flows before movements in working capital		**24,421**	16,074
Development properties		**43,770**	17,978
Inventories		**(291)**	237
Trade and other receivables		**4,667**	3,855
Contract costs		**(2,717)**	(1,243)
Contract assets		**7,473**	(6,366)
Contract liabilities		**1,121**	838
Trade and other payables		**(35,241)**	(5,521)
Cash generated from operations		**43,203**	25,852
Interest received		**367**	1,573
Income tax (paid) / recovered		**(2,468)**	103
Net cash from operating activities		**41,102**	27,528
Investing activities			
Purchase of property, plant and equipment	14	**(703)**	(2,782)
Proceeds from disposal of a subsidiary	22	**451,276**	-
Proceeds from disposal of property, plant and equipment		**3**	34
Additions to investment properties		**(644)**	(19)
Investment in an equity accounted investee		**-**	(5)
Net cash from / (used in) investing activities		**449,932**	(2,772)

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

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Note	Group First Half 30.06.2021	Group First Half 30.06.2020
		$'000	$'000
Financing activities			
Proceeds from loans and borrowings		**15,574**	224,808
Repayment of loans and borrowings		**(434,818)**	(204,422)
Repayment of lease liabilities		**(26)**	(39)
Interest paid		**(21,368)**	(25,931)
Bank deposits pledged as securities for bank facilities		**2,107**	5,584
Dividend paid to shareholders		**(1,663)**	(6,104)
Purchase of treasury shares		**(94)**	(705)
Net cash used in financing activities		**(440,288)**	(6,809)
Net increase in cash and cash equivalents		**50,746**	17,947
Cash and cash equivalents at the beginning of the period		**198,398**	88,986
Foreign currency translation adjustments		**887**	1,395
Cash and cash equivalents at the end of the period		**250,031**	108,328

The consolidated cash and cash equivalents comprise the following:

	Group First Half 30.06.2021	Group First Half 30.06.2020
	$'000	$'000
Cash and cash equivalents per consolidated statement of cash flows		
Cash and bank balances (as per statement of financial position)	**329,944**	186,996
Less:		
Encumbered fixed deposits and bank balances	**(79,913)**	(78,668)
	250,031	108,328

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

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Investment revaluation reserve $'000	Other capital reserves $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
<u>Group</u>											
At 1 January 2021		**176,234**	**(3,891)**	**(38,139)**	**123,001**	**(1,573)**	**193,897**	**710,538**	**1,160,067**	**13,431**	**1,173,498**
Total comprehensive income for the period											
Profit for the period		-	-	-	-	-	-	100,721	100,721	(798)	99,923
Exchange differences on translation of foreign operations		-	-	5,333	-	-	-	-	5,333	(38)	5,295
Cash flow hedges		-	-	-	-	-	545	-	545	-	545
Income tax adjustments relating to other comprehensive income		-	-	-	-	-	(163)		(163)	-	(163)
Other comprehensive income / (loss) for the period, net of tax		-	-	5,333	-	-	382	-	5,715	(38)	5,677
Total		-	-	5,333	-	-	382	100,721	106,436	(836)	105,600
Transactions with owners, recognised directly in equity											
Transfer from revenue reserve to other capital reserves		-	-	-	-	-	3,600	(3,600)	-	-	-
Issue of shares under the Scrip Dividend Scheme	18	5,461	-	-	-	-	-	-	5,461	-	5,461
Repurchase of shares	19	-	(94)	-	-	-	-	-	(94)	-	(94)
Dividend paid to shareholders:											
- Cash		-	-	-	-	-	-	(1,663)	(1,663)	-	(1,663)
- Share		-	-	-	-	-	-	(5,461)	(5,461)	-	(5,461)
Total		5,461	(94)	-	-	-	3,600	(10,724)	(1,757)	-	(1,757)
At 30 June 2021		181,695	(3,985)	(32,806)	123,001	(1,573)	197,879	800,535	1,264,746	12,595	1,277,341

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

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Group	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Investment revaluation reserve $'000	Other capital reserves $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2020		**175,234**	**(2,955)**	**(62,652)**	**142,155**	**-**	**184,924**	**668,257**	**1,104,963**	**14,110**	**1,119,073**
Total comprehensive income for the period											
Profit for the period		-	-	-	-	-	-	6,613	6,613	(108)	6,505
Exchange differences on translation of foreign operations		-	-	11,936	-	-	-	-	11,936	101	12,037
Cash flow hedges		-	-	-	-	-	(1,887)	-	(1,887)	-	(1,887)
Income tax adjustments relating to other comprehensive income		-	-	-	-	-	566		566	-	566
Other comprehensive income / (loss) for the period, net of tax		-	-	11,936	-	-	(1,321)	-	10,615	101	10,716
Total		-	-	11,936	-	-	(1,321)	6,613	17,228	(7)	17,221
Transactions with owners, recognised directly in equity											
Transfer from revenue reserve to other capital reserves		-	-	-	-	-	527	(527)	-	-	-
Issue of shares under the Scrip Dividend Scheme		1,000	-	-	-	-	-	-	1,000	-	1,000
Repurchase of shares		-	(705)	-	-	-	-	-	(705)	-	(705)
Dividend paid to shareholders:											
- Cash		-	-	-	-	-	-	(6,104)	(6,104)	-	(6,104)
- Share		-	-	-	-	-	-	(1,000)	(1,000)	-	(1,000)
Total		1,000	(705)	-	-	-	527	(7,631)	(6,809)	-	(6,809)
At 30 June 2020		**176,234**	**(3,660)**	**(50,716)**	**142,155**	**-**	**184,130**	**667,239**	**1,115,382**	**14,103**	**1,129,485**

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

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company	Note	Share capital	Treasury shares	Other capital reserve	Revenue reserve	Total equity
		$'000	**$'000**	**$'000**	**$'000**	**$'000**
At 1 January 2021		**176,234**	**(3,891)**	**101,264**	**315,560**	**589,167**
Loss for the period, representing total comprehensive loss for the period		**-**	**-**	**-**	**(26,113)**	**(26,113)**
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	18	**5,461**	**-**	**-**	**-**	**5,461**
Dividend paid to shareholders						
- Cash		**-**	**-**	**-**	**(1,663)**	**(1,663)**
- Share		**-**	**-**	**-**	**(5,461)**	**(5,461)**
Repurchase of shares	19	**-**	**(94)**	**-**	**-**	**(94)**
Total		**5,461**	**(94)**	**-**	**(7,124)**	**(1,757)**
At 30 June 2021		**181,695**	**(3,985)**	**101,264**	**282,323**	**561,297**
At 1 January 2020 (Restated *)		175,234	(2,955)	101,264	321,865	595,408
Profit for the period, representing total comprehensive income for the period		-	-	-	1,285	1,285
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme		1,000	-	-	-	1,000
Dividend paid to shareholders						
- Cash		-	-	-	(6,104)	(6,104)
- Share		-	-	-	(1,000)	(1,000)
Repurchase of shares		-	(705)	-	-	(705)
Total		1,000	(705)	-	(7,104)	(6,809)
At 30 June 2020		176,234	(3,660)	101,264	316,046	589,884

* *Restatement due to derecognition of deemed investments arising from financial guarantees granted to subsidiaries which were liquidated prior to 1 January 2019.*

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

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Tuan Sing Holdings Limited ("the Company") 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.

These condensed interim consolidated financial statements as at and for the half year ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of investment holding. The principal activities of the Group are those relating to real estate investment, real estate development, hospitality and other investments. The interim financial information is presented in Singapore dollars unless otherwise indicated.

2. Basis of preparation

The condensed interim financial statements for the half year ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**s"), except for the adoption of amended standards as set out in Note 2.1.

2.1 New and amended standards adopted by the Group

The Group has applied the following amendments to SFRS(I)s which took effect from financial year beginning 1 January 2021:

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above amendments to SFRS(I)s does not result in any changes to the Group's and the Company's accounting policies and has no material financial effect on the results and financial position of the Group for the financial year ending 31 December 2021.

3 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the financial year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the condensed interim financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are included in the following notes:

- Note 5 – Stage of completion for revenue recognition
- Note 12 – Allowance for diminution in value for development properties
- Note 15 – Fair value measurement of investment properties and valuation processes
- Note 17 – Deferred tax liabilities arising from changes in the carrying amount of investment in Grand Hotel Group ("**GHG**")
- Note 11 – Loss allowance for receivables and refundable trade deposit

4. Segment and revenue information

During the reporting period, the Group reorganised its business segments into five segments by segregating the development and investment arms of the Property segment. Accordingly, the Group's reportable operating segments under SFRS(I) 8 are as follows:

Segment	Principal activities
Real Estate Investment	Property investments in Singapore, Australia, and China
Real Estate Development	Property development and provision of construction management services in Singapore and Indonesia
Hospitality	Investment in hotels in Melbourne and Perth, Australia, managed by Hyatt, the hotel operator
Industrial Services	Trading and marketing of industrial commodities, as well as manufacturing of polypropylene woven bags in Malaysia
Other Investments	Investment in Gul Technologies Singapore Pte. Ltd. ("**GulTech**") and Pan-West (Private) Limited ("**Pan-West**"). GulTech is a printed circuit boards manufacturer with plants in China. Pan-West distributes golf-related lifestyle products.

Segment revenue represents revenue generated from external and internal customers. Segment profit represents the profit earned by each segment before allocation of interest and taxes, net foreign exchange gain or loss, fair value adjustments and other non-recurring adjustments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis. These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

Segment revenues and results

	Real Estate Investment	Real Estate Development	Hospitality	Industrial Services	Other Investments[1]	Corporate[2]	Inter-Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2021								
Revenue								
External revenue	26,581	55,931	25,757	35,584	-	90	-	143,943
Inter-segment revenue	1,755	-	-	-	-	3,972	(5,727)	-
	28,336	55,931	25,757	35,584	-	4,062	(5,727)	143,943
Adjusted EBIT*	18,174	1,001	2,747	2	16,947	(6,888)	2,261	34,244
Interest income								1,258
Finance costs								(24,120)
Net foreign exchange gain								648
Net gain on disposal of property, plant and equipment								3
Net gain on disposal of a subsidiary								88,953
Profit before tax and fair value adjustments								100,986
Fair value adjustments								(118)
Profit before tax								100,868
Income tax expenses								(945)
Profit for the period								99,923

* Adjusted EBIT is based on a measure of adjusted earnings before interest and tax, excluding the effects of (i) gain or loss on disposal of subsidiaries, joint venture/associate, investment properties, and property, plant and equipment, (ii) fair value gain or loss on investment properties and derivative financial instruments, (iii) revaluation deficit on property, plant and equipment, (iv) impairment/writeback of impairment on our investment in joint venture/associate, and property, plant and equipment. and (v) net foreign exchange gain or loss.

Note:

1. No revenue is reported under "Other Investments" as the Group's investments in GulTech is equity accounted for.
2. "Corporate" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at group-level upon consolidation.

Segment revenues and results (cont'd)

	Real Estate Investment	Real Estate Development	Hospitality	Industrial Services	Other Investments[1]	Corporate[2]	Inter-Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2020								
Revenue								
External revenue	**25,005**	**31,460**	**20,535**	**14,772**	**-**	**90**	**-**	**91,862**
Inter-segment revenue	**1,562**	**-**	**218**	**-**	**-**	**3,856**	**(5,636)**	**-**
	26,567	**31,460**	**20,753**	**14,772**	**-**	**3,946**	**(5,636)**	**91,862**
Adjusted EBIT*	**16,890**	**1,018**	**(2,189)**	**(696)**	**14,199**	**(5,633)**	**1,328**	**24,917**
Interest income								3,085
Finance costs								(24,860)
Net foreign exchange gain								632
Net gain on disposal of property, plant and equipment								2
Profit before tax and fair value adjustments								3,776
Fair value adjustments								3,199
Profit before tax								6,975
Income tax expenses								(470)
Profit for the period								6,505

* Adjusted EBIT is based on a measure of adjusted earnings before interest and tax, excluding the effects of (i) gain or loss on disposal of subsidiaries, joint venture/associate, investment properties, and property, plant & equipment, (ii) fair value gain or loss on investment properties and derivative financial instruments, (iii) revaluation deficit on property, plant and equipment, (iv) impairment /writeback of impairment on our investment in Joint Venture/Associate and property, plant and equipment (v) net foreign exchange gain or loss

Note:

1. No revenue is reported under "Other Investments" as the Group's investments in GulTech is equity accounted for.
2. "Corporate" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at group-level upon consolidation.
3. Comparative was adjusted after the reorganised the business segments into five segments by segregating the development and investment arms of the Property segment.

Segment assets, liabilities and other segment information

	Real Estate Investment	Real Estate Development	Hospitality	Industrial Services	Other Investments	Corporate	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 30 June 2021							
Assets							
Segment assets	**1,583,349**	**339,579**	**408,243**	**67,918**	**-**	**155,615**	**2,554,704**
Deferred tax assets	**-**	**48**	**1,525**	**72**	**-**	**130**	**1,775**
Financial asset at fair value through other comprehensive income	**-**	**29,343**	**-**	**-**	**-**	**-**	**29,343**
Investments in equity accounted investees	**-**	**15,328**	**-**	**-**	**155,783**	**-**	**171,111**
Total assets	**1,583,349**	**384,298**	**409,768**	**67,990**	**155,783**	**155,745**	**2,756,933**
Liabilities							
Segment liabilities	**(30,337)**	**(27,478)**	**(12,009)**	**(2,150)**	**(5,045)**	**(6,133)**	**(83,152)**
Loans and borrowings	**(905,304)**	**(157,810)**	**(217,696)**	**-**	**-**	**(64,231)**	**(1,345,041)**
Income tax payable and deferred tax liabilities	**(5,565)**	**(2,571)**	**(151)**	**(529)**	**-**	**(42,583)**	**(51,399)**
Total liabilities	**(941,206)**	**(187,859)**	**(229,856)**	**(2,679)**	**(5,045)**	**(112,947)**	**(1,479,592)**
Net assets	**642,143**	**196,439**	**179,912**	**65,311**	**150,738**	**42,798**	**1,277,341**
As at 31 December 2020							
Assets							
Segment assets	2,021,193	396,334	405,572	74,164	-	62,797	2,960,060
Deferred tax assets	-	-	1,512	80	-	129	1,721
Financial asset at fair value through other comprehensive income	-	29,343	-	-	-	-	29,343
Investments in equity accounted investees	-	15,115	-	-	137,432	-	152,547
Total assets	2,021,193	440,792	407,084	74,244	137,432	62,926	3,143,671
Liabilities							
Segment liabilities	(384,240)	(34,155)	(14,150)	(8,091)	(5,119)	(8,830)	(454,585)
Loans and borrowings	(1,005,645)	(179,797)	(215,716)	-	-	(63,795)	(1,464,953)
Income tax payable and deferred tax liabilities	(5,849)	(2,247)	(149)	(712)	-	(41,678)	(50,635)
Total liabilities	(1,395,734)	(216,199)	(230,015)	(8,803)	(5,119)	(114,303)	(1,970,173)
Net assets/ (liabilities)	625,459	224,593	177,069	65,441	132,313	(51,377)	1,173,498

Comparative was adjusted after the reorganised the business segments into five segments by segregating the development and investment arms of the Property segment.

Geographical Segment

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

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers. Non-current assets other than the investments in equity accounted investees, deferred tax assets, financial asset at fair value through other comprehensive income and trade and other receivables are based on the geographical location of the assets.

	Revenue from external customers		**Non-current assets**	
	First Half 30.06.2021 $'000	**First Half 31.12.2020 $'000**	**As at 30.06.2021 $'000**	**As at 31.12.2020 $'000**
Singapore	**89,775**	58,536	**1,160,250**	1,160,183
Australia	**34,040**	28,906	**670,489**	667,879
China	**15,739**	187	**27,994**	27,617
Malaysia	**4,389**	3,625	**4,286**	4,336
Indonesia	**-**	608	**176**	197
	143,943	91,862	**1,863,195**	1,860,212

Other segment information

Included in the Group revenue of $143.9 million (30 June 2020 : $91.9 million) were sales of approximately $24.5 million (30 June 2020 : $9.9 million) to two customers from the Industrial Services segment that contributed 10% or more to the Group's revenue.

5. Revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 4).

A disaggregation of the Group's revenue for the period, is as follows:

	Group	
	First Half 30.06.2021 $'000	**First Half 30.06.2020 $'000**
Revenue from contracts with customers:		
Sale of products	**35,584**	14,772
Sale of development properties	**55,428**	31,460
Hotel operations and related income	**25,757**	20,535
Services rendered	**593**	90
Others	**3,570**	1,211
	120,932	68,068
Rental income from investment properties	**23,011**	23,794
	143,943	91,862

At a point of time:		
Sale of products	**35,584**	14,772
Sale of completed development properties	**31,544**	4,100
Hotel operations – food and beverages	**8,013**	5,261
Over time:		
Sale of development properties under construction	**23,884**	27,360
Hotel operations – room sales and other income	**17,744**	15,274
Services rendered	**593**	90
Others	**3,570**	1,211
	120,932	68,068

Seasonality of operations

The Group's businesses are generally not affected significantly by seasonal or cyclical factors during the financial period. However, the Group's results of operations will continue to vary from period to period, depending on the conditions of the hospitality and leisure industry and the state of the property market in the countries in which the Group operates.

6. Financial assets and financial liabilities

The table below sets out the financial instruments at the end of the interim period:

	Group		Company	
	30.06.2021 $'000	**31.12.2020 $'000**	**30.06.2021 $'000**	**31.12.2020 $'000**
Financial assets				
Financial assets at FVTOCI	**29,343**	29,343	**-**	-
Financial assets at amortised cost	**418,577**	371,311	**514,372**	331,729
	447,920	400,654	**514,372**	331,729
Financial liabilities				
Financial liabilities at amortised cost	**1,416,686**	1,561,386	**679,769**	487,362
Financial guarantee contracts	**-**	-	**14,876**	14,876
Lease liabilities	**191**	138	**10,235**	9,473
	1,416,877	1,561,524	**704,880**	511,711
Derivative financial instruments	**1,511**	2,038	**-**	-
	1,418,388	1,563,562	**704,880**	511,711

7. Profit before taxation

7.1 Significant items

Other than as disclosed elsewhere in these condensed interim financial statements, profit before tax for the period has been arrived at after charging/(crediting) the following:

	Group	
	First Half 30.06.2021 $'000	**First Half 30.06.2020 $'000**
Depreciation of property, plant and equipment [included in cost of sales and administrative expenses]	**4,531**	4,611
Depreciation of right-of-use assets [included in cost of sales and administrative expenses]	**43**	15
Net gain on disposal of property, plant and equipment [included in other operating income]	**(3)**	(2)
(Write-back) / allowance for diminution in value for development properties, net [included in other operating (income) / expenses / cost of sales]	**(409)**	11
(Write-back) / allowance for doubtful trade and other receivables, net [included in other operating (income) / expenses]	**(257)**	135
Bad debts written off [included in other operating expenses]	**-**	6
Foreign exchange gain, net [included in other operating income]	**(648)**	(632)
Net gain on disposal of a subsidiary [included in other operating income]	**(88,953)**	-

8. Income tax expenses

	Group	
	First Half 30.06.2021 $'000	**First Half 30.06.2020 $'000**
Current income tax:		
- Singapore	**573**	461
- Foreign	**(25)**	412
- Under / (Over) provision in prior years	**1,014**	(654)
	1,562	219
Withholding tax expense	**66**	35
Deferred tax	**(683)**	216
	945	470

Singapore income tax is calculated at 17% (30 June 2020 : 17%) of the estimated assessable income for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

9. Earnings per share

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	
	First Half 30.06.2021	First Half 30.06.2020
	$'000	$'000
Profit attributable to owners of the Company		
Before fair value adjustments	**100,839**	4,203
Fair value adjustments	**(118)**	2,410
After fair value adjustments	**100,721**	6,613
Basic and diluted earnings per share (cents)		
Including fair value adjustments	**8.5**	0.6
Excluding fair value adjustments	**8.5**	0.4
Weighted average number of ordinary shares (in '000 shares) for the purpose of computation of basic and diluted earnings per share	**1,188,027**	1,185,030

There was no outstanding dilutive potential ordinary share. Hence diluted earnings per ordinary share were the same as the earnings per ordinary share for the respective periods.

10. Related party transactions

In addition to the related party transactions disclosed elsewhere in the financial statements, the Group has the following significant related party transactions with the major shareholder, associates and the Directors of the Company and their associates:

	Group	
	First Half 30.06.2021	First Half 30.06.2020
	$'000	$'000
Transactions with major shareholder		
Sale of products and services rendered	**7,194**	3,104
Rental income	**969**	1,002
Interest income	**360**	2,021
Purchase of products and services	**(28,952)**	(7,877)
Purchase of property, plant and equipment	**(49)**	-
Transactions with associates		
Management fee income	**90**	90
Transactions with Directors of the Company and their associates		
MTN interest expense	**(29)**	(52)
Transactions with key management personnel of the Group		
Sales of property in the course of development	**88**	-
MTN interest expense	**(22)**	(11)

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

11. Trade and other receivables

	Group		Company	
	30.06.2021	**31.12.2020**	**30.06.2021**	**31.12.2020**
	$'000	**$'000**	**$'000**	**$'000**
Trade				
Trade receivables	**20,780**	32,085	-	-
Loss allowance	**(712)**	(945)	-	-
	20,068	31,140	-	-
Presented as:				
Total trade receivables - current	**18,597**	28,225	-	-
Total trade receivables – non-current	**1,471**	2,915	-	-
	20,068	31,140	-	-
Non-trade				
Deposits	**12,595**	2,588	**74**	75
Prepayment	**3,343**	5,235	**336**	298
Tax recoverable	**3,662**	3,543	-	-
Other receivables	**16,658**	16,405	**58**	205
Loss allowance	**(181)**	(180)	**(72)**	(72)
Total non-trade receivables - current	**36,077**	27,591	**396**	506

(a) Included in the carrying amount of other receivables of the Group as at 30 June 2021 was a refundable trade deposit of US$6,000,000 or equivalent to $8,070,000 (31 December 2020 : $7,999,000) placed by SP Corporation Limited, with a related party which owns a coal mine (Party A) to secure coal allocations. The deposit is secured by a corporate guarantee issued by the immediate holding company of Party A which is also a related party and also owns a coal mine. The deposit is repayable within one year and subject to annual renewal by mutual agreement between the two parties. It bears an effective interest rate of 4.31% (2020 : 4.53%) per annum.

(b) Included in the deposits of the Group as at 30 June 2021 was an amount of $10,999,000 placed with a bank under a margin deposit arrangement, in relation to a letter of guarantee issued by the bank in favour of an external party. As the deposit is placed with a reputable bank, management has assessed that credit risk on the deposit is low and the deposit is subject to immaterial credit loss.

Analysis of trade receivables

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

12. Development properties

	Group	
	30.06.2021	31.12.2020
	$'000	$'000
Properties in the course of development	**247,256**	283,042
Land held for future development	**7,350**	7,219
	254,606	290,261
Completed properties held for sale	**5,986**	13,554
	260,592	303,815
The above comprises:		
Properties in the course of development in Singapore	**191,845**	229,694
Properties in the course of development in Indonesia	**55,411**	53,348
Land held for future development in China	**7,350**	7,219
Completed properties held for sale in Singapore	**5,598**	13,173
Completed properties held for sale in China	**388**	381
	260,592	303,815

Allowance for diminution in value

The allowance for diminution in value for development properties held for sale was estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on expected selling prices for the development project after taking into consideration of prevailing market conditions. During the reporting period, a net write-back in allowance for diminution in value for development properties of $409,000 (30 June 2020: net allowance for diminution in value of $11,000) is included in "other operating income/(expenses)/cost of sales" in profit or loss (Note 7.1).

	Group	
	30.06.2021	31.12.2020
	$'000	$'000
Movements in allowance for diminution in value		
At 1 January	**(7,718)**	(7,543)
Exchange difference on consolidation	**(131)**	(374)
Allowance made during the period	**(90)**	(13)
Write-back during the period	**499**	212
At the end of the period	**(7,440)**	(7,718)

13. Assets classified as held for sale

On 6 November 2020, Group's wholly-owned subsidiary, Robinson Point Limited, entered into a Sale and Purchase Agreement to dispose 100% of the issued shares in the capital of 39 Robinson Road Pte. Ltd. which owns Robinson Point. Accordingly, all the assets and liabilities held by the disposal group were reclassified to assets held for sale and liabilities held for sale respectively as at 31 December 2020. The divestment was completed on 7 June 2021. The operations from 1 January 2021 to the date of disposal were included in the Group's real estate investment segment for segment reporting purpose (Note 4). The disposed subsidiary contributed a net profit of $1,486,000 from 1 January 2021 to 7 June 2021.

	30.06.2021	31.12.2020
	$'000	$'000
Cash and bank balances	-	4,801
Trade and other receivables	-	1,142
Investment property	-	405,000
	-	410,943
Trade and other payables	-	4,779
Income tax payable	-	1,006
Bank loans [(1)]	-	292,698
	-	298,483
Net assets of disposed group [(1)]	-	112,460

[(1)] On date of disposal, the outstanding bank loans of $292,286,000 was fully settled and the net assets of disposed group was derecognised at $406,276,000 (Note 22).

14. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to $703,000 (30 June 2020: $2,782,000) and disposed assets with cost of $16,000 (30 June 2020: $64,000). Property, plant and equipment with an aggregate cost of $149,000 (30 June 2020: $1,235,000) were reclassified to investment properties for the asset enhancement works to be capitalised as part of the investment property in Perth.

15. Investment Properties

	Completed investment properties
	$'000
Group	
At 1 January 2021	**1,452,351**
Exchange differences on consolidation	**2,742**
Additions	**644**
Property reclassified from property, plant and equipment	**149**
At 30 June 2021	**1,455,886**
At 1 January 2020	1,778,168
Exchange differences on consolidation	19,282
Additions	8,280
Net gain from fair value adjustments	47,385
Property transferred from development properties following change in use	1,951
Property reclassified from property, plant and equipment	2,285
Classified as held for sale	(405,000)
At 31 December 2020	1,452,351
Company	
At 30 June 2021	**498**
At 31 December 2020	498

Fair value measurement of investment properties

The Group's investment properties are stated at fair value based on valuation carried out by independent professional valuers, who have the appropriate qualification and experience in the location and category of the properties being valued.

In estimating the fair value of the investment properties, the highest and best use of the properties is their current use. 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 30 June 2021 and 31 December 2020, the fair value measurement of the Group's investment properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the reporting period.

The Group's investment properties were last revalued during November 2020 to December 2020. The management has reviewed the appropriateness of the valuation methodologies, inputs and assumptions adopted in the last valuation and determined that the fair values reported in these condensed interim statements of financial position (and the corresponding change in fair values to be reported in profit or loss) have not changed significantly since 31 December 2020.

16. Loans and borrowings

	Group		Company	
	30.06.2021 $'000	31.12.2020 $'000	30.06.2021 $'000	31.12.2020 $'000
Security profile				
Secured borrowings				
Current	**771,535**	210,030	**-**	-
Non-current	**504,275**	1,186,128	**-**	-
	1,275,810	1,396,158	**-**	-
Unsecured borrowings				
Current	**64,936**	100	**64,231**	-
Non-current	**4,295**	68,695	**-**	63,795
	69,231	68,795	**64,231**	63,795
Total borrowings	**1,345,041**	1,464,953	**64,231**	63,795

Multicurrency Medium Term Note Programme

The Company has in place a S$900 million Multicurrency Medium Term Note Programme ("**MTN Programme**") under which it can issue notes in series or tranches and may be denominated in Singapore Dollars or other currency deemed appropriate at the time.

Series III of S$65 million were issued on 19 May 2020. These are of two years duration, unsecured, bear a fixed interest rate of 7.75% per annum payable semi-annually in arrear and will mature on 19 May 2022. At the end of the reporting period, the fair value of the notes approximate the respective carrying amounts.

The Company's wholly owned subsidiary, Superluck Properties Pte Ltd ("**Superluck**"), has on 13 October 2019, established a S$500 million secured multicurrency medium term note programme, unconditionally and irrevocably guaranteed by the Company. Superluck has issued Series I of S$200 million on 18 October 2019. These are of three years duration, secured, bear a fixed rate of 2.80% per annum payable semi-annually in arrear and will mature on 18 October 2022. At the end of the reporting period, the fair value of the secured notes approximate the respective carrying amounts.

The Group's borrowings are secured except for the loan obtained under the Enterprise Financing Scheme and the Series III notes of $65 million issued under the Company's MTN Programme. The Group's secured borrowings are applied to financing of development, investment and hotel properties in Singapore and Australia respectively.

Details of collateral

As at 30 June 2021, the net book value of assets pledged or mortgaged to financial institutions was $2,150.8 million (31 December 2020: $2,172.6 million).

17. Deferred tax liabilities

Deferred tax liabilities relating to equity interest in GHG

Included in the deferred tax liabilities of the Group was a provision of $33,737,000 (31 December 2020 : $33,446,000) made by the Group to recognise the taxable gains on the excess of the fair value of net assets of GHG over the tax cost base of the securities in GHG.

18. Share capital

	Group and Company			
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	Number of shares ('000)		$'000	$'000
Issued and paid up:				
At 1 January	**1,187,490**	1,186,249	**176,234**	175,234
Issued under Scrip Dividend Scheme	**14,680**	4,713	**5,461**	1,000
Shares bought back and held as treasury shares	**(240)**	(3,472)	**-**	-
At the end of the period	**1,201,930**	1,187,490	**181,695**	176,234

Save for the above, there has been no change in the Company's share capital arising from rights issue, bonus issue, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since 31 December 2020.

There were also no outstanding convertible securities for which shares might be issued as at 30 June 2021 and 30 June 2020.

19. Treasury shares

	Group and Company			
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	Number of shares ('000)		$'000	$'000
At 1 January	**11,760**	8,288	**3,891**	2,955
Repurchased during the period	**240**	3,472	**94**	936
At the end of the period	**12,000**	11,760	**3,985**	3,891

There were no other transfers, disposal or cancellation of treasury shares during the reporting period. As at 30 June 2021, the Company held 12,000,000 treasury shares (30 June 2020: 11,023,300 treasury shares) which represent 1.0% (30 June 2020: 0.9%) of the total number of issued shares (excluding treasury shares). As at 31 December 2020, the Company held 11,760,100 treasury shares which represent 1.0% of the total number of issued shares (excluding treasury shares).

20. Net asset value

		Group		Company	
	Note	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Net asset value per ordinary share (in cents)		**105.2**	97.7	**46.7**	49.6
Total number of issued shares (in '000)	18	**1,201,930**	1,187,490	**1,201,930**	1,187,490

Net asset value per ordinary share = Equity attributable to owners of the Company / Total number of issued shares.

21. Dividend

No interim dividend for the half year ended 30 June 2021 (30 June 2020: Nil) is recommended. It is the Company's policy to declare dividends, if any, after the release of year-end results.

22. Disposal of a subsidiary

On 7 June 2021, the Group completed the disposal of its wholly-owned subsidiary, 39 Robinson Road Pte. Ltd. (Note 13).

The cash flows and net assets at the date of disposal are provided below:

	Group
	30.06.2021
	$'000
Non-current assets	
Investment property	**405,000**
Current assets	
Trade and other receivables	**655**
Cash and bank balances	**4,336**
Total assets	**409,991**
Current liabilities	
Trade and other payables	**(3,161)**
Income tax payable	**(554)**
Total liabilities	**(3,715)**
Net assets of disposed group (Note 13)	**406,276**
Consideration	
Cash received	**451,276**
Deposit collected in prior year	**50,000**
Total consideration	**501,276**
Gain on disposal	
Total consideration	**501,276**
Transaction costs incurred	**(6,047)**
Net assets derecognised	**(406,276)**
Gain on disposal of a subsidiary	**88,953**

23. Subsequent Events

Subsequent to the reporting date, on 6 August 2021 the Group announced that it has, through its indirect associated company, Gultech China Pte Ltd, entered into a sale and purchase agreement to divest 2.5% of the total shares in the issued share capital of Gultech (Jiangsu) Electronics Co., Ltd to an investment arm of the local authority Xishan Economic and Technology Development Zone for a consideration of RMB 83.75 million.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed interim consolidated statement of financial position of Tuan Sing Holdings Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of Group Performance

(A) Financial Performance

The Group's revenue increased by 57% to $143.9 million in 1H2021. The increase was due to higher revenue across all business segments, led by Real Estate Development, Industrial Services and Hospitality. Higher revenue from Real Estate Development was mostly driven by higher progressive recognition of units sold at Mont Botanik Residence, while higher revenue from Industrial Services and Hospitality reflected the gradual recovery of the Group's operations since the outbreak of the COVID-19 pandemic last year.

Gross profit increased by 48% to $36.1 million in 1H2021 as a result of the increase in revenue.

Other operating income increased by $87.8 million to $93.3 million in 1H2021. The increase was attributable mainly to the gain on disposal of a subsidiary in Singapore, partially offset by lower government grant income as various COVID-19 support schemes had ceased or tapered off during this period.

Distribution costs increased by $2.9 million to $5.4 million in 1H2021 due mainly to higher sales commission expenses and show flat costs relating to the sale of residential properties in Singapore.

Administrative expenses edged up by 11% to $16.9 million in 1H2021 due mainly to higher manpower costs.

Other operating expenses were down by 69% to $0.3 million in 1H2021. The decrease was in line with the decrease in government grant income. In 1H2020, the Group transferred certain COVID-19 support measures received to eligible tenants in Singapore in the form of rental rebates and rental waivers.

Share of results of equity accounted investees grew by 19% to $17.0 million in 1H2021. The increase was mainly attributable to higher net profit from the Group's 44.5% equity stake in GulTech.

Interest income decreased by 59% to $1.3 million in 1H2021 due mainly to lower interest income from banks and accounts receivable.

Finance costs decreased by 3% to $24.1 million in 1H2021 due mainly to the decrease in interest rates for the Group's loans and borrowings, partially offset by costs incurred for the full repayment of loans of a subsidiary which was disposed on 7 June 2021.

Fair value adjustments decreased by $3.3 million to a loss of $0.1 million in 1H2021. The decrease arose from the absence of revaluation gain of a property in China following the change in use from property, plant and equipment to investment property in 1H2020.

Income tax expenses increased by $0.5 million to $0.9 million in 1H2021 due mainly to the higher profit generated in 1H2021.

As a result of the above, the Group's profit after tax increased by $93.4 million to S$99.9 million in 1H2021. The Group reported a net profit attributable to the owners of the Company of $100.7 million as compared to $6.6 million in 1H2020.

(B) Review of Financial Performance by Business Segments

Real Estate Investment

Revenue increased by 7% to $28.3 million in 1H2021 due mainly to higher occupancies at 18 Robinson and Link@896 as well as higher average gross rental for Link@896, partially offset by lower contribution from Robinson Point which was disposed on 7 June 2021.

Correspondingly, Adjusted EBIT increased by 8% to $18.2 million in 1H2021.

Real Estate Development

Revenue increased by 78% to $55.9 million in 1H2021 due mainly to higher progressive recognition of units sold at Mont Botanik Residence.

Despite higher revenue, Adjusted EBIT in 1H2021 remained comparable to last year due mainly to higher showflat costs and higher promotional expenses relating to the sales launch of Peak Residence in Singapore and Cluny Villas and Balmoral Tower at Opus Bay in Batam.

Hospitality

Revenue was up by 24% to $25.8 million in 1H2021 largely due to Hyatt Regency Perth's quarantine business and the fact that Grand Hyatt Melbourne temporarily suspended operations from mid April to mid November in the previous year.

Correspondingly, Adjusted EBIT increased by $4.9 million to $2.7 million.

Industrial Services

Revenue increased by $20.8 million to $35.6 million in 1H2021 due mainly to higher sales from coal. Delivery of coal had gradually recovered from the outbreak of the pandemic last year.

Correspondingly, Adjusted EBIT increased by $0.7 million to $0.002 million.

Other Investments

This is mainly the Group's 44.5% equity stake in GulTech. Adjusted EBIT increased by 19% to $16.9 million in 1H2021 due mainly to higher revenue and an increase in scrap sales income following the rise in material prices such as copper.

(C) Financial Position and Working Capital of the Group

The Group's total assets as at 30 June 2021 decreased by 12% or $386.7 million to $2,756.9 million. The decrease was due mainly to the disposal of a subsidiary and a decrease in carrying amount of development properties arising from the sale of residential units in Singapore. The decrease was partially offset by an increase in cash and bank balances.

The Group's total liabilities as at 30 June 2021 decreased by 25% or $490.6 million to $1,479.6 million. The decrease was due mainly to the disposal of a subsidiary, repayment of loans and borrowings and a decrease in trade and other payables.

Shareholders' fund as at 30 June 2021 increased by 9% or $104.7 million to $1,264.7 million.

The Group had a negative working capital of $235.2 million as at 30 June 2021. This was due to the reclassification of bank loans and the MTN Series III Term Notes, totalling $749.6 million to current liability as they will mature within the next twelve months. The Group is in discussions to refinance these borrowings.

(D) Cash Flows

During 1H2021, net cash generated from operating activities of $41.1 million improved was mainly from profit for the period, after changes in working capital and other adjustments.

Net cash generated from investing activities of $449.9 million was due mainly to the proceeds from the disposal of a subsidiary.

Net cash used in financing activities of $440.3 million was attributable mainly to net repayment of loans and borrowings of $419.2 million and interest payments of $21.4 million.

As a result, cash and cash equivalents were $250.0 million as at 30 June 2021, representing an inflow of $50.7 million since 31 December 2020.

3. Variance from prospect statement

Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

4. Outlook

A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group is focused primarily on real estate development, real estate investment and hospitality business. The Group's well-diversified assets portfolio, coupled with its disciplined approach and cost containment measures, allowed it to stay resilient amidst the COVID-19 pandemic.

In Singapore, on the residential front, the Group obtained temporary occupation permit (TOP) for Kandis Residence in March 2021 amidst the tighter labour supply conditions faced by the construction sector. With the sale of all the Kandis Residence units and sale of units in Mont Botanik Residence performing well with a healthy uptick, the Group recently soft launched Peak Residence for sale. The Group expects buying sentiments in the residential sales market to continue to be fuelled by the low interest rate environment and ample liquidity in the market, although higher construction costs and the tight manpower situation may continue to impact margin and construction schedule.

Rental income from the Group's investment properties have been minimally impacted by the pandemic. During the period, the Group completed the divestment of its indirect wholly owned subsidiary 39 Robinson Road Pte Ltd. The Group's flagship building - 18 Robinson - continues to enjoy improved occupancy while the ongoing asset enhancement work and tenant optimisation at Link@896 is expected to improve recurring income for the Group.

In Australia, Hyatt Regency Perth currently operates as a quarantine hotel which is expected to continue until later part of 2021. Grand Hyatt Melbourne was fully booked for the Australian Open in January 2021. Despite a lockdown in February, pent-up demand from local and inter-state travellers provided a boost to occupancy at the hotel from March to May before the business was interrupted again by intermittent lockdowns in Melbourne and other parts of Australia since late May. The Group expects demand to improve towards the later part of 2021, with broader vaccine rollout, gradual normalisation of inter-state travel and potential resumption of the travel bubble with New Zealand. The Hotel Management Agreement for Grand Hyatt Melbourne expires in December 2022 and the Group has received expression of interest from various international luxury brand operators including that from the incumbent for evaluation and consideration.

Meanwhile, the renewal and extension of major tenancies at the Group's Melbourne and Perth investment properties is expected to contribute to the performance in 2021 and beyond.

In Indonesia, the Group is actively developing Batam Opus Bay, its upcoming 125-hectare integrated mixed development township project, comprising residential living and proposed facilities such as outlet mall, food and beverages, hotel, tourist attractions, international schools, and medical facilities. The Group recently soft launched the sales for Balmoral Tower and Cluny Villas. Despite travel restrictions, sales have been encouraging. Given its close proximity to Singapore and strong domestic airlinks within Indonesia, Batam possesses strong development potential as a locale for high-quality lifestyle destination for residents and visitors. The recently enacted Omnibus Law is also expected to ease foreign ownership restrictions of residential properties and provide a boost for the property market, particularly those of the top-end residential sector.

In China, GulTech continues to contribute a positive performance in FY2021. Gultech China Pte Ltd ("**Gultech China**"), a subsidiary of Gultech, has, further to the execution of sale and purchase agreements to divest approximately 13% of the total shares in the issued share capital of Gultech (Jiangsu) Electronics Co., Ltd ("**Gultech Jiangsu**") to Yonghua Capital and Wens Capital, entered into sale and purchase agreements to divest 2.5% shares in Gultech Jiangsu to the investment arm of the local authority: Xishan Economic and Technology Development Zone for RMB 83.75 million recently. The onboarding of new shareholders as part of a broader restructuring of Gultech Jiangsu's shareholding capital is in line with its strategic review and positions the company for a possible listing in China. The aggregate consideration from these transactions is held in escrow pending payment of withholding tax in China and completion. The divestment will allow the Group to monetise part of its longstanding investment in Gultech and is in line with the Group's plan to strengthen its balance sheet and focus on its core real estate business in the region. Gultech China and Gultech Jiangsu will remain as associated companies of the Group upon completion of the proposed transactions.

Despite COVID-19, the Group will continue to develop its asset portfolio, explore potential partnerships and collaborations to grow its well-located assets in Singapore and the region. The Group is also not adverse to considering options and opportunities to divest, develop, streamline, restructure and/or reorganise its non-real estate investment and business when opportunities arise with the view to potential value maximisation.

5. Interested Person Transactions

If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has obtained the IPTs mandate from the shareholders at the Extraordinary General Meeting held on 24 April 2019, which was renewed at the Annual General Meeting on 23 April 2021.

		Group			
		Aggregate value of all interested person transactions (excluding transactions less than $100,000 and transactions conducted under shareholders'mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders'mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
		First Half		First Half	
Name of interested persons	**Nature of relationship**	**30.06.21**	**30.06.20**	**30.06.21**	**30.06.20**
		$'000	$'000	$'000	$'000
Nuri Holdings (S) Pte Ltd and associates	Nuri Holdings (S) Pte Ltd is the Company's major shareholder and controlling shareholder.				
Rendering of corporate support to interested persons		-	-	103	162
Rendering of corporate support from interested persons		-	-	-	68
Lease to an interested person		-	-	1,455	511
Michelle Liem Mei Fung and Tan Enk Ee and associates	Michelle Liem Mei Fung and Tan Enk Ee are deemed controlling shareholders of the Company.				
Rendering of corporate support to an interested person		-	-	285	311
William Nursalim alias William Liem and associates	William Nursalim alias William Liem is the Executive Director / Chief Exective Officer and a deemed controlling shareholder of the Company.				
Interest expenses for Series III unsecured Notes subscribed by interested person		-	116	-	-
William Nursalim alias William Liem and Liem Mei Kim and associates	William Nursalim alias William Liem is the Executive Director / Chief Exective Officer and a deemed controlling shareholder of the Company. Liem Mei Kim is a sister of William Nursalim alias William Liem.				
Interest income from loan to an interested person		-	-	-	664
Aggregated interested person transactions		**-**	**116**	**1,843**	**1,716**

6. Confirmation Pursuant to Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

7. Negative Assurance Confirmation Pursuant to Rule 705(5) of the SGX-ST Listing Manual

We, Richard Eu Yee Ming 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 half year ended 30 June 2021 to be false or misleading in any material aspect.

Richard Eu Yee Ming
Chairman

William Nursalim alias William Liem
Chief Executive Officer

BY ORDER OF THE BOARD

William Nursalim alias William Liem
Executive Director / Chief Executive Officer
6 August 2021