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 this document, if you are an investor in Singapore, you agree to be bound by the limitations and restrictions described herein and you represent and warrant that you are either an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA or an accredited investor (as defined in Section 4A of the SFA) pursuant to 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.

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 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to 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.

At no time shall the Notes be offered or sold, or caused to be made the subject of an invitation for subscription or purchase, nor shall 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 be circulated or distributed to any person in Singapore in any subsequent offer except to (I) an institutional investor (as defined in Section 4A of the SFA) or (II) an accredited investor (as defined in Section 4A of the SFA) pursuant to 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.

Where the Notes are subscribed or purchased under Section 275 of the SFA by an accredited investor which is:

(a) a corporation 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 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 except:

(1) to an institutional investor or to an accredited investor;

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

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

Any reference to the SFA is a reference to the Securities and Futures Act 2001 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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APPENDICES

NOTICE

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

This 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 institutional investors (as defined in Section 4A of the SFA) or accredited investors (as defined in Section 4A 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 158 to 166 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 the Insurance Distribution Directive, 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 the PRIIPS Regulation 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.

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT – Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme (each such offering, a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

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 investments in joint venture/associate and property, plant and equipment, (v) loss allowance on interest receivables and (vi) 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 a second amendment and restatement agency agreement dated 13 October 2023 made between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, (3) the Agent Bank, as agent bank (in respect of Notes other than Excluded Notes), and (4) the Trustee, as trustee, and as further amended, varied or supplemented from time to time.
"**Agent Bank**"	:	(In respect of Notes other than Excluded Notes) DBS Bank Ltd. or, if applicable, any successor agent bank in relation thereto under the Agency Agreement or (in respect of Excluded Notes) any person appointed as agent bank pursuant to the terms of the Agency Agreement or the Agent Bank Agreement in respect of such Excluded Notes and as specified in the applicable Pricing Supplement as agent bank or its successor in such capacity.
"**Agent Bank Agreement**"	:	An agent bank agreement in respect of a Series of Excluded Notes between the Issuer, the Trustee and the relevant Agent Bank made pursuant to Clause 2.5 of the Programme Agreement, substantially in the form set out in Appendix 6 to the Programme Agreement.
"**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 T2 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 1967 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.
"**Excluded Notes**"	:	Any Tranche of Notes which interest, redemption or any other payment amount is calculated based on a formula, index or benchmark (for the avoidance of doubt, including but not limited to any Notes referencing Singapore Overnight Rate Average), but other than (i) those based on SORA-OIS or (ii) those for which DBS Bank Ltd. has agreed to act as agent bank in respect thereof.
"**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 1947 of Singapore, as amended or modified from time to time.
"**Latest Practicable Date**"	:	6 October 2023.

“**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, 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 and restated by a second amendment and restatement programme agreement dated 13 October 2023 made between the same parties, 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 2001 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).
"**T2 System**"	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer 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, supplemented by a fourth supplemental trust deed dated 18 August 2021, and as further amended and restated by a second amendment and restatement trust deed dated 13 October 2023, 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 Secretary	:	Ms Leow May Cin
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 (in respect of Notes other than Excluded Notes) the Agent Bank	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Issuing and Paying Agent and (in respect of Notes other than Excluded Notes) 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, repayment and/or refinancing of indebtedness, as well as for general corporate purposes of the Group, including financing acquisitions, investments and/or asset enhancement works, on-lending to related corporations in, or associated companies of, the Group, and general working capital requirements of the Group.
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$ SORA (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$ SORA (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 (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: (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 (incurred by it or by any member of the Group (as defined in the Trust Deed)) 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 to it or to any member of the Group in the ordinary course of business, and any security created to secure liabilities of it or any member of the Group 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**"), as 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, amended and restated by an amendment and restatement trust deed dated 24 March 2020, supplemented by a fourth supplemental trust deed dated 18 August 2021, and as further amended and restated by a second amendment and restatement trust deed dated 13 October 2023, in each case, made between the same parties, 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, 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 and restated by a second amendment and restatement agency agreement dated 13 October 2023 made between (i) the Issuer, as issuer, (ii) the Issuing and Paying Agent, as issuing and paying agent, (iii) DBS Bank Ltd., as agent bank (in respect of Notes other than Excluded Notes), and (iv) the Trustee, as trustee, 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 (incurred by it or by any member of the Group (as defined in the Trust Deed)) 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 to it or to any member of the Group in the ordinary course of business, and any security created to secure liabilities of it or any member of the Group 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) Rate of Interest and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from (and including) the Interest Commencement Date (as defined in Condition 4(VII)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Rate of Interest (as defined in Condition 4(VII)) 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 (but excluding) the Maturity Date will amount to the Final Broken Amount shown on the face of such Note.

(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 (as defined in Condition 4(VII)) shown on the face of the Note.

(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**"), unless Payment Delay is specified in the applicable Pricing Supplement for a SORA Note, in which case interest (save for interest in respect of the final Interest Period (as defined below) which will be payable in arrear on the final Interest Payment Date) will be payable in arrear on the last business day of the Delay Period as set out in the relevant Pricing Supplement following each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown in the relevant Pricing Supplement, 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 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(VII)) 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.

(b) Business Day Convention

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:

(i) 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 (1) such date shall be brought forward to the immediately preceding business day and (2) 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;

(ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day;

(iii) 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

(iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(c) 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) SORA (in which case such Note will be a SORA Note) or such other Benchmark as is set out on the face of such Note 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.

(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 specified in the applicable Pricing Supplement as being SORA Notes, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SORA Benchmark (as defined below) plus or minus the Spread.

The "**SORA Benchmark**" will be determined based on Compounded Daily SORA or SORA Index Average, as follows:

(A) If Compounded Daily SORA ("**Compounded Daily SORA**") is specified in the applicable Pricing Supplement, the SORA Benchmark for each Interest Period shall be determined based on Compounded Daily SORA which shall be calculated by the Agent Bank on the relevant Interest Determination Date in accordance with one of the formulas referenced below depending upon which Observation Method is specified in the applicable Pricing Supplement.

(aa) where "Lockout" is specified as the Observation Method in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Agent Bank on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards;

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\text{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"$\mathbf{d_o}$," for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

"***i***", for the relevant Interest Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

"**Interest Determination Date**" means the Singapore Business Day immediately following the Rate Cut-Off Date, unless otherwise specified in the relevant Pricing Supplement;

"$\mathbf{n}_{\boldsymbol{i}}$", for any Singapore Business Day "*i*", is the number of calendar days from (and including) such Singapore Business Day "*i*" up to (but excluding) the following Singapore Business Day;

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

"**Rate Cut-Off Date**" means, with respect to a Rate of Interest and Interest Period, the date falling "***p***" Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Period (or the date falling "***p***" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "*i*";

"**SORA*i***" means, in respect of any Singapore Business Day "*i*" falling in the relevant Interest Period:

I. if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and

II. if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the "**Suspension Period SORA*i***") (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period $SORA_i$ shall apply to each day falling in the relevant Suspension Period;

"**SORA Reset Date**" means, in relation to any Interest Period, each Singapore Business Day during such Interest Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Interest Period; and

"**Suspension Period**" means, in relation to any Interest Period, the period from (and including) the date falling "***p***" Singapore Business Days prior to the Interest Payment Date in respect of the relevant Interest Period (or the date falling "***p***" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable) or such other date specified in the applicable Pricing Supplement (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Interest Payment Date of such Interest Period.

(bb) where "Lookback" is specified as the Observation Method in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Agent Bank on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\mathrm{SORA}_{i-x\,SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"$\mathbf{d_o}$", for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

"***i***", for the relevant Interest Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

"$\mathbf{n}_i$", for any Singapore Business Day "*i*", is the number of calendar days from (and including) such Singapore Business Day "*i*" up to (but excluding) the following Singapore Business Day;

"**Observation Period**" means, for the relevant Interest Period, the period from, and including, the date falling "***p***" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling "***p***" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "***p***" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "*i*"; and

"$\mathbf{SORA}_{i-x\,SBD}$" means, in respect of any Singapore Business Day "*i*" falling in the relevant Interest Period, the reference rate equal to SORA in respect of the Singapore Business Day falling "***p***" Singapore Business Days prior to the relevant Singapore Business Day "*i*".

(cc) where "Backward Shifted Observation Period" is specified as the Observation Method in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Agent Bank on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\text{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Observation Period;

"$\mathbf{d_o}$", for any Interest Period, is the number of Singapore Business Days in the relevant Observation Period;

"***i***", for the relevant Interest Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the relevant Pricing Supplement;

"$\mathbf{n}_{\boldsymbol{i}}$", for any Singapore Business Day "*i*", is the number of calendar days from (and including) such Singapore Business Day "*i*" up to (but excluding) the following Singapore Business Day;

"**Observation Period**" means, for the relevant Interest Period, the period from, and including, the date falling "***p***" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling "***p***" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "***p***" Singapore Business Days prior to such earlier date, if any, on which the SORA Notes become due and payable);

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "*i*"; and

"**SORA$_i$**" means, in respect of any Singapore Business Day "*i*" falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day.

(dd) where "Payment Delay" is specified as the Observation Method in the applicable Pricing Supplement:

"**Compounded Daily SORA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during such Interest Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Agent Bank on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\text{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"**d$_o$**", for any Interest Period, is the number of Singapore Business Days in the relevant Interest Period;

"***i***", for the relevant Interest Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Period to the last Singapore Business Day in such Interest Period;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date falling one Singapore Business Day after the end of each Interest Period provided that the Interest Determination Date with respect to the final Interest

Period will be the date falling one Singapore Business Day after the Rate Cut-Off Date unless otherwise specified in the relevant Pricing Supplement;

"**n_i**", for any Singapore Business Day "*i*", is the number of calendar days from (and including) such Singapore Business Day "*i*" up to (but excluding) the following Singapore Business Day;

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

"**Rate Cut-Off Date**" means the date that is "***p***" Singapore Business Days prior to the Maturity Date or the relevant redemption date, as applicable (or the date falling "***p***" Singapore Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA**" means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "*i*"; and

"**$SORA_i$**" means, in respect of any Singapore Business Day "*i*" falling in the relevant Interest Period, the reference rate equal to SORA in respect of that Singapore Business Day.

For the purposes of calculating Compounded Daily SORA with respect to the final Interest Period ending on the Maturity Date or the redemption date, the level of SORA for each Singapore Business Day in the period from (and including) the Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant redemption date, as applicable, shall be the level of SORA in respect of such Rate Cut-Off Date.

For the avoidance of doubt, the formula for the calculation of Compounded Daily SORA only compounds SORA in respect of any Singapore Business Day. SORA applied to a day that is not a Singapore Business Day will be taken by applying SORA for the previous Singapore Business Day but without compounding.

(B) If SORA Index Average ("**SORA Index Average**") is specified in the applicable Pricing Supplement, the SORA Benchmark for each Interest Period shall be determined based on the SORA Index Average which shall be calculated by the Agent Bank on the relevant Interest Determination Date as follows:

$$\left(\frac{SORA\ Index_{End}}{SORA\ Index_{Start}} - 1\right) \times \left(\frac{365}{d_c}\right)$$

and the resulting percentage being rounded if necessary to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards, where:

"$\mathbf{d_c}$" means the number of calendar days in the relevant Observation Period;

"**Observation Period**" means, for the relevant Interest Period, the period from, and including, the date falling "***p***" Singapore Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "***p***" Singapore Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "***p***" Singapore Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"***p***" means five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement);

"**Singapore Business Day**" or "**SBD**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

"**SORA Index**" means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, *provided that* if the SORA Index does not so appear at the SORA Index Determination Time, then:

(i) if a Benchmark Event has not occurred, the "SORA Index Average" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SORA formula described above in Condition 4(II)(c)(ii)(1)(A)(cc), and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Interest Period that is used in the definition of SORA $\text{Index}_{\text{Start}}$ as specified in the applicable Pricing Supplement; or

(ii) if a Benchmark Event has occurred, the provisions set forth in Condition 4(VI) shall apply;

"**SORA Index$_{\mathbf{End}}$**" means the SORA Index value on the date falling "***p***" Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the Interest Payment Date at the end of such Interest Period (or the date falling "***p***" Singapore Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**SORA Index$_{\mathbf{Start}}$**" means the SORA Index value on the date falling "***p***" Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Interest Period; and

"**SORA Index Determination Time**" means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

(C) If, subject to Condition 4(VI), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such Singapore Business Day "*i*", SORA in respect of such Singapore Business Day "*i*" has not been published and a Benchmark Event for SORA has not occurred, then SORA for that Singapore Business Day "*i*" will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.

(D) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank, subject to Condition 4(VI), the Rate of Interest shall be:

I. that determined as at the last preceding Interest Determination Date or, as the case may be, Rate Cut-Off Date (though substituting, where a different Spread (if any) or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Spread or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Period in place of the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or

II. if there is no such preceding Interest Determination Date or, as the case may be, Rate Cut-Off Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Spread or Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period (if any)).

If the relevant Series of Notes become due and payable in accordance with Condition 9, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the applicable SORA Benchmark formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(2) in the case of Floating Rate Notes which are not SORA 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 Notes 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 Notes is Reference Banks or if paragraph (c)(ii)(2)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (c)(ii)(2)(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);

(C) if paragraph (c)(ii)(2)(B) above applies and 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; and

(D) if the Agent Bank is unable to determine the Rate of Interest for an Interest Period in accordance with paragraphs (c)(ii)(2)(A) to (c)(ii)(2)(C) above, the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which paragraphs (c)(ii)(2)(A), (c)(ii)(2)(B) or (c)(ii)(2)(C) above shall have applied.

(iii) On the last day of each Interest Period (except as otherwise specified in the applicable Pricing Supplement), 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 as determined in accordance with the foregoing in relation to any Interest Period is less than zero (subject to any applicable Minimum Rate of Interest), the Rate of Interest in relation to such Interest Period shall be equal to zero.

(v) If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 4(II)(c) is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

(vi) If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 4(II)(c) is more than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) 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 (d).

(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 (d)(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) (or such other period as the Issuer and the Relevant Dealer (as defined below) may agree) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer 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, an Agreed Rate (as defined below) 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 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) (or such other time as the Issuer and the Relevant Dealer may agree) on the next business day:

(1) notify or procure the Relevant Dealer to 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 Note(s) which are denominated in Singapore Dollars) SORA (in which case such Variable Rate Note(s) will be SORA Notes(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)(d)(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 as determined in accordance with the foregoing 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.

(III) Interest on Hybrid Notes

(a) Rate of Interest 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 Rate of Interest 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) 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 such Hybrid 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**"), unless Payment Delay is specified in the applicable Pricing Supplement for a SORA Note, in which case interest (save for interest in respect of the final Interest Period which will be payable in arrear on the final Interest Payment Date) will be payable in arrear on the last business day of the Delay Period as set out in the relevant Pricing Supplement following each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Pricing Supplement, 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).

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

(d) Business Day Convention

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:

(i) 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 (1) such date shall be brought forward to the immediately preceding business day and (2) 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;

(ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day;

(iii) 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

(iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(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 determined in accordance with 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, or such other time on such date as the Agent Bank may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine the Rate of Interest and calculate such rate and calculate the Interest Amounts for the relevant Interest Period, calculate the Redemption Amount or Early Redemption Amount or make such determination or calculation, as the case may be. The amount of interest payable per Calculation Amount in respect of any 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 error) be final and binding upon all parties and the Noteholders.

(b) Accrual of interest

Interest will cease to accrue on each Note from (and including) the due date for redemption thereof unless, upon due presentation thereof, payment of the principal (or the Redemption Amount shown on the face of the Note, 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 of Interest and in the manner provided in this Condition 4 and the Agency Agreement to (but excluding) the Relevant Date (as defined in Condition 7).

(c) 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 promptly after their determination but in no event later than the close of business on the date of such determination. 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 Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the 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 needs to be made unless the Trustee requires otherwise.

(d) 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.

(e) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note, in each case, that is not a SORA Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, if provision is made for them hereon 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, Redemption Amount or Early Redemption Amount, 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 from 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 prior to the relevant Interest Determination Date 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 its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 4(VI)(b)) and an Adjustment Spread, if any (in accordance with Condition 4(VI)(c)) and any Benchmark Amendments (in accordance with Condition 4(VI)(d)) by the relevant Interest Determination Date.

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 gross negligence, 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 its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement 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 the Benchmark Replacement (in accordance with Condition 4(VI)(b)) and an Adjustment Spread, if any (in accordance with Condition 4(VI)(c)) and any Benchmark Amendments (in accordance with Condition 4(VI)(d)).

If the Issuer or the Independent Adviser appointed by it is unable to or does not determine the Benchmark Replacement by five business days prior to the relevant Interest Determination Date or Interest Payment Date (as the case may be), the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest which would have been applicable to the Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date. Where a different Spread or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Spread or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 4(VI)(a).

(b) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) shall (subject to adjustments 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 Benchmark Replacement and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(d) Benchmark Amendments

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 Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread 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, the Agency Agreement and/or the Trust Deed 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 direction and 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 or agreement 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 agreement) 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). Noteholders' consent shall not be required in connection with effecting the Benchmark Replacement 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 Benchmark Replacement, 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 and the Couponholders. Such notice shall be irrevocable and shall specify the effective date for such Benchmark Replacement, 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 Benchmark Replacement, (3) where applicable, any Adjustment Spread and/or (4) 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 Benchmark Replacement 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 Benchmark Replacement, 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 Benchmark Replacement, 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(V)(a), 4(V)(b), 4(V)(c) and 4(V)(d), the Original Reference Rate and the fallback provisions provided for in Condition 4, as applicable, will continue to apply unless and until the Agent Bank has been notified of the Benchmark Replacement, 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 zero), 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 Benchmark Replacement 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 Benchmark Replacement and is the spread, formula or methodology which:

(1) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body; or

(2) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or

(3) is determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement 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; or

(4) 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 for the Corresponding Tenor in customary market usage in the international, or if applicable, domestic 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 (including, but not limited to applicable government bonds);

"**Benchmark Amendments**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period", timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Interest Period, any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) determines is reasonably necessary);

"**Benchmark Event**" means one or more of the following events:

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

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or 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 the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it 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) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative; or

(vi) it has become unlawful for the Agent Bank, the Issuer or any other party to calculate any payments due to be made to any Noteholder or Couponholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur:

(1) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be;

(2) in the case of sub-paragraph (iv) above, on the date of the prohibition or restriction of use of the Original Reference Rate; and

(3) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement,

and, in each case, not the date of the relevant public statement;

"**Benchmark Replacement**" means the Interpolated Benchmark, provided that if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) cannot determine the Interpolated Benchmark by the relevant Interest Determination Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be):

(i) Identified SORA;

(ii) the Successor Rate;

(iii) the ISDA Fallback Rate; and

(iv) the Alternative Rate;

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

"**Identified SORA**" means the forward-looking term rate for the applicable Corresponding Tenor based on SORA that has been (i) selected or recommended by the Relevant Nominating Body, or (ii) determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(VI)(a)) (as the case may be) having given due consideration to any industry-accepted market practice for the relevant Singapore dollar denominated notes;

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

"**Interpolated Benchmark**" with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (i) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (ii) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association Inc. or any successor thereto, as may be updated, amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**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 as specified in the relevant Pricing Supplement, provided that if a Benchmark Event has occurred with respect to the then-current Original Reference Rate, then Original Reference Rate means the applicable Benchmark Replacement;

"**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;

"**SORA**" or "**Singapore Overnight Rate Average**" means, with respect of any Singapore Business Day, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at https://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate for the Corresponding Tenor.

(VII) Definitions

As used in these Conditions:

"**Agent Bank**" means (in respect of Notes other than Excluded Notes) DBS Bank Ltd. and (in the case of Excluded Notes) any entity appointed as agent bank in respect of such Excluded Notes;

"**Agreed Rate**" means, in any case of any Variable Rate Note, the Rate of Interest in respect of that Variable Rate Note payable on the last day of an Interest Period relating to that Variable Rate Note;

"**Agreed Yield**" means, in the case of any Variable Rate Note, the interest payable in respect of that Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note;

"**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 T2 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:

(a) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(b) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 360;

(c) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; and

(d) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D2 - D1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of 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 Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

"**Euro**" means the lawful 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;

"**Excluded Notes**" means any Tranche of Notes which interest, redemption or any other payment amount is calculated based on a formula, index or benchmark (for the avoidance of doubt, including but not limited to any Notes referencing SORA), but other than (i) those based on SORA-OIS or (ii) those for which DBS Bank Ltd. has agreed to act as agent bank in respect thereof;

"**Interest Amount**" means, in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period;

"**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, the date falling that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**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;

"**Primary Source**" means (a) 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 Bloomberg agency or the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Agent Bank or (b) the Reference Banks, as the case may be;

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

"**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 referred to in the Agency Agreement 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, the Reuters and Bloomberg agency) 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

"**T2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System which was launched on 19 November 2007 or any successor thereto.

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 the 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 T2 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 Notes other than Variable Rate Notes and Zero Coupon Notes) 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 25 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 1967 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 1967 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 25 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 2001 of Singapore.

THE ISSUER

A. OVERVIEW AND HISTORY

Tuan Sing was incorporated in 1969 as "Hytex (Private) Limited" and listed on the Mainboard of the SGX-ST in 1973 as Hytex Limited. 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), Cluny Park Residence (52 units completed in 2016), Kandis Residence (130 units completed in 2021) and Mont Botanik Residence (108 units completed in 2023), all of which have been fully sold, the Group continues to design and develop other exclusive projects such as Peak Residence. In 2023, Peak Residence was fully sold and is expected to be completed in 2024.

To pursue its recurring income strategy, the Group acquired Robinson Point in 2013 and Link@896 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, Universal Design (UD) Gold^{PLUS} Award by the BCA in 2020, Green Mark Gold^{PLUS} Award by the BCA which was upgraded to Platinum upon renewal of the Green Mark certification in 2022, and Winner for Geotechnical Engineering Award by the Council on Tall Building and Urban Habitat in 2022.

On 6 November 2020, the Group entered into a sale and purchase agreement to divest Robinson Point by disposing all the issued shares in 39 Robinson Road Pte. Ltd.. The transaction was completed on 7 June 2021.

On 22 March 2022, Tuan Sing announced its collaboration with Mitsubishi Estate Co., Ltd. to develop an international luxury outlet mall in Karawang, a fast-growing economic hub connecting Indonesia's capital city Jakarta and third-largest city Bandung. The luxury outlet mall is called "The Grand Outlet – East Jakarta". The mall is expected to open for business in 4Q 2023.

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, Indonesia. These acquisitions were completed in 2018 and 2019 respectively.

In December 2022, the Group acquired the remaining 19.8% shareholding in SP Corporation that it did not own for S$11.1 million via a scheme of arrangement. SP Corporation was subsequently de-listed on 23 December 2022 and converted to a private limited company. The Group has since ceased the commodities trading business.

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**
2013	• Established the S$900 million MTN programme • Launched the sale of Sennett Residence • Completed the acquisition of 39 Robinson Road Pte Ltd
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

Year	Event
2019	• Obtained the TOP for 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 17.5% 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 • Issued S$200 million 6.90% notes due in 2024 ("**Existing Notes**")
2022	• Partnered with a subsidiary of Mitsubishi Estate Asia to develop an international luxury outlet mall known as The Grand Outlet – East Jakarta at Karawang, Greater Jakarta • Completed the acquisition of the remaining 19.8% equity interest in SP Corporation • Obtained its first green banking facility in the principal amount of S$400 million • Completed a tender offer exercise in respect of the Existing Notes, pursuant to which S$58,250,000 in aggregate principal amount of the Existing Notes were accepted for purchase and S$141,750,000 in aggregate principal amount of the Existing Notes remained outstanding
2023	• Obtained the TOP for Mont Botanik Residence • Official launch in Batam of Opus Bay • Entered into sale and purchase agreements to acquire 19 commercial units at Sanya Summer Plaza

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.

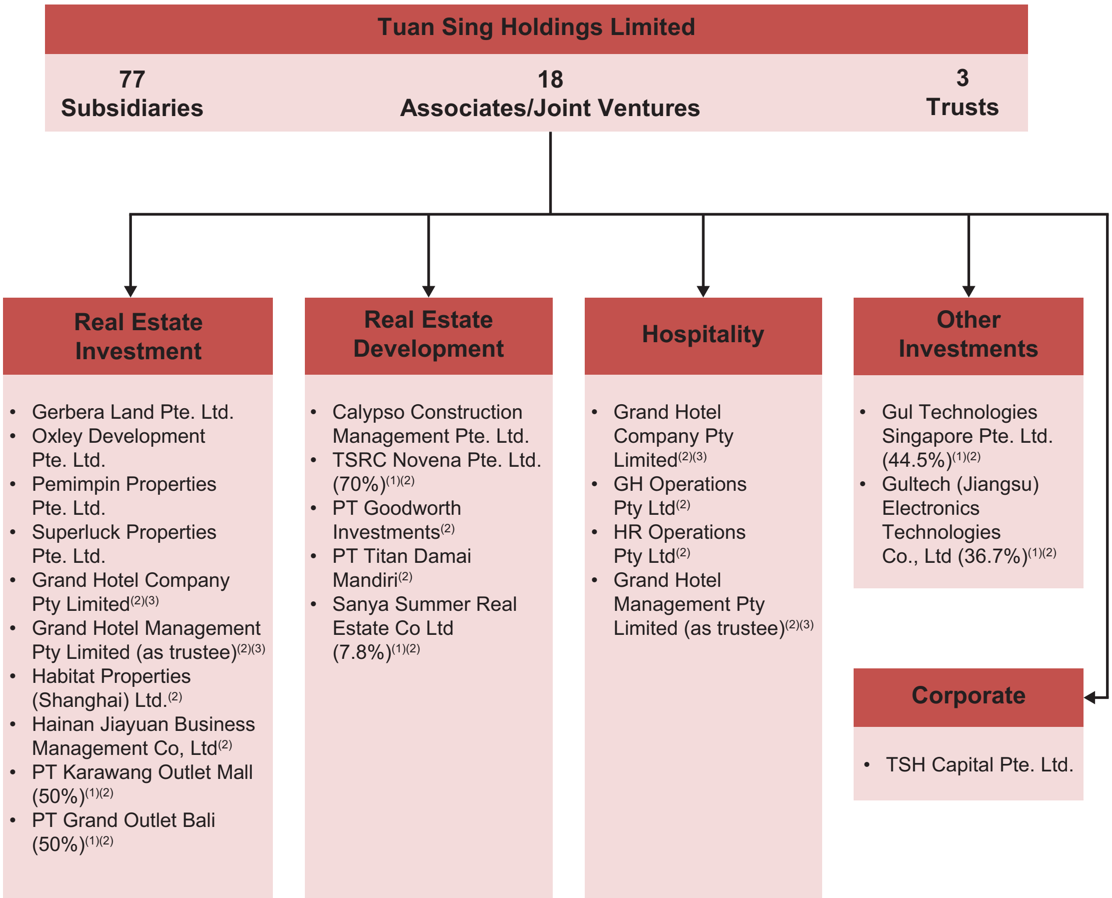
As at 30 June 2023, the Group has total assets of approximately S$2.6 billion, and as at the Latest Practicable Date, Tuan Sing has a market capitalisation of approximately S$347 million.

B. CORPORATE STRUCTURE

As at the Latest Practicable Date, the Group comprises 77 subsidiaries, 18 associated companies and joint ventures, and three trusts.

Below is the Group's corporate structure showing the Group's significant subsidiaries, associated companies, joint ventures and trusts 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, significant subsidiaries, associated companies, joint ventures and trusts of the Group include, but are not limited to, active operating companies within the Group, each of which has assets which represent 5% or more of the Group's total assets.



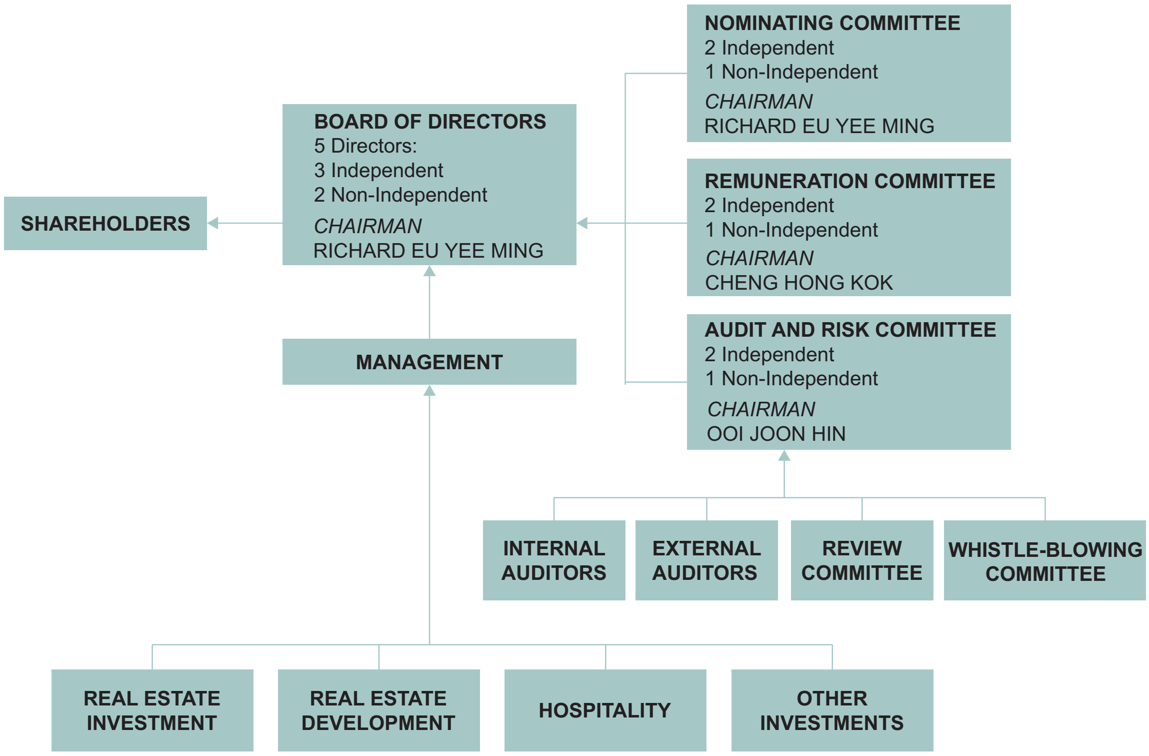
Notes:

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

(2) Indirect ownership

(3) Grand Hotel Company Pty Limited and Grand Hotel Management Pty Limited are 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:



For management purposes, the Group is organised into business segments based on their products and services. In FY2022 and FY2021, the Group's industrial services business comprised trading and marketing of industrial commodities, as well as manufacturing of polypropylene woven bags in Malaysia. As the Group has ceased its trading and marketing of industrial commodities operations and Industrial Services is no longer a reportable segment, the manufacturing of polypropylene woven bags business in Malaysia is presented under Other Investments with effect from 1 January 2023. Accordingly, the Group's reportable operating segments are as follows:

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

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

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

(iv) Other Investments – Investment in GulTech, Pan-West and Hypak. GulTech is a printed circuit boards manufacturer with plants in China, Pan-West distributes golf-related lifestyle products, while Hypak manufactures polypropylene woven bags and laminated bags in Malaysia.

(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, 870 Dunearn Road and The Oxley in Singapore; commercial buildings in Melbourne and Perth, which are respectively adjacent to its two hotels, Grand Hyatt Melbourne and Hyatt Regency Perth; and The Grand Outlet – East Jakarta in Indonesia.

(ii) Real Estate Development

The Real Estate Development segment focuses on the development of properties for sale in Singapore, China and Indonesia. With Peak Residence in Singapore completing in 2024, the Group has embarked on regional development opportunities in Batam, Indonesia and Sanya, China. The Group's ongoing development properties are Peak Residence and Opus Bay in Batam, Indonesia.

(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) 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. With effect from 1 January 2023, Hypak is presented under Other Investments. Hypak is in the business of manufacturing and marketing polypropylene packaging bags in Malaysia.

In 2021, Gultech China Pte. Ltd. ("**Gultech China**"), a wholly-owned subsidiary of GulTech, divested approximately 17.5% of the total shares in the issued share capital of Gultech (Jiangsu) Electronics Co., Ltd ("**Gultech Jiangsu**")[(1)] to Yonghua Capital, Wens Capital, investment arms of the local authority (Xishan Economic and Technology Development Zone), and entities set up to administer an employee share option plan. This onboarding of new shareholders as part of a broader restructuring of Gultech Jiangsu's shareholding capital was in line with its strategic review and positioned the company for a possible listing in China.

The Group was subsequently informed that Gultech Jiangsu has recently decided that its potential listing plans should be halted, in light of and taking into consideration the current geopolitical and economic conditions, and that Gultech China and/or Gultech Jiangsu intends to buy back approximately 17.5% of the total shares in the issued share capital of Gultech Jiangsu from the aforementioned external investors, and the entities set up to administer an employee share option plan.

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.

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(1) Gultech Jiangsu's carrying book value as of 30 June 2023 was approximately RMB2,385 million or S$449 million based on the exchange rate of RMB0.1882:S$1 taken as at 30 June 2023. Last 12 months earnings for Gultech Jiangsu from 1 July 2022 to 30 June 2023 was RMB324 million or S$61 million based on the exchange rate of RMB0.1882:S$1 taken as at 30 June 2023.

C. PROPERTIES AND PRINCIPAL ACTIVITIES

(i) Real Estate Investment

Tuan Sing acquires and develops 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 projected rental movements, the rezoning and redevelopment potential, the likely asset enhancement opportunity, as well as 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 13 investment properties in Singapore, Australia, Indonesia 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. The building obtained its TOP in January 2019. As at 30 June 2023, the building has approximately 17,782 sq m of net lettable area. Tenants include a mix of family offices, embassies, financial and professional service companies.

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 28th storey (save for the 25th storey which is the mechanical and engineering plant room). 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. Some of the building's energy-and-water saving features include the use of energy-efficient variable-speed drives in the air-conditioning system and the extensive use of LED lighting throughout the building, reflecting the Group's green and sustainability features. 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.

18 Robinson was awarded the BCA Green Mark Gold^{PLUS} rating for the numerous green features that have been incorporated into the design of the building. In March 2022, upon renewal of the Green Mark certification, the rating was upgraded from Gold^{PLUS} to Platinum. This was achieved through the fine-tuning of its existing plants to further improve efficiency. The Council on Tall Buildings and Urban Habitat awarded 18 Robinson the Award of Excellence Winner for Best Tall Building 100-199 meters and Urban Habitat – Single Site Scale in 2021 and the Winner for Geotechnical Engineering Award in 2022.

For the six months ended 30 June 2023, the average occupancy rate was 90% with average gross rental[1] of approximately S$120.4 per sq m per month.

Link@896 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 approximately 13,089 sq m with gross floor area of approximately 23,560 sq m. Acquired in June 2017, it is a five-storey building comprising approximately 18,026 sq m of net lettable area, with a trade mix of retail and office tenancies, and sports/wellness, lifestyle, education, and food and beverage tenants. Link@896 has also started an asset enhancement initiative which is expected to elevate its retail experience by improving the layout and tenant mix along with the addition of new amenities for shoppers. For the six months ended 30 June 2023, the average occupancy rate was 95% with average gross rental[1] of approximately S$60.9 per sq m per month.

870 Dunearn Road – 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 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. The acquisition was completed in August 2022. With the adjacency of both properties, the combined enlarged site gives a regular-shaped land parcel. Evaluation for the potential redevelopment of these two properties is ongoing, including a potential option of converting 870 Dunearn Road for use as a hotel or serviced residence, subject to planning approval from the relevant authorities.

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 strata area of approximately 2,770 sq m with a net lettable area of approximately 2,557 sq m and is used as the Group's corporate headquarters. The Group intends to convert The Oxley for use as a hotel or serviced residence, subject to planning approval from the relevant authorities. For the six months ended 30 June 2023, the average occupancy rate was 42% with an average gross rental[1] 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 have a strata area of approximately 402 sq m with a net lettable area of approximately 340 sq m. For the six months ended 30 June 2023, the average occupancy rate is 50% with an average gross rental[1] of approximately S$53.8 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, which have a strata area of approximately 2,285 sq m with a net lettable area of approximately 2,100 sq m. As at 30 June 2023, the average occupancy rate is 26% with an average gross rental[1] of approximately S$28.0 per sq m per month.

(1) Includes outgoings and service charge but excludes incentives.

Commercial Centre and Carpark within Grand Hyatt Melbourne complex located at 123 Collins Street consists of three flagship luxury boutique retail tenancies fronting Collins Street, two retail tenancies fronting the Grand Hyatt Melbourne porte-cochere (with return driveway to Russell Street), a basement hospitality tenancy space and a 589-bay basement car park. The commercial centre has a total lettable area of approximately 3,024 sq m. The tenant portfolio comprises well-known luxury and high-end operators such as Bulgari, Paspaley Pearls and Giorgio Armani. In 2020, the Group acquired an adjoining property located at 25 George Parade comprising a standalone retail area of approximately 135 sq m sitting on a prime landholding of approximately 160 sq m. The Group has self-managed the car park operation since October 2020. For the six months ended 30 June 2023, the average occupancy rate for the commercial centre was 99% with an average gross rental(1) of approximately A$148.9 per sq m per month.

Commercial Centre and Carpark within Hyatt Regency Perth complex located at 99 Adelaide Terrace comprises a three-level office, two basement levels of car park with 883 parking bays 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 22,644 sq m. This includes an estimated area of 4,422 sq m which is undergoing AEI/construction currently. At present, Fortescue Metals Group is a major tenant at the commercial centre and occupies approximately 82% of the completed commercial centre space.

The Group has self-managed the car park operation since August 2022. For the six months ended 30 June 2023, the average occupancy rate for the completed space was 84% with an average gross rental(1) of approximately A$58.8 per sq m per month.

The Group is currently carrying out an AEI on the retail component of the commercial centre and part of the car park area. The proposed asset enhancement is on-going and tenants of the first phase are expected to start trading from 4Q2023 onwards. The incremental lettable area from the AEI is expected to be between 9,000 sq m to 10,500 sq m. 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, offering a premium retail space comprising food and beverage, medical, health and wellness, and premium focused fresh food market establishments.

The 2 vacant freehold land plots located at 10 and 40 Terrace Road have a land area totalling approximately 3,072 sq m. These two parcels of land adjoin the Hyatt Regency Perth complex and are slated for future developments.

The Grand Outlet – East Jakarta is an international luxury outlet mall in Karawang – a fast growing economic hub connecting Indonesia's capital city Jakarta and third-largest city Bandung. It is being developed under a 50:50 joint venture between the Group and Mitsubishi Estate Co., Ltd.. Construction is ongoing with a target opening date in 4Q2023. Upon completion, The Grand Outlet – East Jakarta will have a leasable area of approximately 27,100 sq m, featuring approximately 180 shops with a wide variety of retail offerings and dining establishments. The Grand Outlet – East Jakarta is envisioned to be a world class shopping destination, with retail therapy set in green urban spaces. About 60% of the outlet mall has been leased to numerous brand-name tenants with PT Mitra Adiperkasa Tbk as the anchor tenant, bringing in more than twenty well-known brands, including Starbucks and Skechers. The Grand Outlet – East Jakarta won an award in the Asia Pacific Property Awards 2023–2024 for 5-star-Best Leisure Architecture Indonesia.

(1) Includes outgoings and service charge but excludes incentives.

No. 2950 Chunshen Road, Minhang District, 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 2023, the average occupancy rate was 100% with an average gross rental[(1)] of approximately RMB76.5 per sq m per month.

Lakeside Ville Phase III, Lane 1517 Huqingping Highway, 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 2023, the average occupancy rate was 100% with an average gross rental[(1)] of approximately RMB102.2 per sq m per month. The Group also owns basement commercial units within Lakeside Ville development which have an estimated lettable area of 3,618 sq m. For the six months ended 30 June 2023, the basement commercial units were vacant. In addition, the Group owns three apartment units at Lakeside Ville development which occupies an estimated gross floor area of 757 sq m. For the six months ended 30 June 2023, the average occupancy rate was 76% with an average gross rental[(1)] of approximately RMB91.4 per sq m per month.

55 underground carpark lots at Luyinyuan, 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 an area of approximately 2,403 sq m. For the six months ended 30 June 2023, the average gross rental[(1)] was approximately RMB286 per lot per month.

19 commercial units at Sanya Summer Plaza, Yuxiu Road, Jiyang District, Sanya, Hainan, China. In July 2023, the Group completed the acquisition of 19 commercial units with an estimated lettable area of approximately 2,175 sq m on levels 1 to 2 of Block 7 of Sanya Summer Plaza. Trade date for the 19 commercial units is expected to commence by 1H2024.

The key tenants of the major 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 2023 include the following:

Investment Property	**Key Tenant(s)**
18 Robinson	Singapore Tanjong Pagar Centre No. 4 Pte Ltd
	Nuri Holdings (S) Pte Ltd
	Navigator Investment Services Limited
	Airtrunk Singapore Pte. Ltd.
	Ripple Labs Singapore Pte. Ltd.
	Marshall Wace Singapore Pte. Ltd.
	Iconiq Capital (Singapore) Pte. Ltd.
Link@896	Cold Storage Singapore (1983) Pte Ltd
	Mind and Body Health Consultancy Pte. Ltd.
	Ednovation Pte Ltd
The Oxley	Tuan Sing Holdings Limited
Commercial Centre within Melbourne Grand Hyatt complex	Bulgari Australia Pty Ltd
	Giorgio Armani Australia Pty Ltd
	Paspaley Pearls Pty Ltd
	Grandco Hospitality Group Pty Ltd
Commercial Centre within Hyatt Regency Perth complex	Fortescue Metals Group Ltd

(1) Includes outgoings and service charge but excludes incentives.

The following table sets forth details of these investment properties.

Name of Property	Location	Tenure	Type	Estimated Lettable Area/Gross Floor Area/ Land Area (sq m)	Average Occupancy Rate[1]	Group's Effective Equity Interest	Valuation ('000)
18 Robinson	Singapore	999 years from 1884 and 1885 (82% of total land area) and 99 years from 2013 (18% of total land area)	Retail & Office	17,782 (Retail – 2,632 Office – 15,150)	90%	100%	S$683,000[2]
Link@896	Singapore	Freehold and 999 years from 1879	Retail & Office	18,026	95%	100%	S$390,000[3]
Site at 870 Dunearn Road	Singapore	Freehold	Transport Facilities	1,592 (land area)	–	100%	S$58,000[4]
The Oxley (1st – 3rd floors)	Singapore	Freehold	Office	2,557	42%	100%	S$72,000[5]
FEFB Units	Singapore	999 years from 1884	Office	340	50%	100%	S$10,700[2]
L&Y Building (3 strata units)	Singapore	999 years from 1885	Industrial	2,100	26%	100%	S$14,820[6]
Commercial Centre and Carpark within Grand Hyatt Melbourne complex	Melbourne, Australia	Freehold	Office, Retail & Carpark	3,024 (commercial centre)	99%	100%	S$144,300[7] (A$159,500)[8]
Commercial Centre and Carpark within Hyatt Regency Perth complex and 2 vacant land of 3,072 sq m	Perth, Australia	Freehold	Office, Retail & Carpark	22,644[9]	84%[10]	100%	S$90,741[7] (A$100,300)[11]
Single-storey commercial building at 25 George Parade	Melbourne, Australia	Freehold	Substation	135 (building area)	–	100%	S$4,524[7] (A$5,000)[12]
The Grand Outlet – East Jakarta (under construction)	Karawang, East Jakarta, Indonesia	30 years from 1997 and 2016	Retail	27,100	60%[13]	50%	S$51,794[14] (IDR576,134,000)[6]
Three-storey commercial building at No. 2950 Chunshen Road, Minhang District	Shanghai, China	57 years from 2008	Retail	2,170	100%	100%	S$6,004[15] (RMB31,900)[6]
6 shop units and basement commercial units at Lakeside Ville Phase III, Qingpu district	Shanghai, China	56 years from 2010	Retail	3,896	7%[16]	100%	S$5,025[15] (RMB26,700)[6]
Two apartment units at Lakeside Ville Phase III	Shanghai, China	56 years from 2010	Residential	634	100%	100%	S$6,135[15] (RMB32,600)[6]
One apartment unit at Lakeside Ville Phase III	Shanghai, China	56 years from 2010	Residential	123	–	100%	S$1,280[15] (RMB6,800)[17]

Name of Property	Location	Tenure	Type	Estimated Lettable Area/Gross Floor Area/ Land Area (sq m)	Average Occupancy Rate(1)	Group's Effective Equity Interest	Valuation ('000)
55 underground carpark lots at Luyinyuan, Minhang district	Shanghai, China	60 years from 2005	Carpark	2,403	N.A.(18)	100%	S$2,635(15) (RMB14,000)(6)
19 commercial units at Sanya Summer Plaza (under construction)	Sanya, China	40 years from 2017	Retail	2,175	48%(13)	100%	S$21,831(15) (RMB116,000)(19)

Notes:

(1) Average occupancy rate as at 30 June 2023.

(2) The valuation was conducted on 30 September 2022.

(3) The valuation was conducted on 5 June 2023.

(4) The valuation was conducted on 7 June 2023.

(5) The valuation was conducted on 9 June 2023.

(6) The valuation was conducted on 31 December 2022.

(7) Based on the exchange rate of A\$0.9047:S\$1 taken as at 30 June 2023.

(8) The valuation was conducted on 30 October 2022.

(9) Refers to the estimated lettable area of the commercial centre including an area under construction.

(10) Refers to the completed space of the commercial centre.

(11) The valuation was conducted on 2 November 2022.

(12) The valuation was conducted on 26 October 2022.

(13) Refers to the committed occupancy rate as at Latest Practicable Date.

(14) Based on the exchange rate of IDR0.00008990:S\$1 taken as at 30 June 2023.

(15) Based on the exchange rate of RMB0.1882:S\$1 taken as at 30 June 2023.

(16) The basement commercial units at Lakeside Ville are currently not leased.

(17) The valuation was conducted on 30 June 2023.

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

(19) The valuation was conducted on 31 May 2023.

(ii) Real Estate Development

Tuan Sing has earned a reputation for developing residential 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. In 2010, Tuan Sing made its first foray into larger-scale developments after successfully securing 2 development sites: Seletar Park Residence by way of government land tender and Cluny Park Residence by way of private tender. 2011 saw Tuan Sing secure Sennett Residence through a government land tender. More recent additions of development sites include Kandis Residence via a government land tender in 2016 and Mont Botanik Residence and Peak Residence through private tenders in 2017 and 2018 respectively.

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) a 2.26% equity stake in a potential mixed-development site on Kura Kura 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.

In 2022, the Group was recognised with the Top Ten Developers Awards at the BCI Asia Awards.

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 2023. Of the remaining four unsold residential units, two are leased out, one is currently being marketed for lease 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 and shop units have been sold.

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 have been fully sold. The project obtained TOP in March 2021.

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 distinguished by a series of communal sky gardens linking the two residential towers. The development is within walking distance of the Hillview MRT station and is inspired by the surrounding lush greenery of 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. The project is fully sold and obtained TOP in February 2023.

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	335	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
Mont Botanik Residence	Singapore	Freehold	Residential	8,546	108	108	100%	2023

Notes:

(1) As at 30 June 2023.

(2) Of the four unsold residential units, two are leased out, one is currently being marketed for lease and one is used internally by the Group.

(3) Average equity internal rate of return of over 12% achieved on development projects that obtained TOP in the last 10 years.

Projects under Development

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$118.88 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 and is fully sold. It is expected to be completed in 2024.

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 and medical facilities. It is an international collaboration with world acclaimed architect firm, New-York based Kohn Pedersen Fox Associates (KPF) as the master planner, RT+Q Architects for the apartment buildings, Ong & Ong Architects and ArMo Design Studio for the exclusive villas, Park + Associates for the ferry terminal and Lead8 for the outlet mall. When completed, it is set to redefine how people work, live and play.

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 sale in February 2021. Subsequently, it was officially launched in Batam with the opening of the marketing gallery of Opus Bay in May 2023. The 37-storey Balmoral Tower has 559 residential units, offering studio apartments, 1-bedroom and 2-bedroom apartment units. Out of the 381 units which were launched for sale, 108 units have been booked or sold as of 30 June 2023. Piling has been completed and superstructure works are in progress. The tower is expected to be completed by end 2025. 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 277 detached villas. Cluny Villas present a resort feel with private pool in exclusive setting. 52 villas under the first phase were launched for sale and 12 units have been booked or sold as of 30 June 2023. Construction of the first 22 Cluny Villas is expected to be completed in phases between 2023 to 2025.

In the Asia Pacific Property Awards 2023–2024, Balmoral Tower received an award for Residential High Rise Architecture Indonesia and Cluny Villas received an award for Architecture Multiple Residence Indonesia.

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
Peak Residence	Singapore	Freehold	Residential	8,209	90	90	April 2021	70%	2024
Balmoral Tower, Opus Bay	Batam, Indonesia	30 years from 2004	Residential	31,830	559 (381 for Phase 1)	108(2)	February 2021 (Soft-Launch)	100%	2025
Cluny Villas, Opus Bay	Batam, Indonesia	30 years from 2004	Residential	76,716	277 (52 for Phase 1)	12(3)	February 2021 (Soft-Launch)	100%	2023-2025(4)

Notes:

(1) *As at 30 June 2023.*

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

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

(4) *This relates to the 52 units which were 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 849,749 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. The Group acquired the remaining 10% of the total issued share capital of these two special purpose vehicles for S$3.2 million in October 2022.

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 Yuxiu Road and Hairun Road in Sanya, Hainan 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 Sanya, Hainan, namely (i) the 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. Construction at the Yuxiu Road development (Sanya Summer Plaza), comprising commercial apartments, hotel and retail components, is expected to be substantially completed by 1H2024. Upon completion, the development which would be an iconic landmark, is expected to yield a gross floor area of close to approximately 200,000 sq m for sale or lease. 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.

Land at Fuzhou 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 away from the city centre. The team is working on the concept development and monitoring the China market for an appropriate time for the commencement of the development.

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 as it is a 15-minute drive away from Denpasar International Airport and connects seamlessly via a bridge to the main Bali island. Set against the spectacular backdrop of Bali's sacred Mount Agung, Kura Kura Bali is part of Bali's capital city of Denpasar. When completed, the integrated development will have hotels, residential resorts, mixed-use retail villages and art & cultural museums. It will also have a marine science conservatory, marina, surf & beach clubs, creative campus, knowledge & innovation technology park, eco & adventure parks and many island lifestyle activities. The Group is the lead development partner in this integrated development.

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	849,749[(1)]	100%
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%
Land at Fuzhou[(2)]	Fuzhou, China	70 years from 1994	Residential	163,740	100%
Kura Kura Bali	Bali, Indonesia	30 years from 1993[(3)], 1994, 1995, 2002, 2003, 2004, 2015 & 2019	Integrated mixed-development township	4,910,000	2.26%

Notes:

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

(2) *Net book value of Fuzhou land as at 30 June 2023 was S$6.7 million. The valuation of Fuzhou land as at 31 December 2022 was RMB430 million or S$81 million (based on the exchange rate of RMB0.1882:S$1 taken as at 30 June 2023) based on 0.32 plot ratio and RMB1,067 million or S$201 million (based on the exchange rate of RMB0.1882:S$1 taken as at 30 June 2023) based on 1.01 plot ratio.*

(3) *The extension of another 30 years is in progress.*

(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 the operating term has been further extended for an additional five years to 31 December 2027. 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 33 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) 2020 Business Traveller Asia-Pacific Awards for Best Business Hotel in Melbourne, Best Business Hotel Brand in the World and Top 2 Best Business Hotel Brand in Asia Pacific;

(b) 2021 Business Traveller Asia-Pacific Awards for Best Business Hotel in the World, Top 3 Best Business Hotel Brand in Asia-Pacific and Top 3 Best Business Hotel in Melbourne;

(c) 2021 Travel & Leisure World's Best Awards – Top 5 City Hotels in Australia and New Zealand;

(d) 2021 Tourism Accommodation Australia (Victoria) Accommodation Awards for Excellence – Outstanding Achievement in Training & Development; Front Office Services Employee of the Year;

(e) 2022 Business Traveller Asia-Pacific Awards for Best Business Hotel in Melbourne, Best Business Hotel Brand in the World and Top 3 Best Business Hotel Brand in the World;

(f) 2022 AHA (Australian Hotels Association) National Awards for Excellence – Best Marketed Accommodation Provider;

(g) 2022 Victorian Accommodation Awards for Excellence – Best Marketed Accommodation Provider; Outstanding Achievement in Training and Development;

(h) 2022 DestinAsian Readers' Choice – Top 3 Best Hotel in Australia;

(i) 2023 Victorian Accommodation Awards for Excellence – Deluxe Accommodation Hotel of the Year

(j) 2023 Forbes Travel Guide – Four Star Rating for Excellence in Hospitality; and

(k) 2023 Tripadvisor Travellers' Choice Award – Top 10% of listings on Tripadvisor worldwide.

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, 2021, 2022 and the first six months of 2023, it achieved an average room occupancy rate of 91%, 22%, 24%, 64%, and 73% respectively. The lower occupancy rate in 2020, 2021 and 2022 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. The Group commenced the conversion of 42 rooms to serviced apartments in 2023 and the conversion is scheduled to be completed by the first half of 2024. The serviced apartments will complement the existing business model by targeting the mid- and long-term stay segments.

Over the years, the hotel has also received many hospitality awards such as (a) 2021 AHA Perth Airport WA Accommodation Awards – Food & Beverage Award; Housekeeping Award; Hotel Engineering and Maintenance Award; (b) 2021 WA Australian Hotels Association – Service to Australia Award; (c) 2022 AHA Perth Airport WA Accommodation Awards – Chef Award; Executive Level Manager Award; and (d) 2023 AHA Perth Airport WA Accommodation Awards – Housekeeping Award.

Following its utilisation as a quarantine hotel since March 2020, it resumed full operation post quarantine de-requisition in August 2022. For 2019, 2020, 2021, 2022 and the first six months of 2023, it achieved an average room occupancy rate of 76%, 50%, 47%, 33%, and 56% respectively. The lower occupancy rate in 2020, 2021 and 2022 is due to the outbreak of Covid-19 in Australia.

The reopening of Australia's international borders since February 2022 and progressive lifting of COVID-19-related restrictions in 2022 has resulted in encouraging recovery in the hotel business.

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	Valuation ('000)
Grand Hyatt Melbourne 123 Collins Street Melbourne, Victoria	Melbourne, Australia	Freehold	5,776	550	100%	S$325,692(2) (A$360,000)(1)
Hyatt Regency Perth 99 Adelaide Terrace East Perth, Western Australia	Perth, Australia	Freehold	22,754	367	100%	S$45,461(2) (A$50,250)(1)

Notes:

(1) *Latest valuations on Grand Hyatt Melbourne and Hyatt Regency Perth were carried out by CBRE Valuations Pty Limited on 30 October 2022 and 2 November 2022 respectively.*

(2) *Based on an exchange rate of A$0.9047:S$1 taken as at 30 June 2023.*

In Singapore, the Group is exploring the potential option of converting 870 Dunearn Road and The Oxley for use as hotels or serviced residences, subject to planning approvals from the relevant authorities.

In Batam, the Group is planning to lease back 221 units and may retain or lease back some further units of the Balmoral Tower for use as hotels or serviced apartments. The Group is also considering to retain and/or lease back some units of the Cluny Villas for use as resort villas or serviced residences.

(iv) Industrial Services

With effect from 1 January 2023, Industrial Services is no longer a reportable segment. SP Corporation has ceased its commodities trading business, while Hypak will be presented under Other Investments.

(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 outlets and concessionaires in Singapore. It is the exclusive distributor of some of the world's top golfing brands including Honma Golf, Cleveland Golf, Volvik, and High Definition Golf simulators. Pan-West is also an exclusive dealer for Skechers Golf footwear in Singapore.

With effect from 1 January 2023, Hypak is presented under Other Investments.

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.

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 mixed-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 hospitality (including hotels, villas, and serviced residences) 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 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 2023, the outstanding borrowings amounted to S$1,217.1 million. Debt securities from the Group's MTN Programme amounted to S$140.2 million. Gross and net gearing ratios were 0.99x and 0.80x, respectively. The average cost of financing from financial institutions for the year ended 31 December 2022 was 3.8% 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 and corporate governance**

  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 upon renewal of the Green Mark certification in March 2022, the rating was upgraded from Gold^{PLUS} to Platinum, the Universal Design Mark Gold^{PLUS} (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, the Award of Excellence for Urban Habitat – Single Site Scale by the CTBUH in 2021 and the Geotechnical Engineering Award by the CTBUH in 2022. Moreover, Tuan Sing was recognised as the Top Ten Developers (Singapore) at the BCI Asia Awards in 2016, 2018 and 2022. Tuan Sing was also granted the MIPIM Asia Awards – Best Futura Project (Silver) in 2014. In the Asia Pacific Property Awards 2023–2024, The Grand Outlet – East Jakarta won an award for 5-star-Best Leisure Architecture Indonesia. Balmoral Tower received an award for Residential High Rise Architecture Indonesia and Cluny Villas received an award for Architecture Multiple Residence Indonesia.

  In 2021, Tuan Sing demonstrated its excellence in corporate governance by winning two awards from the Securities Investors Association (Singapore): Winner of the Most Transparent Company Award – Real Estate and Runner-up of the Singapore Corporate Governance Award, Mid Capitalisation Category. Tuan Sing was also the Winner of the Most Transparent Company Award – Real Estate, Mid Capitalisation Category in 2022. Tuan Sing also received the Winner of Best Annual Report (Gold) at the Singapore Corporate Awards, Mid Capitalisation Category in 2022 and the Winner of Best Risk Management (Bronze) at the Singapore Corporate Awards, Mid Capitalisation Category in 2023. The 2023 Singapore Governance and Transparency Index Ranking ranked Tuan Sing in the top 5% (22nd place) amongst listed companies.

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 and Peak Residence designed by AGA Architects; and 18 Robinson designed by Kohn Pedersen Fox Associates in conjunction with Architects 61 and The Grand Outlet – East Jakarta by Mitsubishi Jisho Design Asia. In addition, Opus Bay is an international collaboration with world acclaimed architect firm, New-York based Kohn Pedersen Fox Associates (KPF) as the master planner, RT+Q Architects for the apartment buildings, Ong & Ong Architects and ArMo Design Studio for the exclusive villas, Park + Associates for the ferry terminal and Lead8 for the outlet mall. 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 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 approximately 49,000 sq m to 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 the Remuneration Committee.

Mr Eu is the Non-Executive Group Chairman of Eu Yan Sang International Limited and the Chairman of the Advisory Panel at the Temasek Polytechnic Centre of Innovation for Complementary Health Products. He is also the Non-Executive Chairman of SUTL Enterprise Limited. Mr Eu's other directorships include Vanda Global Capital Pte. Ltd., Dragonfly Education Holdings Pte. Ltd., Ang Mo Kio – Thye Hua Kwan Hospital Limited, and Thye Hua Kwan Nursing Home Limited.

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 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. 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 Singhealth Fund. 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, and a Trustee of the Singapore LSE Trust. 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 and the status of Officer of the Order of Merit by the HRH Grand Duke Henri of Luxembourg in 2022.

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 Patrick Tan Boon Chew
Head, Asset and Fund Management

Mr Tan joined Tuan Sing in April 2018 and has more than 30 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 Alexander Loh Kim Leng
Director, Group Human Resources

Mr Loh is currently Director, Group Human Resources with more than 21 years of experience across a full spectrum of human resource management. In his role, he leads the Group 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 James Ong Joo Lim
Senior Vice President, Sales, Marketing, and Procurement

Mr Ong joined Tuan Sing in June 2012. He currently leads the Sales, Marketing and Procurement functions. 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 Charles Chow
Vice President, Projects

Mr Chow possesses 25 years of experience and expertise in project management, operations and general management, especially in Australia and Singapore. Prior to joining Tuan Sing, he was Chief Operating Officer of Bukit Sembawang Estates Limited. He holds a Master of Business Administration from Queen Margaret University, Edinburgh, Scotland, and a Bachelor of Applied Science in Construction Management from Royal Melbourne Institute of Technology.

Mr Lim Guan Kiang
Vice President, Hospitality

Mr Lim currently heads the Hospitality portfolio. He brings with him more than 20 years of experience in leisure and hospitality management at properties spanning 4 continents, covering the full spectrum, including strategic planning, business franchising, asset management, business development, strategic alliance negotiations, revenue management, property pre-opening and operations management. He holds a Master of Commerce (Hospitality Management) from University of Western Sydney, Australia and a Bachelor of Science in Computing Information System from University of London.

Mr Ong Soon Ann
Vice President, Property Management & Maintenance

Mr Ong joined Tuan Sing in May 2020 and is currently leading the Property Management department. He also provides Mechanical & Electrical support for all ongoing projects and helps drive the company sustainability goals. He has more than 20 years of property management experience in office and retail environment. Mr Ong holds a Bachelor's Degree in Mechanical and Production Engineering from Nanyang Technological University and a Diploma in Marine Engineering from Singapore Polytechnic. He is also a Singapore Certified Energy Manager and a Green Mark Professional.

Mr Sunny Sim
Vice President, Cost and Contract Management

Mr Sim possesses more than 25 years of experience and expertise in quantity surveying and contract management in Singapore and China for various theme parks, attractions, hospitality and commercial projects. Prior to joining Tuan Sing, he had been a Senior Director in a prestigious international consultancy firm. Sunny is a Member of The Royal Institution of Chartered Surveyors, a Member of the Australian Institute of Quantity Surveyors, and a Fellow of the Singapore Institute of Surveyors and Valuers. He holds a Bachelor of Quantity Surveying from Central Queensland University, Australia.

Mr Tan Chee Wee
General Manager, Construction Management

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 and is currently leading Tuan Sing's construction management 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 Kenny Tan Ching Yeen
Vice President, Information 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.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set out the Group's consolidated financial statements for the three years ended 31 December 2020 ("**FY2020**"), 31 December 2021 ("**FY2021**") and 31 December 2022 ("**FY2022**") as well as the unaudited consolidated financial statements for the Group for the six months period ended 30 June 2022 ("**1H2022**") and 30 June 2023 ("**1H2023**"). The selected consolidated financial data for FY2020, FY2021 and FY2022 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 1H2022 and 1H2023 in the tables below are derived from the unaudited financial information of the Group for 1H2022 and 1H2023. 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 Group are not audited, reviewed or subjected to any other procedures by the auditors of the Group. In addition, such information is compiled for the internal use of the Group 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 Group and applied in preparing the consolidated financial statements as at and for the year ended 31 December 2022. 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 Group'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 2022 are the latest available audited or reviewed financial statements of the Group. 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 Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Unaudited 1H2023 S$'000	Unaudited 1H2022 S$'000	Audited FY2022 S$'000	Audited FY2021* S$'000	Audited FY2020* S$'000
Revenue	144,732	113,949	225,297	248,714	200,118
Cost of sales	(99,684)	(67,920)	(138,432)	(178,591)	(138,150)
Gross profit	45,048	46,029	86,865	70,123	61,968
Other net operating income/(expenses)	1,688	(672)	(5,130)	92,831	22,957
Distribution costs	(7,390)	(5,190)	(10,188)	(12,268)	(9,705)
Administrative expenses	(22,520)	(25,652)	(54,820)	(49,861)	(43,196)
Share of results of equity accounted investees	12,886	17,115	29,924	28,332	25,645
Interest income	2,983	1,478	4,530	2,356	4,833
Finance costs	(32,482)	(20,661)	(50,753)	(43,964)	(47,803)
Profit before tax and fair value adjustments	213	12,447	428	87,549	14,699
Fair value adjustments	2,109	(1,551)	306	(3,434)	45,188
Profit before tax	2,322	10,896	734	84,115	59,887
Income tax credit/(expense)	3,410	(2,083)	2,116	(2,295)	(1,356)
Profit for the year	**5,732**	**8,813**	**2,850**	**81,820**	**58,531**
Profit attributable to:					
Owners of the Company	6,006	9,702	4,591	83,662	59,009
Non-controlling interests	(274)	(889)	(1,741)	(1,842)	(478)
	5,732	**8,813**	**2,850**	**81,820**	**58,531**
Basic and diluted earnings per share (in cents)	0.5	0.8	0.4	7.0	5.0

Note:

* *For better presentation of the expenses by function, the Group has presented certain income/expenses previously classified under cost of sales and other net operating income to revenue, administrative expenses and distribution costs for FY2022. FY2020 and FY2021 comparative figures have been reclassified accordingly and there is no impact to the profit for FY2020 and FY2021.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 1H2023 S$'000	Audited FY2022 S$'000	Audited FY2021 S$'000	Audited FY2020 S$'000
ASSETS				
Current assets				
Cash and cash equivalents	236,160	251,988	405,044	274,392
Trade and other receivables*	26,151	26,216	33.689	52,273
Tax recoverable*	5,247	2,061	2,615	3,543
Contract assets	47,257	79,327	57,059	46,966
Contract costs	4,432	3,045	2,843	2,855
Inventories	2,102	2,144	2,129	2,146
Development properties	163,442	209,739	241,611	303,815
	484,791	574,520	744,990	685,990
Assets classified as held for sale	1,542	1,542	1,542	410,943
Total current assets	486,333	576,062	746,532	1,096,933
Non-current assets				
Property, plant and equipment	470,412	473,774	496,056	407,590
Right-of-use assets	169	187	239	266
Investment properties	1,407,629	1,395,151	1,342,245	1,452,351
Investments in equity accounted investees	182,253	166,196	143,840	152,547
Investment in financial asset	26,192	26,192	29,639	29,343
Deferred tax assets	1,661	1,566	172	1,721
Derivative financial instruments	5,060	–	–	–
Trade and other receivables*	16,621	17,868	5,605	2,920
Total non-current assets	2,109,997	2,080,934	2,017,796	2,046,738
Total assets	**2,596,330**	**2,656,996**	**2,764,328**	**3,143,671**
LIABILITIES AND EQUITY				
Current liabilities				
Loans and borrowings	12,059	332,133	558,506	210,130
Lease liabilities	35	34	54	54
Trade and other payables	98,023	99,874	89,761	153,604
Contract liabilities	–	1,317	3,889	–
Income tax payable	2,217	7,209	7,642	3,776
	112,334	440,567	659,852	367,564
Liabilities directly associated with assets classified as held for sale	–	–	–	298,483
Total current liabilities	112,334	440,567	659,852	666,047

	Unaudited 1H2023 S$'000	Audited FY2022 S$'000	Audited FY2021 S$'000	Audited FY2020 S$'000
Non-current liabilities				
Loans and borrowings	1,205,038	946,028	794,222	1,254,823
Lease liabilities	25	38	60	84
Derivative financial instruments	–	–	–	2,038
Deferred tax liabilities	45,588	45,198	45,377	46,859
Other non-current liabilities	340	338	400	322
Total non-current liabilities	1,250,991	991,602	840,059	1,304,126
Capital, reserves and non-controlling interests				
Share capital	193,569	187,625	181,695	176,234
Treasury shares	(4,408)	(4,369)	(4,167)	(3,891)
Reserves	1,042,577	1,040,030	1,072,672	987,724
Equity attributable to owners of the Company	1,231,738	1,223,286	1,250,200	1,160,067
Non-controlling interests	1,267	1,541	14,217	13,431
Total equity	1,233,005	1,224,827	1,264,417	1,173,498
Total liabilities and equity	**2,596,330**	**2,656,996**	**2,764,328**	**3,143,671**
Total borrowings	1,217,097	1,278,161	1,352,728	1,464,953
Gross gearing (times)^	0.99	1.04	1.07	1.25
Net borrowings^^	980,937	1,026,173	947,684	1,190,561
Net gearing (times)^	0.80	0.84	0.75	1.01
Net asset value per share (in cents)	99.5	100.4	104.0	97.7

Notes:

* *Comparatives have been restated to conform with the current presentation.*

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

^^ *Net borrowings = total borrowings – cash and cash equivalents.*

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

	Unaudited 1H2023 S$'000	Unaudited 1H2022 S$'000	Audited FY2022 S$'000	Audited FY2021 S$'000	Audited FY2020 S$'000
REAL ESTATE INVESTMENT					
Revenue[1]	30,326	27,490	56,035	56,099	58,092
Adjusted Earnings Before Interest and Taxes[2]	15,286	14,969	28,489	31,787	44,169
REAL ESTATE DEVELOPMENT					
Revenue	72,916	46,289	81,652	91,717	75,158
Adjusted Earnings Before Interest and Taxes[2]	(537)	(130)	(6,225)	(8,192)	3,081
HOSPITALITY					
Revenue	42,094	37,401	85,450	45,096	32,828
Adjusted Earnings Before Interest and Taxes[2]	6,763	8,346	19,139	1,433	(5,999)
INDUSTRIAL SERVICES[3]					
Revenue	–	4,989	9,213	59,217	37,365
Adjusted Earnings Before Interest and Taxes[2]	–	(645)	(1,926)	(598)	(648)
OTHER INVESTMENTS[3]					
Revenue	3,831	–	–	–	–
Adjusted Earnings Before Interest and Taxes[2]	13,271	17,504	30,540	26,441	25,031
CORPORATE/INTERSEGMENT ELIMINATION					
Revenue	(4,435)	(2,220)	(7,053)	(3,415)	(3,325)
Adjusted Earnings Before Interest and Taxes[2]	(4,832)	(7,204)	(17,272)	(10,901)	(8,391)
GROUP TOTAL					
Revenue[1]	144,732	113,949	225,297	248,714	200,118
Adjusted Earnings Before Interest and Taxes[2]	29,951	32,840	52,745	39,970	57,243

Notes:

1. *FY2020 and FY2021 comparative figures were adjusted for the reclassification of certain recovery of expenses previously classified under cost of sales.*

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 investments in joint venture/associate and property, plant and equipment, (v) loss allowance on interest receivables, and (vi) net foreign exchange gain or loss.*

3. *For 1H2023, revenue under Other Investments was derived from Hypak (previously reported under Industrial Services for 1H2022, FY2022, FY2021 and FY2020. No revenue is reported from GulTech and Pan-West under Other Investments as the Group's investments in GulTech and Pan-West are equity accounted for. Adjusted Earnings Before Interest and Taxes in 1H2023 were derived from GulTech and Hypak whereas Adjusted Earnings Before Interest and Taxes in 1H2022, FY2022, FY2021 and FY2020 were solely derived from GulTech.*

For management purposes, the Group is organised into business segments based on their products and services. In 1H2022, FY2022, FY2021 and FY2020, Industrial Services comprised trading and marketing of industrial commodities, as well as manufacturing of polypropylene woven bags in Malaysia. As the Group has ceased its trading and marketing of industrial commodities operations and Industrial Services is no longer a reportable segment, the manufacturing of polypropylene woven bags business in Malaysia is presented under Other Investments with effect from 1 January 2023. Accordingly, the Group's reportable operating segments are as follows:

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

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

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

(iv) Other Investments – Investment in GulTech and Pan-West, as well as manufacturing of polypropylene woven bags in Malaysia. 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

1H2023 versus 1H2022

The Group's revenue increased by 27% to S$144,732,000 in 1H2023, largely due to higher revenue from Real Estate Development, Hospitality and Real Estate Investment. Higher revenue from Real Estate Development was attributable mainly to the progressive recognition of revenue from units sold in Peak Residence, partly offset by lower contribution from Mont Botanik Residence, which obtained TOP in February 2023. Higher revenue from Hospitality reflected the recovery of the Group's hotel operations in Melbourne following the easing of COVID-19 related restrictions in 2022. However, Perth's hotel operations recorded a lower revenue as the revenue from the previous corresponding period was boosted by guaranteed payments during the state requisition period, and the current operations were adversely affected by the ongoing asset enhancement works at the Hyatt Regency Perth complex and construction works within the hotel. Revenue from Real Estate Investment was also higher due mainly to the stronger performance from the Group's investment properties in Singapore, namely 18 Robinson and Link@896.

Gross profit decreased by 2% to S$45,048,000 in 1H2023. The decrease in gross profit was mainly from Real Estate Development and Hospitality, partially offset by the increase in gross profit from Real Estate Investment. Real Estate Development recorded a lower gross profit despite higher revenue as margins were affected by higher construction costs. Gross profit from Hospitality was affected by the weaker performance from the hotel operations in Perth. The gross profit increase in Real Estate Investment was largely in line with revenue increase.

The Group reported other net operating income of S$1,688,000 in 1H2023 whereas in 1H2022, the Group reported other net operating expenses of S$672,000. The positive variance was due mainly to lower foreign exchange losses and reversal of provisions which were no longer required.

Distribution costs increased by 42% to S$7,390,000 in 1H2023 due mainly to higher selling expenses in relation to the sale of residential properties in Singapore.

Administrative expenses decreased by 12% to S$22,520,000 in 1H2023 due mainly to lower manpower costs and lower management fees paid to Hyatt under the hotel management agreements as well as the non-recurrence of administrative expenses under the trading and marketing of industrial commodities operations which ceased in 2023.

Share of results of equity accounted investees decreased by 25% to S$12,886,000. GulTech turned in a weaker performance in 1H2023 due mainly to the slow-down in demand for printed circuit boards, especially from the consumer and computing segments, coupled with foreign exchange losses recognised in 1H2023.

Interest income increased by 102% to S$2,983,000 in 1H2023 due mainly to higher interest income received from deposits placed with banks.

Finance costs increased by 57% to S$32,482,000 in 1H2023 due mainly to rising interest rates.

Fair value adjustments were a gain of S$2,109,000 in 1H2023 as compared to a loss of S$1,551,000 in 1H2022. The fair value gain of S$2,109,000 in 1H2023 was mainly from the revaluation of certain investment properties in Singapore, partially offset by fair value losses from financial instruments held by an associate. The fair value loss of S$1,551,000 in 1H2022 arose from the revaluation of financial instruments.

The Group reported an income tax credit of S$3,410,000 as compared to an income tax expense of S$2,083,000 in 1H2022 due mainly to the overprovision of withholding taxes in the previous year.

As a result of the above, the Group reported a lower profit of S$5,732,000 in 1H2023, a decrease of 35% compared to 1H2022. The net profit attributable to the owners of the Company decreased by 38% to S$6,006,000 in 1H2023.

FY2022 versus FY2021

The Group's revenue decreased by S$23,417,000 or 9% to S$225,297,000 in FY2022, largely due to a S$50,004,000 decline in revenue from Industrial Services. Lower revenue from Industrial Services was due mainly to absence of coal delivery. Excluding Industrial Services, the Group's revenue increased 14% compared to FY2021, driven by higher revenue from Hospitality but partially offset by lower revenue from Real Estate Development. Higher revenue from Hospitality reflected the recovery of the Group's hotel operations in Australia following the lifting of border restrictions in early 2022. Lower revenue from Real Estate Development was attributable mainly to the absence of contribution from Kandis Residence and Sennett Residence in FY2022. Kandis Residence obtained TOP and all units were fully sold in FY2021, whereas for Sennett Residence, the remaining residential units were sold in FY2021. The decrease in revenue was partially offset by higher progressive revenue recognition of units sold in Peak Residence and Mont Botanik Residence. Revenue from Real Estate Investment in FY2022 was comparable to FY2021. Whilst revenue from commercial properties in Singapore and Australia was higher, this was partially offset by the absence of contribution from Robinson Point which was divested in June 2021.

Gross profit increased by 24% to S$86,865,000 in FY2022. The increase in gross profit was mainly from Hospitality, partially offset by the decrease in gross profit from Real Estate Development and Industrial Services. The overall increase in gross profit was largely in line with the revenue changes.

The Group reported other net operating expenses of S$5,130,000 in FY2022 due mainly to a net foreign exchange loss. In FY2021, the Group reported other net operating income of S$92,831,000 due mainly to a gain of S$88,953,000 on disposal of a subsidiary which owned Robinson Point in Singapore and a net foreign exchange gain.

Distribution costs decreased by 17% to S$10,188,000 in FY2022 due mainly to lower showflat and selling expenses in relation to the sale of residential properties in Singapore.

Administrative expenses increased by 10% to S$54,820,000 in FY2022 due mainly to higher manpower costs.

Share of results of equity accounted investees increased by 6% to S$29,924,000 in FY2022 due mainly to higher net profit contribution from the Group's 44.5% stake in GulTech as well as the appreciation of United States dollar against Singapore dollar as GulTech's reporting currency is in United States dollar.

Interest income increased by 92% to S$4,530,000 in FY2022 due mainly to higher interest income received from deposits placed with banks.

Finance costs increased by 15% to S$50,753,000 in FY2022. The increase was due mainly to rising interest rates.

Fair value adjustments were a gain of S$306,000 in FY2022 as compared to a loss of S$3,434,000 in FY2021. The fair value gain of S$306,000 in FY2022 was due mainly from the revaluation of investment properties, which was partially offset by fair value losses from property, plant and equipment and financial instruments. The fair value loss of S$3,434,000 in FY2021 was due mainly from the revaluation of investment properties.

The Group reported an income tax credit of S$2,116,000 as compared to an income tax expense of S$2,295,000 in FY2021 due mainly to the recognition of deferred tax assets in Australia and overprovision of taxes in previous years.

As a result of the above, the Group reported a profit of S$2,850,000 in FY2022 as compared to a profit of S$81,820,000 in FY2021. The Group reported a net profit attributable to the owners of the Company of S$4,591,000 in FY2022 as compared to a net profit of S$83,662,000 in FY2021. Excluding the S$88,953,000 gain on disposal of a subsidiary which owned Robinson Point from the net profit in FY2021, the net profit attributable to the owners of the Company in FY2022 was S$4,591,000 as compared to a net loss of S$5,291,000 in FY2021.

FY2021 versus FY2020

The Group's revenue increased by 24% to $248,714,000 in FY2021. The increase was due to higher revenue from the Real Estate Development, Hospitality and Industrial Services segments, partially offset by lower revenue from the Real Estate Investment segment. Higher revenue from Real Estate Development was mostly driven by higher progressive recognition of units sold in Mont Botanik Residence, while higher revenue from Hospitality reflected the gradual recovery of the Group's hospitality operations since the outbreak of the COVID-19 pandemic in 2020. Higher Industrial Services revenue was mostly driven by higher coal prices from the coal trading business. Lower revenue from Real Estate Investment was due mainly to the absence of contribution from Robinson Point in Singapore which was disposed of in June 2021, but this was partially offset by higher revenue from other investment properties in Singapore.

Gross profit increased by 13% to S$70,123,000 in FY2021. The increase in gross profit was mainly from the Hospitality segment, partially offset by decrease in gross profit from the Real Estate Development and Real Estate Investment segments. The increase in gross profit from Hospitality and the decrease in gross profit from Real Estate Investment are in line with revenue changes. Real Estate Development was affected by construction delays and higher construction costs arising from the labour shortage and price hike in construction materials for residential projects in Singapore, resulting in a lower gross profit in FY2021 as compared to FY2020.

Other net operating income increased by S$69,874,000 to S$92,831,000 in FY2021. The increase was attributable mainly to the gain on disposal of a subsidiary in Singapore, the absence of rental rebates and rental waivers to eligible tenants in Singapore, which was in line with the cessation of the COVID-19 support schemes, as well as the absence of restructuring costs from the Melbourne hotel operations. The increase was partially offset by lower government grant income as various COVID-19 support schemes had ceased or tapered off during the year as well as the absence of a non-recurring income arising from the reversal of accruals for development costs previously capitalised in FY2020.

Distribution costs increased by 26% to S$12,268,000 in FY2021 due mainly to higher showflat and marketing expenses relating to the sale of residential properties in Singapore and Indonesia.

Administrative expenses increased by 15% to S$49,861,000 in FY2021 due mainly to higher manpower costs, in line with the recovery of the Group's hospitality operations and expansion plans in the region.

Share of results of equity accounted investees grew by 10% to S$28,332,000 in FY2021. The increase was mainly attributable to higher net profit contribution from the Group's 44.5% equity stake in GulTech.

Interest income decreased by 51% to S$2,356,000 in FY2021 due mainly to lower interest income from banks and trade receivables.

Finance costs decreased by 8% to S$43,964,000 in FY2021. The decrease was due mainly to the full repayment of the loans of a subsidiary which was disposed of in June 2021 as well as lower loans and borrowings. The Group's loans and borrowings as at 31 December 2021 was S$1,352,728,000, a decrease of S$112,225,000 from S$1,464,953,000 as at 31 December 2020.

Fair value adjustments were a loss of S$3,434,000 in FY2021 as compared to a gain of S$45,188,000 in FY2020. The fair value loss was due mainly to the absence of fair value gain from Robinson Point which was disposed of in June 2021 and a net fair value loss arising from the revaluation of investment properties.

Income tax expenses increased by 69% to S$2,295,000 in FY2021 due mainly to the write-off of certain deferred tax assets which were deemed to be no longer recoverable.

As a result of the above, the Group's profit for the year increased by 40% to S$81,820,000 in FY2021. The Group reported a net profit attributable to the owners of the Company of S$83,662,000 as compared to S$59,009,000 in FY2020.

REVIEW OF THE GROUP'S FINANCIAL POSITION

1H2023 versus FY2022

The Group's total assets as at 30 June 2023 decreased by 2% to S$2,596,330,000. The decrease was due mainly to the decrease in development properties and contract assets with the sales of ongoing residential projects and completion of Mont Botanik Residence in early 2023.

The Group's total liabilities as at 30 June 2023 decreased by 5% to S$1,363,325,000 due mainly to the repayment of bank loans.

Shareholders' equity as at 30 June 2023 increased by 1% to S$1,231,738,000. The increase was due mainly to the issuance of new ordinary shares under the Scrip Dividend Scheme and fair value gain on interest rate swaps entered into by the Group to manage the interest rate movements on its bank loans.

As at 30 June 2023, the Group had a working capital of S$373,999,000.

FY2022 versus FY2021

The Group's total assets as at 31 December 2022 decreased by 4% to S$2,656,996,000. The decrease was due mainly to the decrease in cash and cash equivalents arising mainly from the repayment of borrowings and interest payments as well as the decrease in development properties arising from the sale of residential units. The decrease in total assets was partially offset by the increase in contract assets representing the unbilled consideration for construction works completed in respect of the sold residential units.

The Group's total liabilities as at 31 December 2022 decreased by 5% to S$1,432,169,000. The decrease was due mainly to the decrease in loans and borrowings arising from the net repayment of bank loans and borrowings and translation loss resulting from the weakening of the Australia dollar against the Singapore dollar.

Shareholders' equity as at 31 December 2022 decreased by 2% to S$1,223,286,000. The decrease was due mainly to the decrease in foreign currency translation account arising mainly from the weakening of the Australia dollar and Chinese Renminbi against the Singapore dollar. The decrease was partially offset by net fair value gains arising from the revaluation of properties.

The Group had a working capital of S$135,495,000 as at 31 December 2022.

FY2021 versus FY2020

The Group's total assets as at 31 December 2021 decreased by 12% or S$379,343,000 to S$2,764,328,000. The decrease was due mainly to the decrease in assets held for sale arising from the completion of the disposal of a subsidiary and the decrease in development properties arising from the sale of residential units. The decrease was partially offset by the increase in cash and cash equivalents. The increase in cash and cash equivalents were mainly due to the proceeds from the issuance of S$200 million Series IV notes and the disposal of a subsidiary, partially offset by the repayment of loans and borrowings during the year.

The Group's total liabilities as at 31 December 2021 decreased by 24% or S$470,262,000 to S$1,499,911,000. The decrease was due mainly to the decrease in liabilities associated with the disposal of a subsidiary, net repayment of loans and borrowings and the decrease in trade and other payables.

Shareholders' equity as at 31 December 2021 increased by 8% or S$90,133,000 to S$1,250,200,000. The increase was due mainly to the increase in revenue reserves.

The Group had a working capital of S$86,680,000 as at 31 December 2021.

REVIEW OF THE GROUP'S SEGMENT PERFORMANCE

1H2023 versus 1H2022

Real Estate Investment

Revenue increased by 10% to S$30,326,000 in 1H2023 due mainly to the stronger performance from the Group's investment properties in Singapore, namely 18 Robinson and Link@896, with improved occupancies and average gross rental rates.

Correspondingly, Adjusted EBIT increased by 2% to S$15,286,000 in 1H2023.

Real Estate Development

Revenue increased by 58% to S$72,916,000 in 1H2023 due mainly to higher progressive revenue recognition of units sold in Peak Residence. The increase was partially offset by lower contribution from Mont Botanik Residence, which obtained TOP in February 2023.

Despite higher revenue, Adjusted EBIT was a loss of S$537,000 in 1H2023 as compared to a loss of S$130,000 in 1H2022, as margins were affected by higher construction costs for residential projects in Singapore.

Hospitality

Revenue increased by 13% to S$42,094,000 in 1H2023, reflecting the recovery of the Group's hotel operations in Melbourne following the easing of COVID-19 related restrictions in 2022. However, Perth's hotel operations recorded a lower revenue as the revenue from the previous corresponding period was boosted by guaranteed payments during the state requisition period, and the current operations were adversely affected by the ongoing asset enhancement works at the Hyatt Regency Perth complex and construction works within the hotel.

Despite higher revenue, Adjusted EBIT decreased by 19% to S$6,763,000 due mainly to the weaker performance from the hotel operations in Perth.

Other Investments

Other Investments comprise mainly the Group's 44.5% equity stake in GulTech, as well as the manufacturing of polypropylene woven bags in Malaysia, which was previously reported under Industrial Services.

In 1H2023, the Group reported revenue of S$3,831,000 from the manufacturing of polypropylene woven bags in Malaysia as compared to S$4,989,000 in 1H2022, a decrease of 23%, due mainly to weaker demand.

Adjusted EBIT decreased by 24% to S$13,271,000 in 1H2023 due mainly to a weaker performance from GulTech. Demand for printed circuit boards, especially from the consumer and computing segments, slowed down in 1H2023. Coupled with foreign exchange losses recognised, this led to a lower Adjusted EBIT in 1H2023.

FY2022 versus FY2021

Real Estate Investment

Revenue of S$56,035,000 in FY2022 was comparable to FY2021. Whilst revenue from commercial properties in Singapore and Australia was higher, this was partially offset by the absence of contribution from Robinson Point which was divested in June 2021. Overall, the Group achieved improved occupancies and average gross rental rates for its investment property portfolio in Singapore.

Adjusted EBIT decreased by 10% to S$28,489,000 in FY2022 due mainly to the absence of contribution from Robinson Point.

Real Estate Development

Revenue decreased by 11% to S$81,652,000 in FY2022 due mainly to the absence of revenue from Kandis Residence and Sennett Residence. Kandis Residence obtained TOP and all units were fully sold in FY2021, whereas for Sennett Residence, the remaining residential units were sold in FY2021. The decrease in revenue was partially offset by higher progressive revenue recognition of units sold in Peak Residence and Mont Botanik Residence.

Adjusted EBIT in FY2022 was a lower loss of S$6,225,000 as compared to a loss of S$8,192,000 in FY2021. The decrease was due mainly to lower showflat and selling expenses for residential projects in Singapore, partially offset by higher construction costs arising from construction delays.

Hospitality

Revenue increased by 89% to S$85,450,000 in FY2022 on the back of improved hotel operations in Australia following the lifting of border restrictions in early 2022.

Correspondingly, Adjusted EBIT improved from S$1,433,000 in FY2021 to S$19,139,000 in FY2022.

Industrial Services

Revenue decreased by 84% to S$9,213,000 in FY2022 due mainly to the absence of coal delivery.

Adjusted EBIT was a loss of S$1,926,000 in FY2022 as compared to a loss of S$598,000 in FY2021. The higher loss was partly due to the absence of contribution from coal delivery as well as expenses related to the privatisation of SP Corporation Limited in FY2022.

Other Investments

Other Investments comprise mainly the Group’s 44.5% equity stake in GulTech. Adjusted EBIT increased by 16% to S$30,540,000 in FY2022 due mainly to higher net profit contribution as well as the appreciation of United States dollar against Singapore dollar as GulTech’s reporting currency is in United States dollar.

FY2021 versus FY2020

Real Estate Investment

Revenue decreased by 3% to S$56,099,000 in FY2021 due mainly to lower contribution from Robinson Point which was disposed of in June 2021, partially offset by higher contribution from other investment properties in Singapore. Overall, the Group achieved improved occupancies and average gross rental rates for its Singapore investment property portfolio.

Adjusted EBIT decreased by 28% to S$31,787,000 in FY2021 due mainly to the absence of the reversal of accruals for development costs previously capitalised in FY2020.

Real Estate Development

Revenue increased by 22% to S$91,717,000 in FY2021 due mainly to higher progressive recognition of units sold in Mont Botanik Residence.

Despite the higher revenue, Adjusted EBIT in FY2021 was a loss of S$8,192,000 as compared to a profit of S$3,081,000 in FY2020. The decrease was due mainly to construction delays and higher construction costs arising from labour shortage and price hike in construction materials for residential projects in Singapore as well as higher showflat and marketing expenses related to the launch of Peak Residence in Singapore and Balmoral Tower at Opus Bay in Batam.

Hospitality

Revenue increased by 37% to S$45,096,000 in FY2021 on the back of improved hotel operations in Australia largely due to Hyatt Regency Perth's quarantine business and the impact of Grand Hyatt Melbourne's contribution for the full year. Grand Hyatt Melbourne's operations were temporarily suspended from mid-April to mid-November in FY2020.

Correspondingly, Adjusted EBIT improved from a loss of S$5,999,000 in FY2020 to a profit of S$1,433,000 in FY2021.

Industrial Services

Revenue increased by 58% to S$59,217,000 in FY2021 due mainly to higher coal prices.

Despite the higher revenue, Adjusted EBIT remained at a loss of S$598,000 in FY2021 which was similar to FY2020. SP Corp's coal trading margin was fixed based on the quantity of coal delivered and thus did not benefit from the higher coal prices.

Other Investments

Other Investments comprise mainly the Group's 44.5% equity stake in GulTech. Adjusted EBIT increased by 6% to S$26,441,000 in FY2021 due mainly to higher revenue and an increase in scrap sales income following the rise in material prices such as copper.

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 or the Group, 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 8 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, 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;

(ii) 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;

(iii) 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;

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

(v) 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 or 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 or any of its subsidiaries and/or associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer or its subsidiaries and/or 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 or any of its subsidiaries and/or associated companies (if any). As a result, the market price of the Notes may be above or below the price at which the Notes were initially issued to the market.

Further, recent global financial turmoil, rising energy prices, rising interest rates and inflation coupled with the ongoing conflict between Russia and Ukraine have resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial or geopolitical 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 during the period from the date of this Information Memorandum to 31 December 2028 are, pursuant to the ITA and the MAS Circular FDD Cir 08/2023 entitled "Qualifying Debt Securities ("**QDS**") and Primary Dealer Schemes – Extension and Refinements" issued by the MAS on 31 May 2023, intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section "Singapore Taxation".

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

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, *inter alia*, the Group's future performance and its ability to generate cash, which 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. In the event of a shortfall of funds or a winding-up, there is a real risk that an investor in the Notes will lose all or some of its investment and will not receive a full return of the principal amount.

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. On 31 March 2021, SC-STS also published a report which set out recommended timelines for the cessation of SOR and SIBOR linked financial products, which was updated on 5 August 2021 and 18 July 2022. On 14 December 2022, the SC-STS published an implementation paper setting out technical details for the implementation of SC-STS' supplementary guidance on adjustment spreads for the conversion of SOR contracts to SORA. SC-STS' supplementary guidance applies to the active transition of unhedged SOR loans and is to be used up till end-2024. The implementation paper only covers the setting of adjustment spreads for the conversion of wholesale SOR contracts to Compounded-in-arrears SORA and does not apply to the setting of adjustment spreads for the conversion of legacy SOR retail loans to Compounded-in-advance SORA. The SC-STS has also published an Adjustment Spread calculator which market participants have been encouraged to use for the purpose of supporting the active transition of SOR loans to SORA.

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).

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 Group's businesses are 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. These factors 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. No assurance can be given that the Issuer's cash flows would be sufficient to service its debt obligations.

In addition, majority of the Group's assets in various jurisdictions are pledged under various debt financing facilities such as 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. Further, a default in respect of a debt financing facility may trigger cross-default under other debt financing facilities of the Group and consequently, acceleration of such other debt financing facilities. Such circumstances may adversely affect the Group's ability to make payment to Noteholders.

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.

Political, economic and other factors such as the recent outbreak of war between Russia and Ukraine and the ongoing trade war between the United States and China and the impact of such continued geopolitical tensions and uncertainties on the global economy, the effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including those of the United States, the rising interest rate environment, rising inflation, rising energy costs, supply chain disruptions and the impact of the global downturn on the economies of the countries in which the Group's businesses are located could adversely affect the Group's business, financial condition, prospects and results of operations. The Covid-19 pandemic has also had a significant adverse impact on the global economy. See "*The Group's businesses, financial condition and results of operations may be materially and adversely affected by natural calamities, the outbreak of infectious disease or other serious public health concerns*" for more information.

Besides Covid-19, the global economy and credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. Recently, the financial conditions of selected banking institutions have come under severe pressure and deterioration, as exemplified by the restructuring of Credit Suisse Group AG and the failures of Silicon Valley Bank and Signature Bank in the first quarter of 2023 which has caused increased volatility in capital markets. These and other related events have had a significant impact on the global capital markets associated not only with asset-backed securities but also with the global credit and financial markets as a whole. These events have resulted in an increased difficulty in borrowing from financial institutions and an increased risk of counterparty default. These events could adversely affect the Group's business, financial condition, prospects and results of operations, as a result of, among other things, failure of financial and other institutions, negatively impacting treasury operations including but not limited to counterparty risks relating to deposits, money market investments and treasury contracts, including those related to foreign exchange or interest rate transactions.

Geopolitical instability, changes in political situations and governments in various parts of the world, trade wars and volatility in oil prices contribute to economic instability in those and other regions. Significant uncertainty regarding the rising debt burden and slow down of growth in China which has affected consumer confidence and concerns about China's economy and the ability of certain European sovereigns to pay their debt have also caused unstable market conditions. In addition, the effect of the UK's exit from the European Union (also known as "***Brexit***") is uncertain. Despite the EU-UK Trade and Cooperation Agreement having come into force, Brexit has and may continue to contribute to volatility in the prices of securities of companies located in Europe and currency exchange rates, including the valuation of the Euro and British pound in particular.

Such uncertain and unfavourable economic and political conditions, coupled with continued uncertainty in the global financial markets and economy, 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 business, financial condition, prospects and results of operations.

More particularly, the Group operates in Singapore, Australia, China, Malaysia and Indonesia. The Group is subject to the laws, regulations and government policies in each country in which it operates and/or invests in and its business, financial condition, prospects and results of operations may be influenced by the general state of the global economy or the general state of a specific market or economy. 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.

The Group is exposed to risks associated with its expansion plans, including expansion into new businesses and/or markets, 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.

In line with the Group's strategic direction, the Group may explore and/or pursue expansion opportunities into new businesses and new markets as and when opportunities arise. Expansion into new businesses or new markets may involve numerous risks, including but not limited to, the financial costs of setting up operations and working capital requirements, which may adversely impact the Group's financial condition. There is no assurance that these new businesses and/or expansion activities will achieve results that are commensurate with the Group's investment costs or that the Group will be successful in its expansion into such new businesses. There can also be no assurance that the Group's new businesses and/or expansion activities will generate sufficient revenue to cover its operational costs. If the Group is unable to implement its expansion plans or manage its operational costs and financials effectively, or if there is a lack of demand for its services, the Group's business, results of operation, reputation and financial position may be adversely affected.

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, the expansion may become expensive, divert the management's attention, expose the Group to unforeseen risks and could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

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

The Group operates in four 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 significant 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, the lack of a proven track record in existing or new businesses, the lack of relevant management expertise, the lack of funding, any change in government policies including where there are changes in the constitution of decision making bodies, major changes in buyers' or tenants' profiles and preferences, changes in market conditions which may impact selling prices or rental rates and the ability to secure adequate sales or revenue, 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 the hospitality and leisure industry in particular and the macro-economy in general. In Australia, 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. The Group's development of and performance in the hotels and serviced residence industries across Australia or elsewhere 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, construction-related risks associated with building new infrastructure, lack of a proven track record, relevant management expertise, or funding.

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. Expansion activities such as building new infrastructure in other countries may also be affected by construction-related risks, lack of a proven track record, relevant management expertise, or funding, and is contingent upon, among other things, receipt of all required licences, permits and authorisations, including local land use permits, building and zoning permits, and environmental, health and safety permits.

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 or operate such or 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 or operations. Other risks include construction-related risks associated with building new infrastructure, lack of a proven track record, relevant management expertise, funding or risks associated with employee error, malfeasance, or otherwise. 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. However, due to human error or judgment, there is no assurance that these frameworks and systems are strictly complied with at all times and the Group's success may be affected by fraudulent or dishonest behaviour exhibited by its employees.

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. Changes or concessions required by regulatory authorities could also involve significant costs (including increased compliance costs) and delay or prevent completion of the construction or opening of a project or could result in the loss of an existing licence. Due to the interconnected nature of the construction projects, a delay in one project may affect the progress of other projects.

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 risks that (i) disagreements may occur between the Group and its joint venture partners as a result of, among others, such joint venture partners having economic or business interests or goals that are not aligned with the Group, or such joint venture partners taking actions contrary to the Group's requests, policies or objectives, (ii) 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, or (iii) the Group's joint venture partners may experience financial or other difficulties, which may affect their ability to discharge their contractual obligations. Any of the foregoing may result in the Group being exposed to legal proceedings and/or additional costs.

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, disputes, 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 decade 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 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. Ranging from 4 per cent. to 12 per cent., the lowered SSD rates would 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 December 2011, the Singapore government introduced the additional buyer's stamp duty ("**ABSD**"), which was further enhanced in January 2013. ABSD ranging from 5 per cent. to 15 per cent. is to be paid by certain groups of people who buy or acquire residential properties (including residential land).

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 rate applies to all residential properties acquired from 20 February 2018. From 15 February 2023, the top marginal rate for residential properties worth more than S$3 million is 6 per cent., and the top marginal rate for non-residential properties worth more than S$1.5 million is 5 per cent..

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.

On 27 April 2023, the Singapore government further raised ABSD rates. ABSD rates for Singapore citizens buying their second or third and subsequent homes was raised to 20 per cent. and 30 per cent. respectively. ABSD for foreigners purchasing any residential property was doubled from 30 per cent. to 60 per cent. and increased from 35 per cent. to 65 per cent. for entities or trusts purchasing any residential property (except for housing 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 1976 of Singapore ("**Qualifying Certificate**"). If such conditions are not met by the Group including for reasons such as delays in the commencement or completion of the development or the sale of all the units in the development, 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 1976 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 55 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.

In 2017, the stamp duty regime in Singapore was also amended such that additional conveyance duties (in addition to ordinary stamp duty for transfers of shares in companies) are levied on the acquisition and disposal of equity interests in property holding entities whose primary tangible assets are residential properties in Singapore, even if the equity interests in such property holding entities are acquired or disposed of for *bona fide* business reasons.

In September 2020, the Urban Redevelopment Authority announced restrictions on the reissuance of Options to Purchase ("**OTPs**") granted to prospective purchasers of properties. A concession provided was that the Controller of Housing may upon application grant an extension of up to 12 weeks from the OTP date for the exercise of the OTP, provided that both the buyer and the developer agree. Notwithstanding this concession, the new restrictions on reissuance of OTPs may affect demand from potential buyers who are not able to exercise the OTP within the option exercise period.

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. In addition, the legal landscape in relation to real estate continues to evolve and there are requirements such as enhanced due diligence checks, the Housing Developers (Anti-Money Laundering and Terrorism Financing) Rules 2023 and Sale of Commercial Properties Act 1979 of Singapore which may cause the Group to experience challenges in adapting to and/or complying with emerging laws and regulations. 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 or comply with 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 or adapt to and/or comply with new laws, regulations or policies that may come into effect from time to time, 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 businesses, financial condition and results of operations may be materially and adversely affected by natural calamities, the outbreak of infectious disease or other serious public health concerns.

Natural calamities, 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 sporadic or prolonged market and/or supply disruptions, volatilities in domestic and/or international capital markets, an economic downturn or recession and adversely affect Singapore and other economies in which the Group operates. The occurrence of any 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 Covid-19 pandemic has been one of the most significant global health crises in recent times; it severely impacted global economic activity in 2020 and 2021 and exposed the risks of sudden stoppages of economies and supply chain disruptions worldwide, which affected the Group's business. Although the Covid-19 pandemic has since evolved into a more liveable endemic, there may be further adverse effects on the Group's business as a result of the emergence of new Covid-19 variants which could lead to a resurgence in infection rates and re-imposition of tight border control and disruptions and restrictions on movement and economic activities, posing further economic growth risk. 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

For example, measures taken to mitigate the spread of Covid-19, including travel restrictions and tighter border controls, quarantine requirements, lockdown measures and forced closures for certain types of public places and businesses 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 addition, the Group's hospitality business was impacted by travel restrictions and tighter border controls and entry requirements which limited travelling for non-essential purposes.

Certain restrictive measures introduced as a result of the Covid-19 pandemic also significantly reduced the number of people visiting the Group's retail properties, which adversely impacted the business of the Group's tenants. In particular, the loss of retail sales in shopping malls placed certain tenants under financial strain and unable to meet their contracted rent obligations.

In the event of any future pandemic, there is also a risk that governments may impose restrictions on landlords, such as the Group, on the termination or enforcement of leases or require the deferral and/or waiver of rent for a period of time. Moreover, precautionary measures put in place such as cleaning and disinfecting common areas, ensuring logistics readiness, and activating regional and global response teams to provide around-the-clock assistance will lead to higher operating expenses across the different asset classes for the Group.

While the successful development of Covid-19 vaccines was a major milestone in bringing the Covid-19 pandemic under control, there is no assurance that the Covid-19 vaccines will remain effective against new Covid-19 variants. The resurgence in infection rates and fatalities could lead to further or new restrictions which in turn could prolong production and supply-chain disruptions and delay the restoration of business and consumer confidence. Any of these factors may result in a prolonged global economic crisis or recession, which may in turn adversely impact the Group's business, financial condition, results of operations and prospects.

The longer-term consequential impact of the Covid-19 pandemic on real estate needs and requirements also remains uncertain. The Covid-19 pandemic has fundamentally impacted consumption patterns and real estate needs. For example, retailers' offline and online omni-channel distribution have been strengthened, thereby driving growth in the e-commerce platform and last mile delivery from logistics hubs, and business space has been decentralised to be closer to employees. All these factors have overlapping impact on the different asset classes and could lead to new shifts in the real estate market with varying degrees of impact to different asset classes, as owners and investors of real estate adapt to changing needs of the different demand drivers. There is no assurance that such trends and/or developments, if any, in the real estate market will not adversely affect the performance of the Group's businesses, financial condition and results of operations.

The Group's ability to borrow in the bank or capital markets may be materially and adversely affected by a financial crisis in a particular geographic region, industry or economic sector or other geopolitical factors.

The Group's ability to borrow in the bank or capital markets to meet the financial requirements of the Group is dependent on favourable market conditions. Financial crises in particular geographic regions, industries or economic sectors could in the future, lead to sharp declines in the currencies, stock markets and other asset prices in those geographic regions, industries or economic sectors, which in turn threaten affected companies, financial systems and economies, and which may also significantly increase the costs of such borrowing. The Group relies on, *inter alia*, bank loans and debt issuances to satisfy its capital requirements and the level of indebtedness of the Group may also materially impact its ability to raise additional financing and/or refinancing on competitive terms and its cost of funding may increase in the event of any financial crises.

Geopolitics, in particular, continues to be an area of concern, including ongoing threats of terrorism, instability in the Middle East and tensions in East Asia and in Ukraine. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict the Group's access to capital. These conditions have resulted in higher historic volatility, less liquidity, widening of credit spreads and a lack of price transparency in certain markets.

For these or other reasons, the Group may be unable to obtain future financing on favourable terms, or at all, to fund the Group's operations, anticipated capital expenditure and working capital requirements which may have a material and adverse effect on the business, financial condition, results of operations and prospects of the Group.

The Group's business is exposed to tax and treasury risk.

The Group's businesses operate in numerous tax jurisdictions. Changes in tax laws in any of those jurisdictions may have adverse consequences to the Group's profits. The Group's interpretation and application of various tax laws may be challenged, with the possible result of the Group having to incur unforeseen tax liabilities.

The Group is exposed to various types of taxes including but not limited to income tax, withholding tax, capital gains tax and other taxes specifically imposed for the ownership of such assets. While the Group intends to manage the taxation in each country efficiently, there can be no assurance that the desired tax outcome will be achieved. In addition, the level of taxation in each country is subject to changes in laws and regulations and such changes, if any, may lead to an increase in tax rates or the introduction of new taxes.

Further, any increase in goods and services tax and value added tax in Singapore or overseas markets where the Group's properties are located could have a negative impact on the retail market, which may result in the loss of tenants for the properties of the Group that comprise or include retail malls. This in turn may reduce the rental income of the Group and have an adverse effect on the Group's financial condition and results of operations.

RISKS RELATING TO THE GROUP'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 the Issuer, 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 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 businesses are subject to various types of taxes, including sales tax, land appreciation tax, withholding tax, corporate income tax and other taxes that may be imposed specifically in the context of a particular 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 judgments 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 or major 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 rent-free periods or landlord fit-outs;

(ix) tenants requesting waiver of interest on late payment of rent;

(x) 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;

(xi) 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;

(xii) 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);

(xiii) the Group's ability to provide adequate management and maintenance of the investment properties or to purchase or put in place adequate insurance;

(xiv) 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

(xv) 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 loss of key tenants or a downturn in the business of its tenants could have an adverse effect on the business, financial condition and results of operations of the Group and its ability to access optimal financing.

The business, financial condition and results of operations of the Group and the Issuer's ability to make payments on the Notes may be adversely affected by the bankruptcy, insolvency or downturn in the business of the Group's key or major tenants, including the decision by a key or major tenant not to renew its lease or to terminate its lease before it expires.

The Group's investment properties have and may in the future have anchor tenants that individually occupy a substantial percentage of the net lettable area of the relevant properties and which account for a considerable proportion of its gross rental income (such as, for instance, Fortescue Metals Group in the Commercial Centre within Perth Hyatt Regency complex, Grandco Hospitality Group and Bulgari Australia in the Commercial Centre within Melbourne Grand Hyatt complex, Singapore Tanjong Pagar Centre No. 4 in 18 Robinson as well as Cold Storage Singapore (1983) in Link@896). In particular, the various Fortescue Metals Group leases expire in the course of 2025 to 2026 and may not be renewed or extended. The Group expects that it will continue to be dependent upon such tenants for a significant portion of its revenue. If these key tenants do not renew their leases at expiry, or if they reduce their leased space in the Group's investment properties, it could result in periods of vacancy which could materially and adversely affect the Group's rental income. In addition, the leases of key or major tenants may contain provisions for rent review and rental rebates during the tenure of their respective leases. There can be no assurance that following such rent reviews, the Group will derive the same rental rates as it presently does. The amount of rent and the terms on which lease renewals and new leases are agreed may be less favourable than current leases. Substitute tenants on satisfactory terms may also not be found in a timely manner or at all. Any adverse impact on rental revenue and cash flow may also have a material and adverse effect on the Group's ability to secure optimal debt financing.

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.

Stagnations or declines in rental yields in view of rising interests and other costs can have an adverse effect on the Group's business, financial condition and/or results of operations.

The Group is subject to the risk of inability to collect progress payments from purchasers of its property development projects.

The Group is subject to the solvency or creditworthiness of the purchasers of its development properties. In this respect, the Group may sometimes face delay or even non-payment in the collection of progress payments from the purchasers of its property development projects. Any significant delay or inability in collecting payment may impact negatively on the Group's results of operations and financial condition.

RISKS RELATING TO THE GROUP'S HOSPITALITY SEGMENT

Competition in the hospitality industry may adversely affect the Group's business.

The Group currently 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 currently 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 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;

(iv) the possibility of exploring self-operation strategies and incurring additional operational challenges and costs;

(v) the possibility of obtaining successful bids; and

(vi) the ability to obtain or maintain the necessary verification, licensing or other approvals required in each jurisdiction the Group operates in.

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.

The Group's hospitality business operations require hotel licences, which may be adversely affected by any failure to obtain, renew or obtain the transfer of, such licences.

The operation of hotels is generally subject to various local laws, rules and regulations. The withdrawal, suspension or non-renewal of any of the certificates of registration and/or licences, or the imposition of any penalties as a result of any infringement or non-compliance with any applicable laws, rules or regulations, will have an adverse impact on the businesses at its hotels and their results of operations. Further, any changes in such laws, rules and regulations may also impact the businesses at the Group's managed hotels and may result in higher costs of compliance. Any failure to comply with new or revised laws, rules and regulations could result in the imposition of fines or other penalties by the relevant authorities. This could have an adverse impact on the revenue and profits of the hotels or otherwise adversely affect their operations.

The hospitality industry is service-oriented and the Group may be adversely affected if it is unable to compete effectively for skilled hospitality employees.

The hospitality industry is a service-oriented industry and is very labour intensive. Competitors may compete aggressively for skilled hospitality employees, which would increase the operating cost of the Group's hotels. In addition, changes in foreign labour regulations may impact the availability of hospitality staff and increase the operating costs of its hotels. A shortage of manpower and compressed work procedures may translate to lower service quality, which may in turn affect guests' lodging experience and lead existing customers to prefer alternative accommodation from competitors of the Group's hotels.

Accidents, injuries or prohibited activities in the Group's properties may adversely affect its reputation and subject it to liability.

There are inherent risks of accidents, injuries or prohibited activities (such as illegal drug use, gambling, violence or prostitution by guests) that may take place in properties of the Group. For instance, the occurrence of one or more accidents, injuries or prohibited activities at any of the Group's hotels could adversely affect its safety reputation among guests, harm its brand, decrease its overall occupancy rates and increase its costs by requiring the Group to implement additional safety measures. In addition, if accidents, injuries or prohibited activities occur at any of the Group's properties, it may be held liable for costs or damages and fines. The Group's current property and liability insurance policies may not provide adequate or any coverage for such losses, and the Group may be unable to renew its insurance policies or obtain new insurance policies without increases in premiums and deductibles or decreases in coverage levels, or at all.

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, joint venture partners and other partners involved in, amongst other things, the development, operation, purchase, sale, lease and/or renovation of its properties. The Group may also experience deterioration in employees relations due to disputes related to, *inter alia*, wage, compensation or benefit claims. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and/or 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 and development and expansion plans in existing and new businesses and this is likely to continue in the future. The Group tends to maximise debt financing for each project and is exploring all available debt instruments and facilities in order to maximise its ability to raise debt financing in the market. 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 and hospitality investment and development sectors are 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, profit and cash flow volatility.

At present, the Group derives its revenue and profit principally from the real estate development, real estate investment and hospitality segments. Profit is also derived from the Group's other investments segment. 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. As the Group's businesses may involve joint ventures, strategic alliances and partnerships with third parties, there is no assurance that earnings generated from such businesses will be successfully remitted to the Group.

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 overtime. 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 members of 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, and maintains a robust level of corporate governance to ensure that business and financial matters are reported to the Group in a timely manner. However, due to human error or judgment, or fraudulent and dishonest behaviours, there is no assurance that these frameworks and systems are strictly complied with at all times.

The Group is subject to risks related to climate change and may incur additional cost or liability in relation to environmental issues.

The Group is exposed to risks associated with climate change and 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.

The transition from a linear economy to a circular economy entails a range of transition risks to the Group, with a focus on environmental, social and governance ("**ESG**") concerns. A primary transition risk is the actual and potential development in climate-related policy and regulation. Future policy actions, both at a national and regional level, may seek to either constrain actions which contribute to the adverse effects of climate change or promote adaptation. Examples include the implementation of a carbon tax or introduction or tightening of environmental standards, such as those relating to emissions or energy efficiency. In addition, the Group may need to comply with regulatory developments that may include new disclosure or reporting requirements to address climate-related issues. In addition, future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability. Failure to comply with these regulations and/or requirements could have a material adverse effect on the Group's business, financial condition and results of operations.

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.

The Group is also subject to physical risks related to climate change such as extreme weather patterns affecting supply chains, rising temperatures, or more frequent occurrences of extreme temperatures, droughts or other extreme meteorological phenomena, such as floods, earthquakes and hurricanes. Such physical effects of climate change can negatively impact the Group's operations, cause delays to its construction projects, interrupt the provision of the services of the Group to its customers as well as increase the costs of the Group's operations.

Increased focus on ESG Issues.

ESG issues have been gaining prominence and attention amongst governments, shareholders and activists, due to concerns over, among other things, climate change and sustainability of businesses. The Group may be subject to regulations and requirements imposed by governments in Singapore and other countries in which it operates to address ESG concerns and may need to implement measures and processes to comply with such regulations and requirements. This may result in increased costs for various aspects of the Group's businesses and operations and may adversely affect the financial condition of the Group. Further, there is no assurance that the Group will be able to fully respond to and comply with changes in laws and regulations relating to ESG issues and there could be situations where the Group may not be able to adhere to such laws or regulations. In addition, investors, both institutional and individual, are increasingly more selective in their investment decisions in companies that include ESG in their business and sustainability strategies and may choose not to invest in the Group, divest their shares or through lobbying or other shareholder activist activities, seek to hold the Group accountable for ESG issues. Such actions may adversely impact the Group's reputation if the Group is not fully able to comply with ESG requirements or meet the expectations of certain investors, and this may adversely affect the Group's business, financial condition and results of operations.

Failure to achieve certain environmental sustainability goals and strategies may adversely affect the Group's future growth and profitability.

Several of the Group's portfolio companies have been driving environmental sustainability efforts to align with the objectives and frameworks set out in the United Nations Sustainable Development Goals and Singapore Green Plan 2030. Despite government incentives to encourage the adoption of environmental, social and governance practices, there is no assurance that the Group's portfolio companies will be able to achieve or implement their environmental sustainability goals and strategies. The inability to achieve such goals and strategies could adversely affect the Group's future growth and profitability.

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, in accordance with the contracted schedule 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 Group 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 failure to comply with laws and regulations, 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.

The Group may be subject to cyber-attacks and other cybersecurity risks and threats.

The Group may be subject to cyber-attacks and other cybersecurity risks and threats, including computer break-ins, phishing, and social engineering. Such vulnerabilities may put it at risk for possible losses due to fraud or operational disruption. If the Group is unable to prevent or contain the effects of any cyber-attacks, or prevent other privacy or data security incidents that result in security breaches that disrupt operations or result in the unintended dissemination of sensitive personal information or proprietary or confidential information, then the Group may incur financial losses, substantial regulatory fines or penalties, liability, reputational harm, and the downtime required to rectify any such security breaches that may disrupt its business, and/or also lead to material adverse effects on its business, financial condition, results of operations and prospects. While steps have been taken to mitigate such risks, such as the obtaining of cybersecurity insurance to cover losses from a variety of cyber incidents and continuous strengthening and upgrading of its cybersecurity systems and controls, there is no assurance that such steps will be sufficient to cover all losses arising from such cyber incidents.

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, repayment and/or refinancing of indebtedness, as well as for general corporate purposes of the Group, including financing acquisitions, investments and/or asset enhancement works, on-lending to related corporations in, or associated companies of, the Group, and general working capital requirements of the Group.

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 the IRAS and the 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 22.0 per cent. prior to the year of assessment 2024, and 24.0 per cent. thereafter, but may be reduced by applicable tax treaties. 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.

It was announced in the Singapore Budget Statement 2023 and the MAS Circular FDD Cir 08/2023 entitled "Qualifying Debt Securities ("**QDS**") and Primary Dealer Schemes – Extension and Refinements" issued by the MAS on 31 May 2023 ("**MAS Circular**") that the QDS scheme is extended until 31 December 2028 and the requirement that QDS have to be substantially arranged in Singapore is rationalised, such that the requirement that QDS have to be substantially arranged by a Financial Sector Incentive (Bond Market) ("**FSI-BM**") Company, a Financial Sector Incentive (Standard Tier) ("**FSI-ST**") Company or a Financial Sector Incentive (Capital Market) ("**FSI-CM**") Company (as defined in the ITA) is broadened to include the following entities holding the relevant licences ("**Specified Licensed Entities**") for all debt securities that are issued on or after 15 February 2023:

(i) any bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(ii) any finance company licensed under the Finance Companies Act 1967 of Singapore; or

(iii) an entity that holds a Capital Markets Services Licence under the SFA to carry out the regulated activities – Advising on Corporate Finance or Dealing in Capital Markets Products – Securities.

As the Programme as a whole was arranged by a FSI-BM Company prior to 1 January 2014 and by FSI-BM, FSI-ST or FSI-CM Companies thereafter and who from 15 February 2023 are also Specified Licensed Entities, 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 2028 would be QDS for the purposes of the ITA pursuant to the MAS Circular, 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 income 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 tranche of Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such tranche of Relevant Notes would not qualify as QDS unless otherwise approved by the Singapore Minister for Finance or an authorised body; 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 tranche of Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such tranche of 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 tranche of 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 unless otherwise approved by the Singapore Minister for Finance or an authorised body.

The term "**related party**", in relation to a person (*A*), means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly 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.

Pursuant to the MAS Circular, the scope of qualifying income under the QDS scheme has been streamlined and clarified with effect from 15 February 2023 such that all payments made by the issuer of the QDS on the redemption of the QDS upon its maturity or on the early redemption of the QDS are qualifying income.

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) or payment on the redemption of the Relevant Notes upon their maturity or on the early redemption of the Relevant Notes 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. Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Relevant Notes which qualify as QDS without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) or payment on the redemption of the Relevant Notes upon their maturity or on the early redemption of the Relevant Notes which is 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 (as the case may be) 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 its affiliates' 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 and/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 has represented and agreed, and each further Dealer appointed under the Programme 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 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 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 has represented and agreed, and each further Dealer appointed under the Programme 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 has represented and agreed, and each further Dealer appointed under the Programme 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 has represented and agreed, and each further Dealer appointed under the Programme 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 has represented and agreed, and each further Dealer appointed under the Programme 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:

(a) 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

(b) 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, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant 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 or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to 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.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 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.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Information Memorandum and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;
- a unique identification number for each investor;
- whether an underlying investor has any "Associations" (as used in the SFC Code);
- whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Dealers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "**Person**"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://eeas.europa.eu/headquarters/headquartershomepage_en/8442/Consolidated%20list%20of%20sanctions); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf) (the "**SSI List**"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military-Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organised or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. "**Sanctions Authority**" means: (a) the United States government; (b) the United Nations; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

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 53.89 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 Liem 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 2022.

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	–	–	667,488,232	53.91
William Nursalim alias William Liem	–	–	667,238,232	53.89
Cheng Hong Kok	–	–	–	–
Ooi Joon Hin	–	–	–	–

Separately, Mr. William Nursalim alias William Liem holds S$1,000,000 in principal amount of the 3-year 6.90% per annum Notes due 2024 pursuant to Tuan Sing's MTN Programme.

Interests of the Substantial Shareholders of the Issuer

Name	Direct interest Number of Shares	%(3)	Deemed interest Number of Shares	%(3)
Nuri Holdings (S) Pte Ltd	667,238,232	53.89	–	–
Michelle Liem Mei Fung	–	–	667,488,232(1)(2)	53.91
William Nursalim alias William Liem	–	–	667,238,232(1)	53.89
Tan Enk Ee	404,863	0.03	667,238,232(1)	53.89
Koh Wee Meng	74,200,000	5.99	–	–

Notes:

(1) Nuri Holdings (S) Pte Ltd holds 53.89 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) 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 1,238,076,354.

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 12,992,000 treasury shares)	1,251,068,354	S$193,569,171.69

BORROWINGS

7. Save as disclosed in Appendix III, the Group had as at 31 December 2022 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. On 1 January 2023, the Issuer and the Group have adopted all the new and revised SFRS(I) pronouncements that are mandatorily effective and relevant to their operations. The adoption of these new/revised SFRS(I) pronouncements does not result in significant changes to the accounting policies of the Issuer and the Group since their audited financial accounts for the financial year ended 31 December 2022 and has no material effect on the amounts reported for the current or prior years.

LITIGATION

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

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 2022.

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;

    (c) the audited consolidated financial statements of the Group for the financial years ended 31 December 2021 and 31 December 2022; and

    (d) the unaudited financial statements announcement of the Group for the financial half year ended 30 June 2023.

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 2021

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 2021 and has not been specifically prepared for inclusion in this Information Memorandum.

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 2021, 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 89 to 172.

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 1967 (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 2021 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 in Singapore

The Group recognises revenue based on the stage of completion for the sale of development properties under development in Singapore on the terms and specifications as set out in the contracts. The analysis of whether the contracts comprise 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 the value of work performed to date 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 and operating effectiveness of the relevant controls put in place by the Group in respect of revenue recognition from the development properties in Singapore.

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 performed arithmetic computations of the stage of completion and revenue to be recognised for the year.

We assessed management's basis of identifying performance obligations and the basis of revenue recognition for these development properties to be appropriate. We also assessed that the key assumptions applied by management for estimated total construction costs to be reasonable based on supportable information available. We also assessed that the related disclosures in the financial statements to be appropriate.

Further disclosures are made in Note 28 to the financial statements.

Key Audit Matters (cont'd)

Valuation of development properties

The Group has residential properties under development and completed properties for sale which are mainly located in Singapore and Indonesia. These development properties are stated at the lower of cost and net realisable values.

The determination of the estimated net realisable value of certain 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.

Our audit performed and responses thereon

We discussed with and evaluated management's basis used in their assessment in determining whether certain 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 obtained valuations performed by external independent professional valuers engaged by the Group and held discussions with them on the appropriateness of comparables used and adjustments applied. We also considered the adequacy of the disclosures in respect of the impairment losses, if any, presented in the financial statements for these properties.

We assessed 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. No impairment loss was recorded in profit or loss in the current year. We also assessed that the related disclosures in the financial statements to be appropriate.

Further disclosures are made in Note 10 to the financial statements.

Valuation of investment properties, hotel, owner-managed and owner-occupied properties

The Group has investment properties, hotel, owner-managed and owner-occupied properties stated at fair value, determined based on external independent professional valuers ("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 properties, hotel, owner-managed and owner-occupied 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 valuers for the Group's major investment properties, hotel, owner-managed and owner-occupied properties by assessing whether the valuation methodology and key assumptions adopted are reasonable.

Some of the external valuers highlighted that given the unprecedented set of circumstances due to the unknown future impact that the Coronavirus Disease ("COVID-19") pandemic might have on the real estate market, less certainty and a higher degree of caution should be attached to their valuation than would normally be the case and they 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 assessed 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 assessed that the related disclosures in the financial statements to be appropriate.

Further disclosures on the investment properties, hotel, owner-managed and owner-occupied 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.

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.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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 Yang Chi Chih.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

24 March 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Group		Company	
		2021 $'000	2020 $'000	2021 $'000	2020 $'000
ASSETS					
Current assets					
Cash and cash equivalents	5	**405,044**	274,392	**190,661**	50,188
Trade and other receivables	6	**36,304**	55,816	**758**	506
Contract assets	7	**57,059**	46,966	**–**	–
Contract costs	8	**2,843**	2,855	**–**	–
Amounts due from subsidiaries	20	**–**	–	**401,248**	281,333
Inventories	9	**2,129**	2,146	**–**	–
Development properties	10	**241,611**	303,815	**–**	–
		744,990	685,990	**592,667**	332,027
Assets classified as held for sale	11	**1,542**	410,943	**–**	–
Total current assets		**746,532**	1,096,933	**592,667**	332,027
Non-current assets					
Property, plant and equipment	12	**496,056**	407,590	**2,429**	3,091
Right-of-use assets	13	**239**	266	**9,004**	9,557
Investment properties	14	**1,342,245**	1,452,351	**811**	498
Investments in subsidiaries	15	**–**	–	**765,853**	755,923
Investments in equity accounted investees	16	**143,840**	152,547	**–**	–
Investment in financial assets	17	**29,639**	29,343	**–**	–
Deferred tax assets	23	**172**	1,721	**–**	–
Trade and other receivables	6	**5,600**	2,915	**–**	–
Other non-current assets		**5**	5	**–**	–
Total non-current assets		**2,017,796**	2,046,738	**778,097**	769,069
Total assets		**2,764,328**	3,143,671	**1,370,764**	1,101,096
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	18	**558,506**	210,130	**–**	–
Lease liabilities	13	**54**	54	**2,900**	1,940
Trade and other payables	19	**89,761**	153,604	**15,069**	21,047
Amounts due to subsidiaries	20	**–**	–	**562,555**	417,614
Contract liabilities	22	**3,889**	–	**–**	–
Income tax payable		**7,642**	3,776	**–**	–
		659,852	367,564	**580,524**	440,601
Liabilities directly associated with assets classified as held for sale	11	**–**	298,483	**–**	–
Total current liabilities		**659,852**	666,047	**580,524**	440,601
Non-current liabilities					
Loans and borrowings	18	**794,222**	1,254,823	**196,668**	63,795
Lease liabilities	13	**60**	84	**5,912**	7,533
Derivative financial instruments	35	**–**	2,038	**–**	–
Deferred tax liabilities	23	**45,377**	46,859	**–**	–
Other non-current liabilities	19	**400**	322	**–**	–
Total non-current liabilities		**840,059**	1,304,126	**202,580**	71,328
Capital, reserves and non-controlling interests					
Share capital	24	**181,695**	176,234	**181,695**	176,234
Treasury shares	25	**(4,167)**	(3,891)	**(4,167)**	(3,891)
Reserves	26	**1,072,672**	987,724	**410,132**	416,824
Equity attributable to owners of the Company		**1,250,200**	1,160,067	**587,660**	589,167
Non-controlling interests		**14,217**	13,431	**–**	–
Total equity		**1,264,417**	1,173,498	**587,660**	589,167
Total liabilities and equity		**2,764,328**	3,143,671	**1,370,764**	1,101,096

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 2021

	Note	Group	
		2021 $'000	2020 $'000
Revenue	28	**245,341**	196,817
Cost of sales		**(188,536)**	(148,240)
Gross profit		**56,805**	48,577
Other operating income		**96,310**	28,505
Distribution costs		**(9,042)**	(5,931)
Administrative expenses		**(39,726)**	(33,469)
Other operating expenses		**(3,522)**	(5,658)
Share of results of equity accounted investees	16	**28,332**	25,645
Interest income	29	**2,356**	4,833
Finance costs	30	**(43,964)**	(47,803)
Profit before tax and fair value adjustments		**87,549**	14,699
Fair value adjustments	31	**(3,434)**	45,188
Profit before tax	32	**84,115**	59,887
Income tax expense	33	**(2,295)**	(1,356)
Profit for the year		**81,820**	58,531
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties	35	**6,912**	(27,263)
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	35	**(1,997)**	8,179
Fair value gain / (loss) on investments in equity instruments designated at fair value through other comprehensive income ("FVTOCI")	35	**296**	(1,573)
		5,211	(20,657)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	35	**(3,301)**	26,938
Share of exchange differences on translation of equity accounted investees	35	**2,752**	(2,516)
Cash flow hedges	35	**1,986**	(1,027)
Income tax relating to components of other comprehensive income that may be reclassified subsequently	35	**(596)**	308
		841	23,703
Other comprehensive income for the year, net of tax	35	**6,052**	3,046
Total comprehensive income for the year		**87,872**	61,577
Profit attributable to:			
Owners of the Company		**83,662**	59,009
Non-controlling interests		**(1,842)**	(478)
		81,820	58,531
Total comprehensive income attributable to:			
Owners of the Company		**89,650**	62,146
Non-controlling interests		**(1,778)**	(569)
		87,872	61,577
Basic and diluted earnings per share (in cents)			
Including fair value adjustments	34	**7.0**	5.0
Excluding fair value adjustments	34	**7.5**	1.5

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000
Operating activities			
Profit before tax		**84,115**	59,887
Adjustments for:			
Fair value loss/(gain)	31	**3,434**	(45,188)
Share of results of equity accounted investees	16	**(28,332)**	(25,645)
Write-back of allowance for diminution in value for development properties, net	10	**(499)**	(199)
Depreciation of property, plant and equipment	12	**9,422**	9,199
Depreciation of right-of-use assets	13	**54**	81
Amortisation of contract costs	8	**4,205**	3,472
Allowance for doubtful trade and other receivables, net	6	**914**	746
Bad debts written off	6	**104**	25
Net gain on disposal of property, plant and equipment	32	**(3)**	(5)
Plant and equipment written off		**260**	14
Share of results in a joint venture	16	**–**	5
Net gain on disposal of a subsidiary	37	**(88,953)**	–
Reversal of accruals for development costs previously capitalised	32	**–**	(8,744)
Rent concessions	32	**–**	(74)
Interest income	29	**(2,356)**	(4,833)
Finance costs	30	**43,964**	47,803
Operating cash flows before movements in working capital		**26,329**	36,544
Development properties		**62,662**	40,751
Inventories		**(17)**	266
Trade and other receivables		**22,434**	8,584
Contract costs		**(4,194)**	(5,032)
Contract assets		**(10,093)**	(16,992)
Contract liabilities		**3,889**	(1,536)
Trade and other payables		**(23,891)**	7,845
Cash generated from operations		**77,119**	70,430
Interest received		**2,419**	5,225
Income tax refunded/(paid)		**54**	(6,530)
Net cash from operating activities		**79,592**	69,125
Investing activities			
Purchase of property, plant and equipment	12	**(943)**	(5,555)
Proceeds from disposal of property, plant and equipment		**3**	42
Additions to investment properties	14	**(1,772)**	(8,280)
Deposits collected from planned divestment of a subsidiary	37	**–**	50,000
Deposit paid for acquisition of land	6	**(5,600)**	–
Proceeds from repayment of loan by a related party		**–**	21,500
Investments in equity accounted investees	16	**(23,000)**	(5)
Proceeds from disposal of a subsidiary	37	**451,276**	–
Dividend received from an equity accounted investee	16	**65,723**	9,352
Net cash from investing activities		**485,687**	67,054
Financing activities			
Proceeds from loans and borrowings		**540,353**	238,658
Repayment of loans and borrowings		**(936,693)**	(218,527)
Repayment of lease liabilities	18	**(54)**	(82)
Interest paid		**(42,507)**	(49,032)
Bank deposits pledged as securities for bank facilities		**74,730**	5,941
Dividend paid to shareholders	27	**(1,663)**	(6,104)
Purchase of treasury shares	25	**(276)**	(936)
Acquisition of non-controlling interests of a subsidiary		**–**	(112)
Liquidation of a subsidiary with non-controlling interests		**(436)**	–
Net cash used in financing activities		**(366,546)**	(30,194)
Net increase in cash and cash equivalents		**198,733**	105,985
Cash and cash equivalents at the beginning of the year	5	**198,398**	88,986
Foreign currency translation adjustments		**(1,325)**	3,427
Cash and cash equivalents at the end of the year	5	**395,806**	198,398

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Share capital	Treasury shares	Foreign currency translation account	Asset revaluation reserve	Investment revaluation reserve	Other capital reserves#	Revenue reserve	Attributable to owners of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group											
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 year											
Profit for the year		–	–	–	–	–	–	83,662	83,662	(1,842)	81,820
Exchange differences on translation of foreign operations	35	–	–	(1,313)	–	–	700	–	(613)	64	(549)
Revaluation of properties	35	–	–	–	6,912	–	–	–	6,912	–	6,912
Cash flow hedges	35	–	–	–	–	–	1,986	–	1,986	–	1,986
Fair value gain on investments in equity instruments designated at FVTOCI	35	–	–	–	–	296	–	–	296	–	296
Income tax adjustments relating to other comprehensive income	35	–	–	–	(1,997)	–	(596)	–	(2,593)	–	(2,593)
Other comprehensive (loss) / income for the year, net of tax		–	–	(1,313)	4,915	296	2,090	–	5,988	64	6,052
Total		–	–	(1,313)	4,915	296	2,090	83,662	89,650	(1,778)	87,872
Transactions with owners, recognised directly in equity											
Transfer from revenue reserve to other capital reserves		–	–	–	–	–	28,309	(28,309)	–	–	–
Share of reserves of equity accounted investees		–	–	–	–	–	10,066	(7,644)	2,422	–	2,422
Non-controlling interests arising from additional capital contribution in a subsidiary		–	–	–	–	–	–	–	–	3,000	3,000
Liquidation of a subsidiary with non-controlling interests		–	–	–	–	–	–	–	–	(436)	(436)
Issue of shares under the Scrip Dividend Scheme	24	5,461	–	–	–	–	–	–	5,461	–	5,461
Repurchase of shares	25	–	(276)	–	–	–	–	–	(276)	–	(276)
Dividend paid to shareholders:											
- Cash	27	–	–	–	–	–	–	(1,663)	(1,663)	–	(1,663)
- Share	27	–	–	–	–	–	–	(5,461)	(5,461)	–	(5,461)
Total		5,461	(276)	–	–	–	38,375	(43,077)	483	2,564	3,047
At 31 December 2021		181,695	(4,167)	(39,452)	127,916	(1,277)	234,362	751,123	1,250,200	14,217	1,264,417

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	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 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 2021

	Note	Share capital $'000	Treasury shares $'000	Other capital reserves# $'000	Revenue reserve $'000	Total equity $'000
Company						
At 1 January 2021		**176,234**	**(3,891)**	**101,264**	**315,560**	**589,167**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**–**	**432**	**432**
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	**5,461**	**–**	**–**	**–**	**5,461**
Repurchase of shares	25	**–**	**(276)**	**–**	**–**	**(276)**
Dividend paid to shareholders						
- Cash	27	**–**	**–**	**–**	**(1,663)**	**(1,663)**
- Share	27	**–**	**–**	**–**	**(5,461)**	**(5,461)**
Total		**5,461**	**(276)**	**–**	**(7,124)**	**(1,939)**
At 31 December 2021		**181,695**	**(4,167)**	**101,264**	**308,868**	**587,660**
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
Repurchase of shares	25	–	(936)	–	–	(936)
Dividend paid to shareholders						
- Cash	27	–	–	–	(6,104)	(6,104)
- Share	27	–	–	–	(1,000)	(1,000)
Total		1,000	(936)	–	(7,104)	(7,040)
At 31 December 2020		176,234	(3,891)	101,264	315,560	589,167

 # 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, associates and joint ventures 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 2021 were authorised for issue by the Board of Directors on 24 March 2022.

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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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.

Changes in the Group's interests in existing subsidiaries
Changes in the Group's 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) Standards). 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.

At the acquisition date, the identifiable assets and the liabilities assumed 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.

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.

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Business combinations (cont'd)

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed 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.

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.

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.

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.

Associates and joint ventures (equity accounted investees)

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. 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, 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, an investment in an associate or joint venture is recognised initially 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 associate 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 ventures.

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.

The requirements of SFRS(I) 1-36 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate 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 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 is not allocated to any asset, including goodwill that 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 ventures (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. 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 *Financial Instruments*. 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 associate 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 associate or joint venture is disposed of.

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 group 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 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 of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation account in respect of that operation attributable to the Group are reclassified to profit or loss.

In addition, 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. partial disposals of associates or joint arrangements 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.

(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.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Classification of financial assets (cont'd)

Despite the foregoing, 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 at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor 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 revenue reserve.

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 at FVTOCI on initial recognition.

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).

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

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 at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified 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 debt instruments that are measured at amortised cost, contract assets, as well as on financial guarantee contracts. 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 the simplified approach 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.

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.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Significant increase in credit risk (cont'd)
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 foregoing, 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 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 financial guarantee contract, 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;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

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.

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 investment revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

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.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

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 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 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 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 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.

However, for financial liabilities that are designated 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 revenue reserve 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 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.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Financial guarantee contract liabilities
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 contract liabilities are initially measured at their fair values and, if not designated 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 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.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

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.

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 interest rate risk in cash flow hedges as appropriate.

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.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Hedge accounting (cont'd)
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 'other capital reserves - cash flow hedging account', 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.

(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.

Revaluation
Certain land and buildings held for use in the production or supply of goods or services (excluding investment properties), 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 on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to revenue reserve.

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 and 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.

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 asset revaluation reserve is transferred directly to revenue reserve.

(f) Impairment of property, plant and equipment excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment 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.

(g) 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.

(h) 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.

2 Summary of significant accounting policies (cont'd)

(h) Development properties (cont'd)

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(m).

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.

(i) 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.

(j) 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.

(k) 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. 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.

2 Summary of significant accounting policies (cont'd)

(k) Leases (cont'd)

The Group as lessee (cont'd)

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.

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 Group did not make any such adjustments during the periods presented.

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.

2 Summary of significant accounting policies (cont'd)

(k) Leases (cont'd)

The Group as lessee (cont'd)

The Group has applied the practical expedient which permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification and accordingly has accounted for any change in lease payments resulting from the COVID-19-related rent concessions applying SFRS(I) 16 as if the change were not a lease modification.

(l) 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 the effect of time value of money is material).

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.

Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the Group's obligation.

(m) Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of products
- 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 products

The Group sells commodity trading products and polypropylene and polyethylene woven bags. Revenue is recognised at a point in time 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 development 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 over-time based on the stage of completion of construction. The stage of completion is measured by reference to 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.

2 Summary of significant accounting policies (cont'd)

(m) Revenue recognition (cont'd)

Sale of development 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 at a point in time 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 is recognised for these services based on the stage of completion of the contract. Management has assessed that the stage of completion which 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(k).

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.

(n) 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.

2 Summary of significant accounting policies (cont'd)

(o) 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.

(p) 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.

(q) 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.

2 Summary of significant accounting policies (cont'd)

(q) Income tax (cont'd)

Deferred tax (cont'd)

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.

(r) Non-current assets held for 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.

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.

(s) 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.

(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.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

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 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 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.

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 $499,000 (2020 : $199,000) 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, owner-managed and owner-occupied 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 less certainty and a higher degree of caution should be attached to the valuation that would normally be the case. The carrying amounts of the Group's investment properties were appropriate as at 31 December 2021 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, owner-managed and owner-occupied 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 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.

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

Deferred tax liabilities arising from changes in the carrying amount of investment in Grand Hotel Group (cont'd)

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$35,007,000 (2020 : A$33,121,000) or equivalent to $34,433,000 (2020 : $33,446,000) (Note 23). In estimating this amount, the Group considers the taxable gains to be the excess of the 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

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, Indonesia 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.

Information regarding each of the Group's reportable segments is presented in the following section.

4 Segment information (cont'd)

Segment revenues and results

	Real Estate Investment $'000	Real Estate Development $'000	Hospitality $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate[2] $'000	Inter-Segment Eliminations $'000	Consolidated $'000
2021								
Revenue								
External revenue	**49,216**	**91,643**	**45,096**	**59,217**	**–**	**169**	**–**	**245,341**
Inter-segment revenue	**3,510**	**74**	**–**	**–**	**–**	**9,972**	**(13,556)**	**–**
	52,726	**91,717**	**45,096**	**59,217**	**–**	**10,141**	**(13,556)**	**245,341**
Adjusted EBIT*	**31,787**	**(8,192)**	**1,433**	**(598)**	**26,441**	**(14,494)**	**3,593**	**39,970**
Interest income								**2,356**
Finance costs								**(43,964)**
Net foreign exchange gain								**1,705**
Net gain on disposal of property, plant and equipment								**3**
Loss allowance on interest receivables								**(1,474)**
Net gain on disposal of a subsidiary								**88,953**
Profit before tax and fair value adjustments								**87,549**
Fair value adjustments								**(3,434)**
Profit before tax								**84,115**
Income tax expense								**(2,295)**
Profit for the year								**81,820**
2020								
Revenue								
External revenue	51,660	75,158	32,454	37,365	–	180	–	196,817
Inter-segment revenue	3,131	–	374	–	–	7,650	(11,155)	–
	54,791	75,158	32,828	37,365	–	7,830	(11,155)	196,817
Adjusted EBIT*	44,169	3,081	(5,999)	(648)	25,031	(11,550)	3,159	57,243
Interest income								4,833
Finance costs								(47,803)
Net foreign exchange gain								421
Net gain on disposal of property, plant and equipment								5
Profit before tax and fair value adjustments								14,699
Fair value adjustments								45,188
Profit before tax								59,887
Income tax expense								(1,356)
Profit for the year								58,531

* 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) loss allowance on interest receivables and (vi) 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 reorganisation of the business segments into five segments by segregating the development and investment arms of the Property segment.

4 Segment information (cont'd)

Segment assets, liabilities and other segment information

	Real Estate Investment $'000	Real Estate Development $'000	Hospitality $'000	Industrial Services $'000	Other Investments $'000	Corporate $'000	Consolidated $'000
As at 31 December 2021							
Assets							
Segment assets	1,575,393	346,157	402,411	66,145	945	199,626	2,590,677
Deferred tax assets	51	52	–	69	–	–	172
Financial asset at FVTOCI	–	29,639	–	–	–	–	29,639
Investments in equity accounted investees	24,252	15,695	–	–	103,893	–	143,840
Total assets	1,599,696	391,543	402,411	66,214	104,838	199,626	2,764,328
Liabilities							
Segment liabilities	(31,652)	(31,942)	(13,866)	(1,924)	(5,032)	(9,748)	(94,164)
Loans and borrowings	(804,279)	(157,882)	(193,899)	–	–	(196,668)	(1,352,728)
Income tax payable and deferred tax liabilities	(6,380)	(2,476)	–	(239)	–	(43,924)	(53,019)
Total liabilities	(842,311)	(192,300)	(207,765)	(2,163)	(5,032)	(250,340)	(1,499,911)
Net assets/(liabilities)	757,385	199,243	194,646	64,051	99,806	(50,714)	1,264,417
Other information							
Capital expenditure	36	30	474	220	–	183	943
Depreciation of property, plant and equipment	707	75	7,652	218	–	770	9,422
Depreciation of right-of-use assets	5	–	19	23	–	7	54
Write back of allowance for diminution in value for development properties	–	499	–	–	–	–	499
Revaluation loss on properties (in other comprehensive income)	(254)	–	(6,658)	–	–	–	(6,912)
Revaluation gain (loss) on properties (in profit and loss)	(2,525)	–	2,454	–	–	–	(71)
Fair value loss on investment properties	(3,012)	–	–	–	–	–	(3,012)
Fair value loss on financial instruments	–	–	–	–	(351)	–	(351)

4 Segment information (cont'd)

Segment assets, liabilities and other segment information (cont'd)

	Real Estate Investment $'000	Real Estate Development $'000	Hospitality $'000	Industrial Services $'000	Other Investments $'000	Corporate $'000	Consolidated $'000
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 FVTOCI	–	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
Other information							
Capital expenditure	63	241	3,418	137	–	1,696	5,555
Depreciation of property, plant and equipment	348	57	7,781	232	–	781	9,199
Depreciation of right-of-use assets	8	–	45	21	–	7	81
Write back of allowance for diminution in value for development properties	–	199	–	–	–	–	199
Revaluation loss on properties (in other comprehensive income)	–	–	(27,263)	–	–	–	(27,263)
Revaluation loss 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

Geographical information

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

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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Singapore	**140,035**	135,878	**1,148,211**	1,160,183
Australia	**61,339**	48,477	**656,812**	667,879
China	**35,019**	3,930	**29,068**	27,617
Malaysia	**8,948**	7,932	**4,294**	4,336
Indonesia	**–**	600	**160**	197
	245,341	196,817	**1,838,545**	1,860,212

Other segment information

Included in the Group revenue of $245.3 million were sales of approximately $34.4 million to a customer from the Industrial Services segment that contributed 10% or more to the Group's revenue. There were no customers that contributed individually 10% or more to the Group's revenue in FY2020.

5 Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Cash at banks and on hand	**228,330**	127,607	**52,604**	20,498
Fixed deposits	**128,277**	117,587	**118,068**	29,690
Other cash equivalents	**19,989**	–	**19,989**	–
Amounts held under the Housing Developers (Project Account) Rules	**28,448**	29,198	**–**	–
	405,044	274,392	**190,661**	50,188
Cash and bank balances included in assets classified as held for sale (Note 11)	**–**	4,801	**–**	–
	405,044	279,193	**190,661**	50,188

Cash and cash equivalents comprise cash, fixed deposits and other cash equivalents 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 0.08% to 0.80% per annum (2020 : 0.03% to 1.9% per annum) and for tenures ranging from 7 days to 1 year (2020 : 7 days to 1 year). Other cash equivalents held by the Group and Company comprise marketable securities that have a maturity of four weeks. These are held for the purpose of meeting short-term cash commitments and are subject to insignificant risk of changes in value.

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 cash equivalents 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 cash equivalents 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	
	2021	2020
	$'000	$'000
Cash and cash equivalents per consolidated statement of cash flows		
Cash and cash equivalents (as per statement of financial position)	**405,044**	274,392
Cash and bank balances included in assets classified as held for sale (Note 11)	**–**	4,801
	405,044	279,193
Encumbered fixed deposits and bank balances	**(9,238)**	(80,795)
	395,806	198,398

As at 31 December 2021, the Group had cash and cash equivalents placed with banks in China amounting to $88,332,000 (2020 : $83,816,000), the repatriation of which into Singapore is subject to the Foreign Exchange Control Regulations in China.

As at 31 December 2021, cash and cash equivalents amounting to $31,868,000 (2020 : $95,386,000) were pledged to banks to secure credit facilities. Information relating to the Group's loans and borrowings is disclosed in Note 18 to the financial statements.

6 Trade and other receivables

		Group		Company	
	Note	2021	2020	2021	2020
		$'000	$'000	$'000	$'000
Trade					
Trade debtors		**9,896**	16,456	**–**	–
Less: Loss allowance		**(346)**	(945)	**–**	–
		9,550	15,511	**–**	–
Amounts due from related parties	21	**8,466**	15,629	**–**	–
Less: Loss allowance	21	**(1,493)**	–	**–**	–
		6,973	15,629	**–**	–
		16,523	31,140	**–**	–
Less: non-current portion	21	**–**	(2,915)	**–**	–
Total trade receivables - current		**16,523**	28,225	**–**	–
Non-trade					
Deposits (a)		**8,163**	2,588	**74**	75
Prepayments (b)		**5,521**	5,235	**608**	298
Grant receivable		**31**	446	**–**	138
Interest receivables		**85**	355	**83**	3
Sundry debtors		**2,250**	1,171	**29**	7
Tax recoverable		**2,615**	3,543	**–**	–
		18,665	13,338	**794**	521
Less: Loss allowance		**(114)**	(169)	**(72)**	(72)
		18,551	13,169	**722**	449
Amounts due from:					
- related parties	21	**5,840**	14,413	**–**	57
- associates	16	**945**	–	**–**	–
- joint ventures	16	**56**	20	**36**	–
		6,841	14,433	**36**	57
Less: Loss allowance	16	**(11)**	(11)	**–**	–
		6,830	14,422	**36**	57
		25,381	27,591	**758**	506
Less: non-current portion		**(5,600)**	–	**–**	–
Total non-trade receivables - current		**19,781**	27,591	**758**	506
Total trade and other receivables - current		**36,304**	55,816	**758**	506
Total trade and other receivables - non-current		**5,600**	2,915	**–**	–

(a) Included in the deposits of the Group as at 31 December 2021 were deposits amounting to:

- $5,600,000 (2020 : $Nil) paid for the tender of a freehold site located at 870 Dunearn Road. The deposit has been classified as non-current at the end of the reporting period; and
- $999,000 (2020 : $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 deposits had been placed with counterparties that are creditworthy, the management has assessed that the credit risks are low and the deposits are subject to immaterial credit loss.

(b) Included in the prepayment of the Group as at 31 December 2020 were costs of $989,000 attributable to the construction of showflat for development properties. The costs were recognised to profit or loss during the financial year ended 31 December 2021 upon the launch of the showflat.

6 Trade and other receivables (cont'd)

Analysis of trade receivables

Trade receivables are non-interest bearing and are generally on 7 to 180 days (2020 : 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. There has been no change in the estimation techniques during the current reporting period.

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.

Analysis of amounts due from related parties

Certain past due trade amounts due from related parties bear interest rates of 8% (2020 : 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 (2020 : 90 to 180 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loss allowance for amounts due from related parties has always been measured at an amount equal to lifetime 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.

The table below shows the movement in ECL that has been recognised for trade receivables and amounts due from related parties:

	Lifetime ECL - credit-impaired $'000
Group	
Balance as at 1 January 2020	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
Amounts written off	(45)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	128
Change in loss allowance due to changes in credit risk parameters	786
Exchange difference on consolidation	25
Balance as at 31 December 2021	**1,839**

Analysis of other receivables

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 2020	126
Change in loss allowance due to new receivables originated	52
Exchange difference on consolidation	2
Balance as at 31 December 2020	180
Amounts written off	(59)
Exchange difference on consolidation	4
Balance as at 31 December 2021	**125**
Company	
Balance as at 1 January 2020, 31 December 2020 and 2021	**72**

6 Trade and other receivables (cont'd)

The following is an aging analysis of trade receivables:

	Group	
	2021	2020
	$'000	$'000
Not past due	**8,225**	14,530
< 3 months	**1,446**	927
3 months to 6 months	**59**	121
6 months to 12 months	**108**	1,909
> 12 months	**6,685**	13,653
	16,523	31,140

Details of collateral

As at 31 December 2021, trade and other receivables amounting to $12,423,000 (2020 : $12,221,000) 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

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. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets. 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

Contract costs 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 during which the residential properties are transferred to the purchasers. Amortisation amounting to $4,205,000 (2020 : $3,472,000) was recognised as part of the distribution costs recognised in profit or loss. There was no impairment loss in relation to the costs capitalised.

9 Inventories

	Group	
	2021	2020
	$'000	$'000
Raw materials	**926**	737
Work-in-progress	**748**	788
Finished goods	**455**	621
At cost	**2,129**	2,146

There was no allowance for inventory obsolescence recognised in profit or loss for the year ended 31 December 2021 and 2020.

Details of collateral

As at 31 December 2021, inventories amounting to $2,129,000 (2020 : $2,146,000) 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	
	2021	2020
	$'000	$'000
Properties in the course of development	**233,766**	283,042
Land held for future development	**7,558**	7,219
	241,324	290,261
Completed properties held for sale	**287**	13,554
	241,611	303,815
<u>The above comprises</u>:		
Properties in the course of development in Singapore	**176,111**	229,694
Properties in the course of development in Indonesia	**57,655**	53,348
Land held for future development in China	**7,558**	7,219
Completed properties held for sale in Singapore	**287**	13,173
Completed properties held for sale in China	**–**	381
	241,611	303,815

During the year, the Group transferred from development properties to property, plant and equipment (Note 12) a residential unit in China which was used for owner-occupation. In 2020, the Group's transfers from development properties to investment properties (Note 14) were relating to certain units from residential developments in Singapore and China which 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.

Properties in the course of development and land held for future development or sale

	Group	
	2021	2020
	$'000	$'000
Land cost	**228,074**	265,534
Development cost incurred to-date	**17,310**	17,827
Others	**3,498**	14,119
	248,882	297,480
Less: Allowance for diminution in value	**(7,558)**	(7,219)
	241,324	290,261
Completed properties held for sale		
Completed properties, at cost	**287**	14,053
Less: Allowance for diminution in value	**–**	(499)
	287	13,554

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 $499,000 (2020 : $199,000) is included in "other operating income" in profit or loss (Note 32).

	Note	Group	
		2021	2020
		$'000	$'000
Movements in allowance for diminution in value			
At 1 January		**(7,718)**	(7,543)
Exchange difference on consolidation		**(339)**	(374)
Allowance made during the year	32	**–**	(13)
Write-back during the year	32	**499**	212
At 31 December		**(7,558)**	(7,718)

10 Development properties (cont'd)

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

Included in the development properties is a carrying amount of $7,558,000 (2020 : $7,219,000) 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 and in accordance with a court judgement issued on 21 July 2020, it was affirmed that the legal title of the land belongs to the Group. The local authority also attempted to compulsorily acquire the land and lost the case in two court hearings in 2019 and 2020. The Group is currently reviewing the next steps and exploring development options while pending resolution of certain development matters with the relevant government authorities.

An allowance of $7,558,000 (2020 : $7,219,000) was made based on management's best estimate on net realisable value of the development site.

Details of collateral

As at 31 December 2021, development properties amounting to $176,111,000 (2020 : $229,694,000) 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.

List of development properties

As at 31 December 2021, the development properties held by the Group are as follows:

Name of property/ location	Description/ planned use	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						
Mont Botanik Residence Jalan Remaja Singapore	Condominium of 108 units	Freehold	4,047	8,546	2022	100%
Peak Residence 333 Thomson Road Singapore	Condominium of 90 units	Freehold	5,331	8,209	2024	70%
Balmoral Tower, Opus Bay Batam, Indonesia	Apartments of 559 units	30 years from 2004	5,564	31,830	2025	90%
Cluny Villas, Opus Bay Batam, Indonesia	Villas of 277 units (Phase 1 – 51 units launched)	30 years from 2004	186,886	76,716	2023 to 2024 (Phase 1)	90%
Batam Land (I) Indonesia [(a)]	Proposed integrated mixed-development township	30 years from 2004	657,299	*	*	90%
Batam Land (II) Indonesia	Proposed residential development	30 years from 2019	401,229	*	*	100%
Land held for future development						
Land in Jin'an District, Fuzhou, Fujian Province, China	Residential	70 years from 1994	163,740	**	**	100%
Completed properties held for sale						
Sennett Residence Pheng Geck Avenue Singapore	Condominium townhouses of 332 units and 3 shop units	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 Tower, Opus Bay and Cluny Villas, Opus Bay

11 Assets classified as held for sale

	Group	
	2021	2020
	$'000	$'000
Cash and cash equivalents	–	4,801
Trade and other receivables	–	1,142
Investment properties	**1,542**	405,000
Assets classified as held for sale	**1,542**	410,943
Trade and other payables	–	4,779
Income tax payable	–	1,006
Bank loans	–	292,698
Liabilities directly associated with assets held for sale	–	298,483

(a) On 6 November 2020, the 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. 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. The outstanding bank loans of $292,286,000 at the date of disposal was fully repaid and the net assets of disposed group were derecognised at $406,276,000 (Note 37).

(b) On 30 December 2021, the Group's wholly-owned subsidiary, Clerodendrum Land Pte. Ltd., granted options to a related party for the sale of three shop units in Sennett Residence for a consideration of $2,241,000. The sale completion is expected to take place within 12 weeks from the date of the exercised options. One unit is classified as development property held for sale and the remaining two units are classified as investment properties. Accordingly, the investment properties have been classified as assets held for sale as at 31 December 2021 based on the agreed sale consideration of $1,542,000. The operations of the investment properties are included in the Group's real estate investment segment for segment reporting purposes.

12 Property, plant and equipment

	Note	Building and freehold land	Leasehold land, buildings and improvements	Plant and equipment	Motor vehicles	Total
		$'000	$'000	$'000	$'000	$'000
Group						
Cost or valuation:						
At 1 January 2021 (restated)		**385,134**	**8,458**	**39,481**	**507**	**433,580**
Exchange differences on consolidation		**(9,955)**	**149**	**(759)**	**2**	**(10,563)**
Additions		**–**	**31**	**912**	**–**	**943**
Disposals		**–**	**–**	**(17)**	**–**	**(17)**
Write-offs		**–**	**(211)**	**(1,568)**	**–**	**(1,779)**
Reclassification		**9,811**	**–**	**(9,811)**	**–**	**–**
Transfer from development properties following change in use	10	**–**	**399**	**–**	**–**	**399**
Reclassified from investment properties	14	**100,063**	**–**	**–**	**–**	**100,063**
Elimination of depreciation upon revaluation		**(12,934)**	**–**	**–**	**–**	**(12,934)**
Revaluation		**6,841**	**–**	**–**	**–**	**6,841**
At 31 December 2021		**478,960**	**8,826**	**28,238**	**509**	**516,533**
At 1 January 2020 (restated)		389,278	8,140	34,081	504	432,003
Exchange differences on consolidation		29,653	239	2,757	3	32,652
Additions		–	79	5,476	–	5,555
Disposals		–	–	(254)	–	(254)
Write-offs		–	–	(294)	–	(294)
Reclassified to investment properties	14	–	–	(2,285)	–	(2,285)
Elimination of depreciation upon revaluation		(4,226)	–	–	–	(4,226)
Revaluation		(29,571)	–	–	–	(29,571)
At 31 December 2020 (restated)		385,134	8,458	39,481	507	433,580
Comprising:						
At 31 December 2021						
At cost		**809**	**8,826**	**28,238**	**509**	**38,382**
At valuation		**478,151**	**–**	**–**	**–**	**478,151**
		478,960	**8,826**	**28,238**	**509**	**516,533**
At 31 December 2020 (restated)						
At cost		809	8,458	39,481	507	49,255
At valuation		384,325	–	–	–	384,325
		385,134	8,458	39,481	507	433,580

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 2021 (restated)		**–**	**655**	**21,954**	**403**	**23,012**
Exchange differences on consolidation		**(122)**	**17**	**(494)**	**2**	**(597)**
Depreciation	32	**5,264**	**129**	**4,023**	**6**	**9,422**
Disposals		**–**	**–**	**(17)**	**–**	**(17)**
Write-offs		**–**	**(211)**	**(1,308)**	**–**	**(1,519)**
Reclassification		**7,792**	**–**	**(7,792)**	**–**	**–**
Elimination of depreciation upon revaluation		**(12,934)**	**–**	**–**	**–**	**(12,934)**
At 31 December 2021		**–**	**590**	**16,366**	**411**	**17,367**
At 1 January 2020 (restated)		–	499	15,590	370	16,459
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		–	–	(280)	–	(280)
Elimination of depreciation upon revaluation		(4,226)	–	–	–	(4,226)
At 31 December 2020 (restated)		–	655	21,954	403	23,012
Accumulated impairment:						
At 1 January 2021		**–**	**2,978**	**–**	**–**	**2,978**
Exchange differences on consolidation		**–**	**132**	**–**	**–**	**132**
At 31 December 2021		**–**	**3,110**	**–**	**–**	**3,110**
At 1 January 2020		–	2,832	–	–	2,832
Exchange differences on consolidation		–	146	–	–	146
At 31 December 2020		–	2,978	–	–	2,978
Carrying amount:						
At 31 December 2021		**478,960**	**5,126**	**11,872**	**98**	**496,056**
At 31 December 2020		385,134	4,825	17,527	104	407,590

12 Property, plant and equipment (cont'd)

	Plant and equipment $'000
Company	
Cost:	
At 1 January 2021	**4,255**
Additions	**90**
Write-offs	**(29)**
At 31 December 2021	**4,316**
At 1 January 2020	2,780
Additions	1,493
Disposals	(4)
Write-offs	(14)
At 31 December 2020	4,255
Accumulated depreciation:	
At 1 January 2021	**1,164**
Depreciation	**752**
Write-offs	**(29)**
At 31 December 2021	**1,887**
At 1 January 2020	394
Depreciation	781
Disposals	(4)
Write-offs	(7)
At 31 December 2020	1,164
Carrying amount:	
At 31 December 2021	**2,429**
At 31 December 2020	3,091

The costs and accumulated depreciation at 1 January 2020 and 2021 have been restated to adjust for the overstatement of cost and accumulated depreciation of certain plant and equipment written off in prior years amounting to $5,935,000 and $9,601,000 respectively. There is no change to the carrying amount of plant and equipment as at 1 January 2020 and 31 December 2020.

Included in building and freehold land is freehold land with a carrying amount of $342,184,000 (2020 : $207,535,000) 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 2021 and 2020 as a result of such assessment.

Details of collateral
As at 31 December 2021, property, plant and equipment amounting to $490,789,000 (2020 : $401,964,000) 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, owner-managed and owner-occupied properties
The Group's hotel, owner-managed and owner-occupied 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 professional 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 2021 and 2020, the fair value measurement of the Group's hotel, owner-managed and owner-occupied properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

12 Property, plant and equipment (cont'd)

Fair value measurement of hotel, owner-managed and owner-occupied properties (cont'd)

Based on the valuation, revaluation gain amounting to $6,912,000 (2020 : revaluation loss amounting to $27,263,000) 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 $71,000 (2020 : $2,308,000) was recognised in the profit or loss, representing the revaluation loss in excess of the balance accumulated in the asset revaluation reserve of the same property (Note 31).

As at 31 December 2021, had freehold land and building been carried at historical cost, their aggregate carrying amount would have been approximately $470,210,000 (2020 : $373,551,000) 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 2021 and 2020 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2021	Range 2020
Grand Hyatt Melbourne (Hotel)	Capitalisation Approach	Capitalisation rate[(1)]	**4.75%**	4.75%
123 Collins Street Melbourne, Victoria[(a)]	Discounted Cash Flow Method	Discount rate[(1)]	**5.5% - 6.5%**	5.5% - 6.5%
		Terminal yield rate[(1)]	**4.5% - 5.5%**	4.5% - 5.5%
Carpark within Grand Hyatt Melbourne complex[(a),(b)]	Capitalisation Approach	Capitalisation rate[(1)]	**5%**	–
	Discounted Cash Flow Method	Discount rate[(1)]	**6.75%**	–
		Terminal yield rate[(1)]	**5.25%**	–
Hyatt Regency Perth (Hotel)	Capitalisation Approach	Capitalisation rate[(1)]	**5.0%**	5.0%
99 Adelaide Terrace East Perth, Western Australia[(a)]	Discounted Cash Flow Method	Discount rate[(1)]	**5.5% - 7.5%**	5.5% - 7.5%
		Terminal yield rate[(1)]	**4.25% - 6.25%**	4.25% - 6.25%
The Oxley[(c)] 9 Oxley Rise Singapore	Comparison Method	Price per square metre of strata floor area[(2)]	**$18,800 - $26,900**	–
	Income Method	Net income margin*[(2)]	**80% - 85%**	–
		Capitalisation rate[(1)]	**3%**	–

* Net income margin = net property income/annual gross rental income.
(1) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.
(2) Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.
(a) The valuation was performed by CBRE Valuations Pty Limited for both years.
(b) Following the change in use of the carpark to owner-managed from previously held for lease, there was a transfer from investment properties (Note 14) to property, plant and equipment in 2021.
(c) The valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd for both years. There was a transfer from investment properties (Note 14) to property, plant and equipment in 2021 for units which are occupied by the Group.

12 Property, plant and equipment (cont'd)

List of hotel, owner-managed and owner-occupied properties

The carrying amount of the Group's hotel, owner-managed and owner-occupied properties as at 31 December 2021 and 2020 included in property, plant and equipment are set out below.

Name of Property	Description	Tenure	Land area[2] (sq. m)	Group's effective equity interest	2021 A\$'000[1]	2020 A\$'000[1]	2021 S\$'000	2020 S\$'000
Australia								
Grand Hyatt Melbourne (Hotel)	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 and 4-levels of basement car park. The retail/commercial space are accounted for under investment properties (Note 14).	Freehold	5,776	100%	**347,000**	347,000	**341,309**	350,401
Carpark within Grand Hyatt Melbourne complex					**71,000**	–	**69,836**	–
Hyatt Regency Perth (Hotel)	Located within walking distance from the central business district and overlooks the Swan River. The property is an integrated 5-star hotel, office, retail and parking complex. The hotel is built over 9 levels. The office, retail and parking complex are accounted for under investment properties (Note 14).	Freehold	22,754	100%	**47,000**	45,000	**46,229**	45,441
					465,000	392,000	**457,374**	395,842

[1] Figures in A\$ are for information.
[2] Land area refers to the whole development including commercial and carpark.

Name of Property	Description	Tenure	Estimated lettable area (sq. m)	Group's effective equity interest	2021 S\$'000	2020 S\$'000
Singapore						
The Oxley 9 Oxley Rise Singapore	3 floors of commercial space within a 10-storey building including residential units. The remaining commercial space for lease are accounted for under investment properties (Note 14).	Freehold	1,073	100%	**27,424**	–
					27,424	–

13 Leases

The 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 (2020 : 3 to 84 years) and rentals are generally fixed for the same periods. The Group has an option to purchase certain equipment 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 2021		**219**	**63**	**125**	**27**	**434**
Additions		**–**	**58**	**–**	**–**	**58**
Disposals		**–**	**(55)**	**–**	**–**	**(55)**
Exchange differences on consolidation		**(3)**	**(1)**	**(2)**	**(1)**	**(7)**
At 31 December 2021		**216**	**65**	**123**	**26**	**430**
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
Accumulated depreciation:						
At 1 January 2021		**86**	**16**	**39**	**27**	**168**
Depreciation	32	**3**	**20**	**31**	**–**	**54**
Disposals		**–**	**(27)**	**–**	**–**	**(27)**
Exchange differences on consolidation		**(1)**	**(1)**	**(1)**	**(1)**	**(4)**
At 31 December 2021		**88**	**8**	**69**	**26**	**191**
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 31 December 2021		**128**	**57**	**54**	**–**	**239**
At 31 December 2020		133	47	86	–	266

13 Leases (cont'd)

The Company as a lessee

The Company leases office premises and office equipment. The average lease term is between 2 to 6 years (2020 : average lease term was between 14 months to 6 years) 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:			
As at 1 January 2021	**12,485**	**39**	**12,524**
Additions	**2,579**	**–**	**2,579**
As at 31 December 2021	**15,064**	**39**	**15,103**
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:			
As at 1 January 2021	**2,961**	**6**	**2,967**
Depreciation	**3,125**	**7**	**3,132**
At 31 December 2021	**6,086**	**13**	**6,099**
At 1 January 2020	–	–	–
Depreciation	2,961	6	2,967
At 31 December 2020	2,961	6	2,967
Carrying amount:			
At 31 December 2021	**8,978**	**26**	**9,004**
At 31 December 2020	9,524	33	9,557

Lease liabilities

	Group		Company	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Amounts due for settlement within 12 months (shown under current liabilities)	**54**	54	**2,900**	1,940
Amounts due for settlement after 12 months	**60**	84	**5,912**	7,533
	114	138	**8,812**	9,473

The Group and the Company do not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

As at 31 December 2021, the commitments for short-term leases are $9,000 (2020 : $22,000) for the Group. The Company do not have any commitments for short-term leases as at the end of reporting period.

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 during the year amounted to $93,000 (2020 : $366,000) for the Group.

14 Investment properties

Completed investment properties	Note	Group $'000	Company $'000
At 1 January 2021		**1,452,351**	**498**
Exchange differences on consolidation		**(6,175)**	**–**
Additions		**1,772**	**–**
Net (loss) / gain from fair value adjustments	31	**(4,098)**	**313**
Property transferred to property, plant and equipment	12	**(100,063)**	**–**
Classified as held for sale	11	**(1,542)**	**–**
At 31 December 2021		**1,342,245**	**811**
At 1 January 2020		1,778,168	498
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 transferred from property, plant and equipment	12	2,285	–
Classified as held for sale	11	(405,000)	–
At 31 December 2020		1,452,351	498

	Group 2021 $'000	Group 2020 $'000
Represented by:		
Completed investment properties in Singapore	**1,122,246**	1,160,910
Completed investment properties in Australia	**197,507**	270,021
Completed investment properties in China	**22,492**	21,420
	1,342,245	1,452,351

Fair value adjustments

The Group's investment properties are stated at fair value as at 31 December 2021 and 2020, 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 loss of $4,098,000 (2020 : fair value gain of $47,385,000) 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 2021, the fair value measurement of the Group's investment properties is classified within Level 2 and Level 3 of the fair value hierarchy (2020: within Level 3 of the fair value hierarchy). During the year, there was a transfer between Level 2 and Level 3 of the fair value hierarchy for the 2 shop units within Sennett Residence which were measured based on agreed sale consideration of $1,542,000 (Note 11).

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 2021 and 2020 are as follows:

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2021	Range 2020
Singapore				
18 Robinson[a] 18 Robinson Road Singapore	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	**67% - 76%** **3.1%**	67% - 76% 3.1%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	**6.25% - 6.75%** **3.1% - 3.6%**	6.25% - 6.75% 3.1% - 3.6%
	Direct Comparison Method	Price per square metre of lettable area[1]	**$29,200 - $39,200**	$23,200 - $40,300
Link@896[a] 896 Dunearn Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	**Office : $14,800 - $16,300** **Retail : $16,600 - $43,800**	Office : $16,000 - $18,800 Retail : $19,600 - $52,700
	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	**68% - 73%** **3.5%**	67% - 74% 3.5%
The Oxley[b] 9 Oxley Rise #01-01 to 14, #02-01 to 14, #03-01 to 14 Singapore	Comparison Method	Price per square metre of strata floor area[1]	**$18,800 - $26,900**	$19,500 - $35,600
	Income Method	Net income margin*[1] Capitalisation rate[2]	**80% - 85%** **3%**	80% - 85% 3%
L&Y Building[a] #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	**$6,200 -$9,500**	$6,600 - $9,100
Far East Finance Building[a] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	**$27,000 - $31,000**	$28,000 - $35,000
Shop unit #01-30 & #01-32 within Sennett Residence[c] 39 Pheng Geck Avenue, Singapore (Classified as assets held for sale)	Direct Comparison Method	Price per square metre of strata floor area[1]	**–**	$19,600 - $23,400
Australia				
Commercial Centre & Carpark within Hyatt Regency Perth complex[d] 99 Adelaide Terrace East Perth, Western Australia	Capitalisation Method	Capitalisation rate[2]	**7.75%**	8%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	**7.25%** **7.75%**	7.5% 8%
Two vacant land[d] 10 & 40 Terrace Road East Perth, Western Australia	Comparison Method	Price per square metre of land area[1]	**$3,934**	$4,039

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2021	Range 2020
Australia (cont'd)				
Commercial Centre and Carpark within Grand Hyatt Melbourne complex[e] 123 Collins Street Melbourne, Victoria	Capitalisation Method	Capitalisation rate[2]	**Retail: 4.75%**	Retail: 5% Carpark: 5%
	Discounted Cash Flow Method	Discount rate[2]	**Retail: 6.25%**	Retail: 6.5% Carpark: 7%
		Terminal yield rate[2]	**Retail: 5%**	Retail: 5.25% Carpark: 5.25%
Single-storey commercial Building[d] 25 George Parade Melbourne, Victoria	Capitalisation Method	Capitalisation rate[2]	–	3%
	Comparison Method	Price per square metre of land area[1]	**$29,500 -$32,000**	$27,700 - $30,300
		Building value rate[1]	–	$32,800 - $33,900
China				
Three-storey commercial building[f] No. 2950 Chunshen Road Shanghai, China	Comparison Method	Price per square metre of gross floor area[1]	**$6,600 - $8,200**	$6,100 - $7,700
	Discounted Cash Flow Method	Discount rate[2]	**7%**	7%
		Terminal yield rate[2]	**5%**	5%
6 shop units and basement commercial spaces within Lakeside Ville[f] Qingpu District, Shanghai	Comparison Method	Price per square metre of gross floor area[1]	**Aboveground: $6,400 - $9,000 Basement: $1,100 - $1,300**	Aboveground: $6,600 - $7,700 Basement: $1,100 - $1,400
	Discounted Cash Flow Method	Discount rate[2]	**Aboveground: 6.5% Basement: 6.5%**	Aboveground: 6.5% Basement: 6.5%
		Terminal yield rate[2]	**Aboveground: 4.5% Basement: 4.5%**	Aboveground: 4.5% Basement: 4.5%
55 underground carpark lots at Luyinyuan[f] Lane 558, Baochun Road, Minhang District, Shanghai	Comparison Method	Sale price per car park lot[1]	**$51,300 - $68,400**	$57,100 - $61,200
Apartment unit at Lakeside Ville[f] Unit 201, No. 363 Lakeside Ville, Qingpu District, Shanghai	Comparison Method	Price per square metre of gross floor area[1]	**$11,300 - $12,800**	$10,000 - $12,200
Apartment unit at Lakeside Ville[f] Unit 1102, No. 391 Lakeside Ville, Qingpu District, Shanghai,	Comparison Method	Price per square metre of gross floor area[1]	**$11,300 - $12,800**	$9,500 - $12,200
Assets held for sale				
Robinson Point[g] 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]	–	78%
		Capitalisation rate[2]	–	2.6%
	Discounted Cash Flow Method	Discount rate[2]	–	6%
		Terminal yield rate[2]	–	2.85%

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Notes:

* Net income margin = net property income/annual gross rental income.
(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 valuations were performed by Savills Valuation and Professional Services (S) Pte Ltd for both years.
(b) The valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd. In 2021, the units occupied by the Group were transferred to property, plant and equipment (Note 12).
(c) The valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd in 2020. In 2021, the units were classified as assets held for sale (Note 11).
(d) The valuations were performed by CBRE Valuations Pty Limited for both years.
(e) The valuation was performed by CBRE Valuations Pty Limited for both years. In 2021, the carpark was transferred to property, plant and equipment following the change in use to owner-managed from previously held for lease (Note 12).
(f) The valuations were performed by Beijing Colliers International Real Estate Valuation Co., Ltd for both years.
(g) The valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd in 2020.

Operating lease disclosure

During the year, rental income from the Group's investment properties which were all leased under operating leases amounted to $42,307,000 (2020 : $46,822,000) (Note 28). Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $13,273,000 (2020 : $15,380,000). Information on operating lease commitments is disclosed in Note 38 to the financial statements.

Details of collateral

As at 31 December 2021, investment properties amounting to $1,319,753,000 (2020 : $1,429,341,000) 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 2021 and 2020 are as follows:

Name of Property	Description	Tenure	Estimated lettable area (sq. m)	Group's effective equity interest	2021 $'000	2020 $'000
Singapore						
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 729X, 616W, 691X, 99280A, 99287W and 99289P) 99-years from 2013 (Lots 731N, 488P)	17,738	100%	**671,500**	681,500
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)	18,048	100%	**388,000**	388,000
The Oxley[a] 9 Oxley Rise #01-01 to 14, #02-01 to 14, #03-01 to 14 Singapore	3 floors of commercial space within a 10-storey building including residential units	Freehold	1,484	100%	**37,926**	65,000
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	2,100	100%	**14,820**	14,820

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	2021 $'000	2020 $'000
Singapore (cont'd)						
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
Sennett Residence[b] 39 Pheng Geck Avenue Singapore	2 shop Units (#01-30 & #01-32)	99 years from 2011	61	100%	–	1,590
					1,122,246	1,160,910
Asset classified as held for sale:						
Robinson Point[c] 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	12,477	100%	–	405,000
Sennett Residence[b] 39 Pheng Geck Avenue Singapore	2 shop units (#01-30 & #01-32)	99 years from 2011	61	100%	**1,542**	–
					1,123,788	1,565,910

Notes:

(a) The carrying amounts of the units occupied by the Group which amounted to $27,277,000 were transferred to property, plant and equipment (Note 12).

(b) The carrying amounts of the 2 shop units within Sennett Residence were classified as assets held for sale (Note 11) as at 31 December 2021. The carrying amounts are based on the agreed sale consideration.

(c) The carrying amount of Robinson Point was classified as asset held for sale (Note 11) as at 31 December 2020.

Name of Property	Description	Tenure	Estimated lettable area (sq. m)	Group's effective equity interest	2021 A$'000[1]	2020 A$'000[1]	2021 S$'000	2020 S$'000
Australia								
Commercial Centre & Carpark within Grand Hyatt Melbourne complex[2]	4 retail tenancies located along Collins Street, additional tenancy space within the complex and a basement tenancy space	Freehold	3,024[3]	100%	**94,000**	161,000	**92,458**	162,578
Commercial Centre & Carpark within Hyatt Regency Perth complex and 2 vacant land of 3,072 sqm	3-level commercial building and plaza level shops and suites with 2-levels of basement carpark	Freehold	19,585[3]	100%	**101,800**	101,800	**100,131**	102,798
25 George Parade Melbourne	A single storey commercial building	Freehold	135	100%	**5,000**	4,600	**4,918**	4,645
					200,800	267,400	**197,507**	270,021

Notes:

(1) Figures in A$ are for information only.

(2) In 2021, carpark amounting to $72,786,000 was transferred to property, plant and equipment following the change in use to owner-managed from previously held for lease (Note 12).

(3) Refers to the estimated lettable area of the commercial centre.

14 Investment properties (cont'd)

List of completed investment properties (cont'd)

Name of Property	Description	Tenure	Estimated lettable / gross floor area (sq. m)	Group's effective equity interest	2021 RMB'000[1]	2020 RMB'000[1]	2021 S$'000	2020 S$'000
China								
No. 2950 Chun Shen Road Shanghai, China	A 3-storey commercial building	57 years from 2008	2,170	100%	**31,900**	33,100	**6,814**	6,752
Lakeside Ville Phase III, Qingpu district Shanghai, China	6 shop units and basement commercial spaces	70 years from 1997	3,896	100%	**26,800**	26,800	**5,724**	5,467
Lane 558, Baochun Road, Minhang district, Shanghai, China	Underground carpark	60 years from 2005	2,403	100%	**14,000**	13,900	**2,990**	2,836
No. 363 Lakeside Ville Phase III, Qingpu district Shanghai, China	Unsold unit no. 201	70 years from 1997	200	100%	**11,100**	11,000	**2,371**	2,244
No. 391 Lakeside Ville Phase III, Qingpu district Shanghai, China	Unsold unit no. 1102	70 years from 1997	434	100%	**21,500**	20,200	**4,593**	4,121
					105,300	105,000	**22,492**	21,420

Note:
[1] Figures in RMB are for information only.

15 Investments in subsidiaries

	Company 2021 $'000	Company 2020 $'000
Quoted shares, at cost	**115,976**	115,976
Unquoted shares, at cost	**606,838**	585,139
Loan to a subsidiary	**103,115**	80,000
Deemed investment arising from financial guarantees	**79,543**	95,892
	905,472	877,007
Less: Allowance for impairment	**(139,619)**	(121,084)
	765,853	755,923
Fair value of investment in a subsidiary for which there are published price quotations	**19,280**	13,932

Details of the Company's significant subsidiaries are disclosed in Note 41 to the financial statements.

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 $4,862,000 (2020 : $14,876,000) 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	
	2021	2020
	$'000	$'000
Allowance for impairment		
At 1 January	**(121,084)**	(116,182)
Allowance for impairment	**(18,564)**	(5,007)
Reversal of impairment	**29**	105
	(18,535)	(4,902)
At 31 December	**(139,619)**	(121,084)

During the year, impairment loss amounting to $18,564,000 (2020 : $5,007,000) 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 $29,000 (2020 : $105,000) 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, of which advances amounting to $80,000,000 (2020 : $80,000,000) bear interest rate at 3.8% per annum (2020 : 4.1% per annum). The remaining advances of $23,115,000 are non-interest bearing.

Non-wholly owned subsidiaries

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	
		2021	2020	2021	2020	2021	2020
				$'000	$'000	$'000	$'000
SP Corporation Limited and its subsidiaries	Various	**19.8%**	19.8%	**(256)**	276	**11,055**	11,239
TSRC Novena Pte. Ltd.	Singapore	**30%**	30%	**(1,306)**	(652)	**359**	(1,335)
Goodworth Investment Pte Ltd, Splendourland Pte Ltd, PT Goodworth Investments	Singapore & Indonesia	**10%**	10%	**(280)**	(133)	**2,853**	3,134
Individually immaterial subsidiaries with non-controlling interests	Various			**–**	31	**(50)**	393
				(1,842)	(478)	**14,217**	13,431

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:

	2021 $'000	2020 $'000
Current assets	**56,398**	60,945
Non-current assets	**578**	3,614
Current liabilities	**(780)**	(7,267)
Non-current liabilities	**(391)**	(558)
Equity attributable to owners	**55,805**	56,734
Revenue for the year	**50,269**	29,432
Expenses for the year	**(51,527)**	(28,037)
Net (loss) / profit for the year	**(1,258)**	1,395
Other comprehensive income / (loss) for the year	**329**	(407)
Total comprehensive (loss) / income for the year	**(929)**	988
Net cash inflow from operating activities	**14,788**	11,948
Net cash (outflow) / inflow from investing activities	**(7)**	21,476
Net cash outflow from financing activities	**(100)**	(5,047)
Net cash inflow for the year	**14,681**	28,377

16 Investments in equity accounted investees

	Group	
	2021 **$'000**	**2020** **$'000**
Unquoted equity shares, at cost	**110,132**	87,132
Exchange differences on consolidation	**4,018**	(120)
Share of post-acquisition results and reserves, net of dividends and distributions received	**29,690**	65,535
	143,840	152,547

Equity accounted investees

Associates

The Group equity accounted for Gul Technologies Singapore Pte Ltd ("GulTech"), Sanya Summer Real Estate Co. Ltd ("SSRE") and Pan-West (Private) Limited ("Pan-West"). In August and September 2021, GulTech divested a total of 17.5% of its equity stake in Gultech (Jiangsu) Electronics Co., Ltd ("Gultech Jiangsu") and the effects of this divestment was included in the share of post-acquisition 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:

	Note	Group	
		2021 **$'000**	**2020** **$'000**
Share of net assets			
At 1 January		**152,547**	137,863
Exchange differences on consolidation		**3,239**	(1,720)
Share of total comprehensive income (refer to below)		**28,048**	25,756
Share of post-acquisition reserves		**2,422**	–
Dividends		**(66,668)**	(9,352)
At 31 December		**119,588**	152,547
Share of total comprehensive income			
Share of results before fair value adjustments		**28,399**	25,645
Share of fair value (loss) / gain on financial instruments	31	**(351)**	111
Share of total comprehensive income for the year		**28,048**	25,756
Amount due from associate			
Amount due from associate (non-trade)	6	**945**	–

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)

Associates (cont'd)

The non-trade amount due from associate was unsecured, interest-free, and repayable on demand.

Share of the associates' capital commitments is disclosed in Note 38 to the financial statements.

GulTech and its subsidiaries

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

	2021	2020	2021	2020
	US$'000[1]	US$'000[1]	S$'000	S$'000
Current assets	**236,864**	218,401	**322,277**	291,172
Non-current assets	**164,094**	148,630	**223,267**	198,153
Current liabilities	**(145,115)**	(133,501)	**(197,443)**	(177,984)
Non-current liabilities	**(79,120)**	(1,774)	**(107,650)**	(2,366)
	176,723	231,756	**240,451**	308,975
Non-controlling interests	**(5,055)**	–	**(6,878)**	–
Equity attributable to owners	**171,668**	231,756	**233,573**	308,975
Revenue for the year	**452,687**	361,501	**608,095**	498,980
Net profit for the year	**47,155**	41,993	**63,343**	57,963

[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:

	2021	2020	2021	2020
	RMB'000[1]	RMB'000[1]	S$'000	S$'000
Current assets	**1,252,872**	949,307	**267,613**	193,659
Non-current assets	**1,450**	361	**310**	74
Current liabilities	**(402,944)**	(142,963)	**(86,069)**	(29,165)
Non-current liabilities	**(295,000)**	(245,176)	**(63,012)**	(50,016)
Equity attributable to owners	**556,378**	561,529	**118,842**	114,552
Net loss for the year	**(7,857)**	(1,697)	**(1,635)**	(339)

[1] Figures in RMB are for information.

Pan-West

The Group had recognised its share of losses of $4,998,000 (2020 : $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.

Since prior years, 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 $8,348,000 (2020 : $8,701,000) as at the end of the year was not recognised.

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)

Joint ventures

The Group equity accounted for Greenwillow-AREI Partners Pte Ltd ("GAP") and TSME Mitra I Pte. Ltd ("TSME"), which was incorporated during the year. The Group jointly controls the ventures with the other partners under the contractual agreements which require unanimous consent for all major decisions over the relevant activities. In 2021, the Group through TSME entered into a joint venture arrangement to develop a property in Karawang, east of Jakarta, into a destination outlet mall in phases.

Details of the Group's significant joint ventures are disclosed in Note 42 to the financial statements.

The Group's share of net assets and total comprehensive income of its joint ventures is set out below:

	Note	2021 S$'000	2020 S$'000
Share of net assets			
At 1 January		**–**	–
Exchange differences on consolidation		**233**	–
Cost of initial recognition		**23,000**	5
Share of total comprehensive income / (loss) (refer to below)		**1,019**	(5)
At 31 December		**24,252**	–
Share of total comprehensive income			
Share of results before fair value adjustments		**(67)**	–
Share of fair value gain on investment property	31	**1,086**	–
Share of total comprehensive income for the year		**1,019**	–

		Group		Company	
	Note	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Amounts due from joint ventures (non-trade)	6	**56**	20	**36**	–
Allowance for impairment loss	6	**(11)**	(11)	**–**	–
Presented in trade and other receivables		**45**	9	**36**	–

The non-trade amounts due from joint ventures are unsecured, interest-free, and repayable on demand.

Share of the joint ventures' capital commitments is disclosed in Note 38 to the financial statements.

GAP

The Group has ceased recognising GAP's losses after the Group's share of accumulated losses of $16,000 exceeded the Group's cost of investment of $5,000. Accordingly, an allowance for impairment loss of $11,000 (2020 : $11,000) was made for amount due from GAP (Note 6).

TSME Mitra I Pte. Ltd. and its subsidiaries

The summarised financial information of TSME Mitra I Pte. Ltd. and its subsidiaries on a 100% basis is set out below:

	2021 S$'000	2020 S$'000
Current assets	**7,611**	–
Non-current assets	**41,049**	–
Current liabilities	**(156)**	–
Non-current liabilities	**–**	–
Equity attributable to owners	**48,504**	–
Net profit for the period	**2,039**	–

17 Investment in financial assets

	Group	
	2021	2020
	$'000	$'000
Investment in equity instrument designated at FVTOCI:		
Unquoted equity shares	**29,639**	29,343

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 2021 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 gain amounting to $296,000 (2020 : fair value loss amounting to $1,573,000) was recognised in other comprehensive income (Note 35).

The investment is held for long-term strategic purpose and is not held for trading. Accordingly, management has elected to designate the investment 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 2021 and 2020, 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 2021 and 2020 are as follows:

Financial assets	Fair value as at 31 December 2021 Net assets ($'000)	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Financial asset at FVTOCI - Investments in unlisted shares	**29,639**	Income approach	Revenue growth rate[(1)] Discount rate[(2)]	**0% - 8%** **10.7%**

(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.

Financial assets	Fair value as at 31 December 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)] Discount rate[(2)]	6% - 8% 11.9%

(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.

18 Loans and borrowings

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Short-term borrowings				
Bank loans	**358,977**	210,130	**–**	–
Notes issued under secured MTN Programme	**199,529**	–	**–**	–
	558,506	210,130	**–**	–
Long-term borrowings				
Bank loans	**597,554**	992,092	**–**	–
Notes issued under secured MTN Programme	**–**	198,936	**–**	–
Notes issued under unsecured MTN Programme	**196,668**	63,795	**196,668**	63,795
	794,222	1,254,823	**196,668**	63,795
Total borrowings	**1,352,728**	1,464,953	**196,668**	63,795
Represented by:				
Interest-bearing liabilities	**1,358,919**	1,470,996	**200,000**	65,000
Capitalised finance costs	**(6,191)**	(6,043)	**(3,332)**	(1,205)
	1,352,728	1,464,953	**196,668**	63,795
Security profile				
Secured borrowings				
Current	**557,291**	210,030	**–**	–
Non-current	**593,869**	1,186,128	**–**	–
	1,151,160	1,396,158	**–**	–
Unsecured borrowings				
Current	**1,215**	100	**–**	–
Non-current	**200,353**	68,695	**196,668**	63,795
	201,568	68,795	**196,668**	63,795
Total borrowings	**1,352,728**	1,464,953	**196,668**	63,795

The Group had a secured loan of $105,060,000 due in August 2022. Subsequent to the year ended 31 December 2021, the maturity date of the loan was extended to August 2024 and the loan agreement was executed on 2 March 2022.

Multicurrency Medium Term Note Programme
The Company has in place an unsecured S$900 million Multicurrency Medium Term Note ("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.

The Company issued S$65 million Series III notes on 19 May 2020. The Series III notes have a tenor of two years and bear a fixed interest rate of 7.75% per annum payable semi-annually in arrears. The Company purchased S$40 million of the notes on 15 October 2021 under a tender offer and redeemed the remaining S$25 million notes on 29 November 2021 at 102% of the principal amounts, resulting in a loss on extinguishment of financial liability (Note 30).

The Company issued S$200 million Series IV notes on 18 October 2021. The Series IV notes have a tenor of three years and bear a fixed interest rate of 6.90% per annum payable semi-annually in arrears.

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 issued S$200 million Series I notes on 18 October 2019. These Series I notes have a tenor of three years and bear a fixed rate of 2.80% per annum payable semi-annually in arrears.

Details of collateral
Loans and borrowings from banks were secured over the Group's cash and cash equivalents (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).

18 Loans and borrowings (cont'd)

Interest rate profile

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Loans and borrowings				
Fixed rate	**500,837**	367,141	**196,668**	63,795
Variable rate	**851,891**	1,097,812	**–**	–
	1,352,728	1,464,953	**196,668**	63,795

The Group's exposure to fair value interest rate risk as at 31 December 2021 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 30 June 2023 to 18 November 2025 (2020 : 2 January 2022 to 18 November 2025). 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 2021	Financing cash flow[i]	New lease liabilities	Foreign exchange movement	Other changes[ii]	31 December 2021
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Loans and borrowings[1]	**1,757,651**	**(396,340)**	**–**	**(9,350)**	**767**	**1,352,728**
Lease liabilities	**138**	**(54)**	**58**	**(2)**	**(26)**	**114**

[1] Includes borrowings of $292,698,000 under liabilities directly associated with asset classified as held for sale as at 1 January 2021.

	1 January 2020	Financing cash flow[i]	New lease liabilities	Foreign exchange movement	Other changes[ii]	31 December 2020
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Loans and borrowings[1]	1,711,332	20,131	–	25,462	726	1,757,651
Lease liabilities	115	(82)	103	7	(5)	138

[1] Includes borrowings of $292,698,000 under liabilities directly associated with asset classified as held for sale as at 31 December 2020.

[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 capitalised finance costs and payments.

19 Trade and other payables

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Trade					
Trade payables - current		**11,392**	20,917	**–**	–
Non-trade					
Other creditors		**29,896**	31,602	**563**	791
Other provisions		**6,573**	3,686	**–**	–
Advanced billings		**8,128**	7,172	**–**	–
Deposits received	37	**–**	50,000	**–**	–
Accrued operating expenses		**26,457**	33,318	**6,808**	4,569
Accrued interest expenses		**5,404**	4,717	**2,836**	593
Financial guarantees to subsidiaries	15	**–**	–	**4,862**	14,876
Deferred grant income		**–**	321	**–**	218
Amounts due to related parties	21	**2,311**	2,193	**–**	–
		78,769	133,009	**15,069**	21,047
Less non- current portion		**(400)**	(322)	**–**	–
Total non-trade payables - current		**78,369**	132,687	**15,069**	21,047
Total trade and other payables - current		**89,761**	153,604	**15,069**	21,047
Total trade and other payables - non-current		**400**	322	**–**	–

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 (2020 : 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 (2020 : $4,998,000) granted to its associate, Pan-West, being the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary.

Included in the deferred grant income of the Group and Company as at 31 December 2020 was the wage support for local employees under the Job Support Scheme ("JSS") from the Singapore Government. Grant income amounting to $532,000 (2020 : $1,719,000) has been recognised in the profit or loss during the year 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.

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 2021 $'000	Company 2020 $'000
Amounts due from subsidiaries - non-trade		
- Interest bearing	**144,000**	5,000
- Interest free	**287,078**	300,609
	431,078	305,609
Less: Allowance for impairment	**(29,830)**	(24,276)
	401,248	281,333
Amounts due to subsidiaries - non-trade		
- Interest bearing	**(142,080)**	(142,080)
- Interest free	**(420,475)**	(275,534)
	(562,555)	(417,614)

20 Amounts due from/(to) subsidiaries (cont'd)

	Company	
	2021	2020
	$'000	$'000
Movement in allowance for impairment		
At 1 January	**(24,276)**	(24,253)
Allowance made	**(5,554)**	(23)
At 31 December	**(29,830)**	(24,276)

Amounts due from/(to) subsidiaries are generally unsecured and are repayable on demand. Interest-bearing advances due from and to subsidiaries are charged at weighted average interest of 6.9% (2020 : 7.6%) per annum and 1.8% (2020 : 2.1%) per annum respectively.

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 $5,554,000 (2020 : $23,000) was made for amounts due from subsidiaries.

21 Amounts due from/(to) related parties

		Group		Company	
	Note	2021	2020	2021	2020
		$'000	$'000	$'000	$'000
Amounts due from related parties:					
Trade – current	(a)	**6,973**	12,714	**–**	–
Trade – non-current	(a)	**–**	2,915	**–**	–
Non-trade – current					
- Loan	(b)	**5,838**	5,463	**–**	–
- Refundable trade deposit	(c)	**–**	7,999	**–**	–
- Others		**2**	951	**–**	57
Total		**12,813**	30,042	**–**	57
Presented as:					
Amounts due from related parties, trade	6	**6,973**	15,629	**–**	–
Amounts due from related parties, non-trade	6	**5,840**	14,413	**–**	57
		12,813	30,042	**–**	57
Amounts due to related parties:					
Non-trade – current	19	**(2,311)**	(2,193)	**–**	–

21 Amounts due from/(to) related parties (cont'd)

a) Included in the trade and other receivables of SP Corporation Limited ("SP Corp"), a listed subsidiary of the Group, as at 31 December 2021 were:

(i) An amount of $5,617,000 (2020 : $8,669,000) due from a related party, of which $5,206,000 (2020 : $7,967,000) is secured by two parcels of industrial land and building of the related party in Indonesia valued at approximately $18,714,000 (2020 : $18,400,000). Management has performed an impairment assessment and a loss allowance of $411,000 (2020 : $Nil), representing the interest on overdue trade receivables, has been provided for as at 31 December 2021. Subsequent to the year ended 31 December 2021, the related party repaid $2,231,000. The controlling party of this related party has provided a letter of financial support to the related party over the outstanding balance of $2,975,000. Accordingly, this amount 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 $2,443,000 (2020 : $6,393,000) due from another related party. Management has performed an impairment assessment for the balance outstanding as at year end and a loss allowance of $1,082,000 (2020 : $Nil), representing the interest on overdue trade receivables, has been provided for as at 31 December 2021. Subsequent to the year ended 31 December 2021, the outstanding balance of $1,361,000 was fully repaid.

b) The loan of $5,000,000 to a related party is repayable within two years from 8 October 2019 and bears a fixed interest rate of 7.5% per annum. The loan is secured by the equity stake of 19.17% held by a minority shareholder in the related party. Upon maturity, the related party exercised the option to extend the loan and accrued interest totalling $5,750,000 for another year from 8 October 2021. 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.

c) As at 31 December 2020, the refundable trade deposit of US$6,000,000 or equivalent to $7,999,000 was placed by SP Corp, with a related party which owns a coal mine to secure coal allocations. The deposit bore an effective interest rate of 4.23% per annum (2020 : 4.53% per annum) and was fully repaid during the year.

22 Contract liabilities

Contract liabilities represent amounts of consideration billed to purchasers of the development properties in advance of the revenue recognised to-date based on 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	
	2021	**2020**
	$'000	**$'000**
Deferred tax assets and liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**176**	164
Deferred development costs	**–**	2,121
Revaluation of properties	**4,720**	4,331
Foreign income not remitted and which will be subject to tax if remitted in the future	**46,708**	44,689
Unutilised tax losses	**(6,806)**	(5,967)
Others	**407**	(200)
	45,205	45,138
Represented by:		
Deferred tax assets	**(172)**	(1,721)
Deferred tax liabilities	**45,377**	46,859
	45,205	45,138

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.

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	Deferred development costs	Revaluation of properties	Foreign income not remitted	Unutilised tax losses	Others	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
At 1 January 2021		**164**	**2,121**	**4,331**	**44,689**	**(5,967)**	**(200)**	**45,138**
Exchange differences on consolidation		**(1)**	**–**	**206**	**(1,096)**	**87**	**16**	**(788)**
Transfer to income tax payable		**–**	**(2,121)**	**32**	**–**	**–**	**(32)**	**(2,121)**
Charged / (Credited) to profit or loss	33	**13**	**–**	**151**	**522**	**(926)**	**623**	**383**
Credited to other comprehensive income	35	**–**	**–**	**–**	**2,593**	**–**	**–**	**2,593**
At 31 December 2021		**176**	**–**	**4,720**	**46,708**	**(6,806)**	**407**	**45,205**
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

Deferred tax liabilities relating to equity interest in GHG

Deferred tax liabilities included an amount of $34,433,000 (2020 : $33,446,000) 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 $289,000 (2020 : $306,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

Deferred tax benefits not recognised

At the end of the reporting year, the Group had, subject to the agreement by the tax authorities, unutilised tax losses of $43,880,000 (2020 : $37,700,000) and capital allowances of $37,700,000 (2020 : $37,871,000) 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			
	2021	2020	2021	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	**(605)**	(3,472)	**–**	–
At 31 December	**1,201,565**	1,187,490	**181,695**	176,234

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

24 Share capital (cont'd)

Issue of shares

During the year, the Company allotted and issued 14,680,000 (2020 : 4,713,000) ordinary shares at an issue price of 37.2 cents (2020 : 21.2 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 2020 (2020 : 0.6 cent per share for the financial year ended 31 December 2019).

25 Treasury shares

	Group and Company			
	2021	2020	2021	2020
	Number of shares ('000)		$'000	$'000
At 1 January	**11,760**	8,288	**3,891**	2,955
Repurchased during the year	**605**	3,472	**276**	936
At 31 December	**12,365**	11,760	**4,167**	3,891

During the year, the Company acquired 605,000 (2020 : 3,472,000) of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $276,000 (2020 : $936,000) and has been deducted from shareholders' equity. The shares are held as 'treasury shares'.

26 Reserves

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Asset revaluation reserve	**127,916**	123,001	**–**	–
Foreign currency translation account	**(39,452)**	(38,139)	**–**	–
Other capital reserves:				
- Capital reserves	**234,362**	195,987	**101,264**	101,264
- Cash flow hedging account	**–**	(2,090)	**–**	–
	234,362	193,897	**101,264**	101,264
Investment revaluation reserve	**(1,277)**	(1,573)	**–**	–
Revenue reserve	**751,123**	710,538	**308,868**	315,560
	1,072,672	987,724	**410,132**	416,824

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 the translation of monetary items which form part of the Group's net investments 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 investment in equity instrument designated 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	
	2021	**2020**
	$'000	**$'000**
Tax-exempt one-tier first and final dividend paid in respect of the previous year		
Cash	**1,663**	6,104
Share	**5,461**	1,000
	7,124	7,104

The Directors proposed a tax exempt one-tier first and final dividend of 0.7 cent per share (2020 : 0.6 cent per share) total amounting to $8,411,000 (2020 : $7,125,000), 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 2021.

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	**2021**	**2020**
		$'000	**$'000**
Segment Revenue			
Revenue from contracts with customers:			
Sale of products		**59,217**	37,365
Sale of development properties and services rendered		**91,643**	75,158
Hotel operations and related income		**45,096**	32,454
Services rendered		**169**	180
Others		**6,909**	4,838
		203,034	149,995
Rental income from investment properties	14	**42,307**	46,822
		245,341	196,817
At a point of time:			
Sale of products		**59,217**	37,365
Sale of completed development properties		**37,424**	10,850
Hotel operations – food and beverage		**14,269**	10,193
Over time:			
Sale of development properties under construction		**53,714**	63,717
Hotel operations – room sales and other income		**30,827**	22,261
Services rendered		**674**	771
Others		**6,909**	4,838
		203,034	149,995

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 $53,714,000 (2020 : $63,717,000) whereby the revenue is recognised based on the percentage of completion method.

As at 31 December 2021, the transaction price allocated to performance obligations that are partially satisfied amounted to $58,694,000 (2020 : $55,842,000). Management expects this amount to be recognised as revenue during the next financial period.

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 $392,000 (2020 : $3,583,000) in the profit or loss as other operating income. The Group is required to 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 $15,000 (2020 : $2,396,000) has been recorded as other operating expenses in profit or loss for the year (Note 32).

28 Revenue (cont'd)

In 2020, the Group was 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 2020 and offset the obligation for rental reliefs against the lease receivable as at 31 December 2020. 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	
	2021	**2020**
	$'000	**$'000**
Interest income on bank deposits	**1,694**	1,948
Interest income from debtors	**30**	69
Interest income from related parties	**632**	2,816
	2,356	4,833

30 Finance costs

	Group	
	2021	**2020**
	$'000	**$'000**
Interest expense on loans and borrowings	**34,437**	42,884
Amortisation of capitalised finance costs	**8,224**	4,913
Loss on extinguishment of financial liability	**1,300**	–
Interest expense on lease liabilities	**3**	6
	43,964	47,803

31 Fair value adjustments

	Group	
	2021	**2020**
	$'000	**$'000**
Fair value gain / (loss) from:		
Subsidiaries	**(4,169)**	45,077
Share of equity accounted investees	**735**	111
	(3,434)	45,188
Represented by:		
Fair value adjustments in respect of:		
- investment properties	**(3,012)**	47,385
- property, plant and equipment	**(71)**	(2,308)
- financial instruments	**(351)**	111
	(3,434)	45,188

31 Fair value adjustments (cont'd)

The fair value adjustments are analysed as follows:

	Note	Group		
		Gross $'000	Deferred tax $'000	Net $'000
31 December 2021				
Fair value gain/(loss) on investment properties				
Subsidiaries	**14**	**(4,098)**	**(2,083)**	**(6,181)**
Share of an equity accounted investee	**16**	**1,086**	**–**	**1,086**
		(3,012)	**(2,083)**	**(5,095)**
Revaluation loss on property, plant and equipment				
Subsidiaries	**12**	**(71)**	**21**	**(50)**
Fair value loss on financial instruments				
Share of an equity accounted investee	**16**	**(351)**	**–**	**(351)**
		(3,434)	**(2,062)**	**(5,496)**
31 December 2020				
Fair value gain on investment properties				
Subsidiaries	14	47,385	(4,332)	43,053
Revaluation loss 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

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	
	2021 $'000	2020 $'000
Depreciation of property, plant and equipment (included in cost of sales and administrative expenses)	**9,422**	9,199
Depreciation of right-of-use assets (included in cost of sales, administrative expenses and other operating expenses)	**54**	81
Net gain on disposal of property, plant and equipment (included in other operating income)	**(3)**	(5)
Write-back of allowance for diminution in value for development properties, net (included in other operating income)	**(499)**	(199)
Allowance for doubtful trade and other receivables, net (included in other operating expenses)	**914**	746
Bad debts written off (included in other operating expenses)	**104**	25
Foreign exchange gain, net (included in other operating income)	**(1,705)**	(421)
Expenses relating to short term leases (included in administrative expenses)	**39**	284
Net gain on disposal of a subsidiary (included in other operating income)	**(88,953)**	–
Cost of inventories recognised as an expense	**57,613**	35,834

32 Profit before tax (cont'd)

	Group	
	2021	2020
	$'000	$'000
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)	**(3,594)**	(17,356)
Government grant expense (included in other operating expenses)	**15**	2,396
Reversal of accruals for development costs previously capitalised[i] (included in other operating income)	–	(8,744)
Auditors' remuneration[ii]		
Audit fees:		
- Auditors of the Company	**470**	433
- Other auditors	**294**	276
Non-audit fees:		
- Auditors of the Company	**193**	399
- Other auditors	**160**	5
Directors' remuneration		
Of the Company:		
- Salaries and wages	**2,241**	1,977
Of the subsidiaries:		
- Salaries and wages	**410**	531
- Defined contribution plans	**20**	25
	2,671	2,533
Employees benefit expenses (excluding Directors' remuneration)		
- Salaries and wages	**21,371**	16,602
- Defined contribution plans	**2,108**	1,440
- Others	**237**	390
	23,716	18,432

[i] Following the settlement of the final account of 18 Robinson's construction works, there was a reversal of accruals amounting to $8,744,000 in 2020 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.

[ii] 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 expense

	Note	Group 2021 $'000	Group 2020 $'000
Current income tax:			
- Singapore		**464**	1,357
- Foreign		**1,213**	(1,024)
- Under/(Over) provision in prior years		**192**	(421)
		1,869	(88)
Deferred tax:			
- Origination and reversal of temporary differences		**1,036**	1,337
- Overprovision in prior years		**(653)**	–
	23	**383**	1,337
Withholding tax		**43**	107
		2,295	1,356

Singapore income tax is calculated at 17% (2020 : 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 2021 $'000	Group 2020 $'000
Profit before income tax	**84,115**	59,887
Income tax calculated at 17% (2020 : 17%)	**14,300**	10,181
Adjustments:		
Share of results of equity-accounted investees	**(4,816)**	(4,360)
Expenses not deductible for tax purposes	**6,683**	4,600
Tax losses not recognised as deferred tax assets	**1,571**	2,368
Tax losses not available for set-off against future income	**1,875**	2,057
Different tax rates of subsidiaries operating in other jurisdictions	**1,629**	(654)
Income not subjected to tax	**(17,273)**	(11,934)
Utilisation of tax losses and capital allowance previously not recognised	**(1,075)**	(530)
Overprovision in prior years	**(461)**	(421)
Withholding tax expense	**43**	107
Others	**(181)**	(58)
	2,295	1,356

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	Fair value adjustments	After fair value adjustments
		$'000	$'000	$'000
31 December 2021				
Profit before tax		**87,549**	**(3,434)**	**84,115**
Income tax expense	31, 33	**(233)**	**(2,062)**	**(2,295)**
Profit for the year		**87,316**	**(5,496)**	**81,820**
Non-controlling interests		**1,842**	**–**	**1,842**
Profit attributable to owners of the Company		**89,158**	**(5,496)**	**83,662**
31 December 2020				
Profit before tax		14,699	45,188	59,887
Income tax benefit / (expense)	31, 33	2,284	(3,640)	(1,356)
Profit for the year		16,983	41,548	58,531
Non-controlling interests		478	–	478
Profit attributable to owners of the Company		17,461	41,548	59,009

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	
	2021	2020
	$'000	$'000
Profit attributable to owners of the Company		
Before fair value adjustments	**89,158**	17,461
Fair value adjustments	**(5,496)**	41,548
After fair value adjustments	**83,662**	59,009
Basic and diluted earnings per share (cents)		
Including fair value adjustments	**7.0**	5.0
Excluding fair value adjustments	**7.5**	1.5
Weighted average number of ordinary shares for the purpose of computation of basic and diluted earnings per share ('000)	**1,194,929**	1,186,580

There are no dilutive potential ordinary shares in issue for 2021 and 2020.

35 Other comprehensive income

	Note	Group		
		Before tax	Deferred tax	After tax
		$'000	$'000	$'000
31 December 2021				
Other comprehensive income / (loss)				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	**6,912**	**(1,997)**	**4,915**
Fair value gain on investment in equity instrument designated at FVTOCI	17	**296**	**–**	**296**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**(3,301)**	**–**	**(3,301)**
Share of exchange differences on translation of equity accounted investees		**2,752**	**–**	**2,752**
Cash flow hedges		**1,986**	**(596)**	**1,390**
		8,645	**(2,593)**	**6,052**
31 December 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 investment in equity instrument designated at 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

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	
	2021	2020
	$'000	$'000
Derivatives that are designated and effective as hedging instruments carried at fair value	–	2,038

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$177,000,000 have fixed interest payments at a weighted average fixed rate of 1.19% per annum and have a floating interest rate of 3-month Bank Bill Swap Bid Rate. These interest rate swap contracts were terminated on 4 January 2022 following the refinancing of bank borrowings in December 2021.

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 $1,986,000 (2020 : $1,027,000) 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	
Group	2021	2020	2021	2020	2021	2020
	per annum	per annum	$'000	$'000	$'000	$'000
3 month	–	1.19%	–	178,735	–	2,038

36 Significant related party transactions

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.

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	
	2021	**2020**
	$'000	**$'000**
Transactions with major shareholder		
Sale of products and services rendered	**7,250**	3,656
Rental income	**1,934**	2,028
Interest income	**632**	2,816
Purchase of products and services [(a)]	**(47,730)**	(25,792)
Purchase of property, plant and equipment	**(54)**	(203)
MTN interest expense	**(82)**	–
Compensation in lieu of delivery of outstanding coal allocation	**165**	–
Transactions with associates		
Management fee income	**135**	180
Transactions with Directors of the Company and their associates		
Option deposits received from sale of 3 property units	**23**	–
MTN interest expense	**(60)**	(93)
Transactions with key management personnel of the Group		
Sales of development properties	**159**	–
MTN interest expense	**(91)**	(24)

[(a)] The Group is reliant on two related parties (2020 : one related party) for the supply of 100% (2020 : 100%) of its coal.

At the end of the reporting year, the Group had commitments to lease certain commercial properties to the major shareholder. These non-cancellable operating leases have remaining lease terms of 2 months to 67 months (2020 : 2 months to 79 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	
	2021	**2020**
	$'000	**$'000**
Commitment with major shareholder		
Operating leases:		
- Within one year	**938**	672
- Year 2	**452**	419
- Year 3	**466**	432
- Year 4	**480**	445
- Year 5	**494**	458
- After five years	**293**	752
	3,123	3,178

36 Significant related party transactions (cont'd)

Remuneration of Directors and key management personnel

	Group	
	2021	2020
	$'000	$'000
Short-term benefits and fees	**4,796**	3,507
Post-employment benefits (defined contribution plan)	**77**	77
	4,873	3,584

During the year, the Group updated the definition of its key management personnel as follows:
1) Director of principal subsidiaries[a] and head of department of the Company; or
2) Top five management personnel based on remuneration.

[a] Principal subsidiaries are defined as those with total assets of at least 15% of the total assets of the Group as shown in the latest audited financial statements.

Had this been effected in 2020, the remuneration of its Directors and key management personnel would have been $4,112,000.

37 Disposal of subsidiary

On 7 June 2021, the Group completed the disposal of its wholly-owned subsidiary, 39 Robinson Road Pte. Ltd. (Note 11). The cash flows and the net assets at the date of disposal are provided below:

	Group
	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 11)	**406,276**
Consideration	
Cash received	**451,276**
Deposit collected in prior year	**50,000**
Net cash inflow on disposal	**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**

38 Commitments

Capital commitments

	Group	
	2021	2020
	$'000	$'000
Development and investment properties expenditure contracted for but not provided in the financial statements	**26,103**	29,610
Capital expenditure contracted for but not provided in the financial statements	**–**	61
Share of commitments of equity-accounted investees		
- Capital expenditure contracted for but not provided in the financial statements	**17,377**	8,781

Operating lease commitments - where the Group is a lessor

The Group enters into commercial property leases on its investment property portfolio 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 69 months (2020 : 1 month and 63 months).

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 with third parties for at the end of each reporting period but not recognised as receivables were as follows:

	Group	
	2021	2020
	$'000	$'000
Year 1	**34,177**	36,191
Year 2	**26,627**	31,309
Year 3	**19,124**	22,801
Year 4	**10,393**	13,650
Year 5	**829**	9,300
Year 6 and onwards	**358**	247
Total	**91,508**	113,498

39 Contingent liabilities

	Company	
	2021	2020
	$'000	$'000
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	**802,799**	1,248,113

40 Financial instruments, financial risks and capital 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 instruments, financial risks and capital 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 and 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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Financial assets				
Financial assets at FVTOCI	**29,639**	29,343	**–**	–
Financial assets at amortised cost	**495,871**	371,311	**592,059**	331,729
	525,510	400,654	**592,059**	331,729
Financial liabilities				
Financial liabilities at amortised cost	**1,429,763**	1,556,388	**769,430**	487,362
Financial guarantee contracts	**4,998**	4,998	**4,862**	14,876
Lease liabilities	**114**	138	**8,812**	9,473
	1,434,875	1,561,524	**783,104**	511,711
Derivative financial instruments	**–**	2,038	**–**	–
	1,434,875	1,563,562	**783,104**	511,711

(a) Currency risk

The Group's subsidiaries, associates and joint ventures operate mainly in Singapore, Australia, Indonesia, China and Malaysia. 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 instruments, financial risks and capital 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				
31 December 2021				
Financial assets				
Cash and cash equivalents	**2,330**	**51,026**	**13,947**	**653**
Trade and other receivables	**30**	**961**	**–**	**33**
	2,360	**51,987**	**13,947**	**686**
Financial liabilities				
Trade and other payables	**(293)**	**(35)**	**–**	**(81)**
Net financial assets	**2,067**	**51,952**	**13,947**	**605**
Net currency exposure	**2,067**	**51,952**	**13,947**	**605**
31 December 2020				
Financial assets				
Cash and cash equivalents	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 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:

	USD $'000	AUD $'000	MYR $'000
Company			
At 31 December 2021			
Financial assets			
Cash and cash equivalents	**50,317**	**13,947**	**–**
Trade and other receivables	**–**	**–**	**83**
	50,317	**13,947**	**83**
Financial liabilities			
Trade and other payables	**–**	**(36,331)**	**–**
Net financial (liabilities)/assets	**50,317**	**(22,384)**	**83**
Net currency exposure	**50,317**	**(22,384)**	**83**
At 31 December 2020			
Financial assets			
Cash and cash equivalents	–	38,026	–
Trade and other receivables	–	–	11
	–	38,026	11
Financial liabilities			
Trade and other payables	–	(37,298)	–
Net financial assets	–	728	11
Net currency exposure	–	728	11

40 Financial instruments, financial risks and capital 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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Group				
Profit or Loss	**(207)**	15	**(5,195)**	21
Company				
Profit or Loss	**–**	–	**(5,032)**	–

	AUD		Others	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Group				
Profit or Loss	**(1,395)**	(3,803)	**(61)**	(7)
Company				
Profit or Loss	**2,238**	(73)	**(8)**	(1)

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 variable rate bank loans and borrowings based on Swap Offer Rate ("SOR") or Singapore Interbank Offered Rate ("SIBOR"). 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.

The Group is closely monitoring the market and the updates from the various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by the Association of Banks in Singapore ("ABS"), the Singapore Foreign Exchange Market Committee ("SFEMC"), and the Steering Committee for SOR Transition to SORA (SC-STS) ("IBOR Committees"). The IBOR Committees have confirmed that the Singapore Swap Offer Rate will be discontinued by 30 June 2023 and the SIBOR on a phased basis by 31 December 2024 respectively, and replaced by the Singapore Overnight Rate Average ("SORA").

In 2021, the Group transitioned bank borrowings linked to SOR amounting to $269,873,000 to SORA. The majority of the Group's remaining SIBOR or SOR-linked contracts mature before 30 June 2023, hence the Group will plan to transition these bank borrowings upon maturity. The Group is still in the process of communication with the counterparties for all SIBOR and SOR-linked bank borrowings amounting to $258,964,000 and specific changes have yet been agreed as of the end of the reporting period. The Group does not have any non-derivative financial assets and derivatives that are referenced to interest rate benchmark subject to interest rate benchmark reform.

40 Financial instruments, financial risks and capital 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 before tax would decrease or increase by $8,129,000 (2020 : decrease or increase by $10,477,000) and the Company's profit before tax would decrease or increase by $1,421,000 (2020 : decrease or increase by $1,421,000).

(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 cash equivalents 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 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

40 Financial instruments, financial risks and capital 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 2021						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	**9,896**	**(346)**	**9,550**
Amount due from related parties	21	(i)	Lifetime ECL (simplified approach)	**8,468**	**(1,493)**	**6,975**
Loan to a related party	21	Performing	12-month ECL	**5,838**	**–**	**5,838**
Other receivables	6	(ii)	12-month ECL	**11,405**	**–**	**11,405**
Other receivables	6	In default	Lifetime ECL - credit-impaired	**125**	**(125)**	**–**
Contract assets	7	(i)	Lifetime ECL (simplified approach)	**57,059**	**–**	**57,059**
					(1,964)	
31 December 2020						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	16,456	(945)	15,511
Amount due from related parties	21	(i)	Lifetime ECL (simplified approach)	16,580	–	16,580
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
Other receivables	6	(ii)	12-month ECL	4,400	–	4,400
Other receivables	6	In default	Lifetime ECL - credit-impaired	180	(180)	–
Contract assets	7	(i)	Lifetime ECL (simplified approach)	46,966	–	46,966
					(1,125)	

40 Financial instruments, financial risks and capital 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 2021						
Other receivables	6	(ii)	12-month ECL	**150**	**–**	**150**
Other receivables	6	In default	Lifetime ECL - credit-impaired	**72**	**(72)**	**–**
Amount due from subsidiaries	20	Performing	12-month ECL	**401,248**	**–**	**401,248**
Amount due from subsidiaries	20	In default	Lifetime ECL - credit-impaired	**29,830**	**(29,830)**	**–**
					(29,902)	
31 December 2020						
Amount due from related parties	21	Performing	12-month ECL	57	–	57
Other receivables	6	(ii)	12-month ECL	151	–	151
Other receivables	6	In default	Lifetime ECL - credit-impaired	72	(72)	–
Amount due from subsidiaries	20	Performing	12-month ECL	281,333	–	281,333
Amount due from subsidiaries	20	In default	Lifetime ECL - credit-impaired	24,276	(24,276)	–
					(24,348)	

(i) For trade receivables, contract assets and amount due from related parties, 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 and 7 includes further details on the loss allowance for these receivables.

(ii) For other receivables, the Group monitors the credit risk of other receivables based on the past due information, as well as those quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, to assess if there has been any significant increase in credit risk since initial recognition of the financial assets. Accordingly, the other receivables are measured on 12-month ECL or lifetime ECL, depending on whether there has been significant increase in the credit risk. 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 $8,061,000 (2020 : $14,360,000) which comprised 2 (2020 : 2) major customers with outstanding balances individually exceeding 5% of the Group's trade and other receivables as at 31 December 2021.

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

40 Financial instruments, financial risks and capital management (cont'd)

(c) Overview of the Group's exposure to credit risk (cont'd)

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

	Group	
	2021	2020
	$'000	$'000
By geographical area		
Singapore	**4,451**	12,709
Australia	**4,507**	4,282
China (Including Hong Kong)	**269**	3,601
Malaysia	**2,006**	1,834
Indonesia	**5,235**	8,696
United States of America (USA)	**55**	18
	16,523	31,140
By type of customers		
Related parties	**6,973**	15,629
Non-related parties	**9,550**	15,511
	16,523	31,140
By industry sector		
Real Estate Investment	**5,412**	4,486
Real Estate Development	**11**	385
Hospitality	**2,468**	3,265
Industrial Services	**8,632**	23,004
	16,523	31,140

(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.

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	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000
Group						
31 December 2021						
Non-interest bearing	**–**	**76,635**	**400**	**–**	**–**	**77,035**
Lease liabilities (Fixed rate)	**2.0 – 3.6**	**57**	**48**	**15**	**(6)**	**114**
Fixed interest rate instruments	**2.0 – 6.9**	**321,268**	**15,039**	**213,448**	**(48,918)**	**500,837**
Variable interest rate instruments	**1.0 – 1.8**	**212,612**	**332,085**	**337,648**	**(30,454)**	**851,891**
Financial guarantee contracts	**–**	**4,998**	**–**	**–**	**–**	**4,998**
		615,570	**347,572**	**551,111**	**(79,378)**	**1,434,875**
31 December 2020						
Non-interest bearing	–	91,113	322	–	–	91,435
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	1.1 – 2.0	219,921	532,166	360,808	(15,083)	1,097,812
Financial guarantee contract	–	4,998	–	–	–	4,998
		329,199	907,009	364,627	(39,311)	1,561,524

40 Financial instruments, financial risks and capital 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 or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000
Company						
31 December 2021						
Non-interest bearing	**–**	**430,171**	**–**	**–**	**–**	**430,171**
Other provision (Fixed rate)	**2.8**	**202**	**34**	**307**	**(32)**	**511**
Lease liabilities (Fixed rate)	**2.0 – 2.8**	**3,097**	**2,173**	**3,975**	**(433)**	**8,812**
Fixed interest rate instruments	**6.9**	**13,800**	**13,800**	**211,002**	**(41,934)**	**196,668**
Variable interest rate instruments	**1.8**	**144,617**	**–**	**–**	**(2,537)**	**142,080**
Financial guarantee contracts	**–**	**4,862**	**–**	**–**	**–**	**4,862**
		596,749	**16,007**	**215,284**	**(44,936)**	**783,104**
31 December 2020						
Non-interest bearing	–	281,220	–	–	–	281,220
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
Variable interest rate instruments	1.8	144,596	–	–	(2,516)	142,080
Financial guarantee contracts	–	14,876	–	–	–	14,876
		447,902	68,894	6,270	(11,355)	511,711

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 are claimed by the counterparties to the guarantees is $802,799,000 (2020 : $1,248,113,000). 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 (2020 : $4,998,000). The earliest time that a guarantee could be called is as and when the guarantee is claimed by the counterparty.

40 Financial instruments, financial risks and capital management (cont'd)

(d) Liquidity risk (cont'd)

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 2021							
Non-interest bearing	–	**212,498**	–	–	–	–	**212,498**
Variable interest rate instruments	**0.01 – 1.5**	**38,978**	–	–	–	**(34)**	**38,944**
Fixed interest rate instruments	**0.02 – 8.0**	**246,528**	–	–	–	**(2,099)**	**244,429**
		498,004	–	–	–	**(2,133)**	**495,871**
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
Company							
31 December 2021							
Fixed interest rate instruments	**0.4 – 7.5**	**292,144**	–	–	–	**(10,087)**	**282,057**
Non-interest bearing	–	**310,002**	–	–	–	–	**310,002**
		602,146	–	–	–	**(10,087)**	**592,059**
31 December 2020							
Fixed interest rate instruments	0.2 – 0.4	29,713	–	–	–	(23)	29,690
Non-interest bearing	–	302,039	–	–	–	–	302,039
		331,752	–	–	–	(23)	331,729

(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 instruments, financial risks and capital 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 2021 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	
	2021	**2020**
	$'000	**$'000**
Balance at 1 January	**29,343**	30,916
Fair value gain / (loss)	**296**	(1,573)
Balance at 31 December	**29,639**	29,343

(f) Capital management policies and objectives

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 cash equivalents as disclosed in Note 5 to the financial statements.

	Group	
	2021	**2020**
	$'000	**$'000**
Total borrowings	**1,352,728**	1,464,953
Total equity	**1,264,417**	1,173,498
Gross gearing (times)	**1.07**	1.25
Net borrowings	**947,684**	1,190,561
Total equity	**1,264,417**	1,173,498
Net gearing (times)	**0.75**	1.01

As at 31 December 2020, the gross gearing of 1.25 times excludes the borrowings of 39 Robinson Road Pte Ltd which are 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.

(g) Equity price risk management

The Group is exposed to equity risks arising from equity investment classified at FVTOCI. Equity investment measured at FVTOCI is held for strategic rather than trading purposes. The Group does not actively trade in 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 $2,964,000 (2020 : $2,934,000).

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 2021 %	2020 %
Significant subsidiaries directly held by the Company					
Calypso Construction Management Pte. Ltd.		Construction management	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 investment	Singapore	**100**	100
Oxley Development Pte Ltd		Property investment	Singapore	**100**	100
Pemimpin Properties 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.	37	Property investment	Singapore	**–**	100
GH Operations Pty Ltd	(i)	Operation of hotels	Australia	**100**	100
Grand Hotel Company Pty Limited	(i)	Investment holding	Australia	**100**	100
Grand Hotel Management Pty Limited	(i)	Trustee	Australia	**100**	100
Habitat Properties (Shanghai) Ltd.	(i)	Property development	China	**100**	100
HR Operations Pty Ltd	(i)	Operation of hotels	Australia	**100**	100
SPRI Pte. Ltd. (Formerly known as SP Mining & Engineering Pte. Ltd.)	(ii)	Trading of industrial products	Singapore	**80.2**	80.2
SP Resources International Pte. Ltd.	(ii)	Trading of industrial products	Singapore	**–**	80.2
TSRC Novena Pte. Ltd.		Property development	Singapore	**70**	70
PT Goodworth Investments	(i)	Property development	Indonesia	**90**	90
PT Titian Damai Mandiri	(i)	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) SP Resources International Pte. Ltd. was amalgamated with SP Mining & Engineering Pte. Ltd. on 1 January 2021.

42 Listing of significant associates and joint ventures

Associates are those in which the Group has significant influence, but not control in the operating and financial policy decisions. Joint ventures are those in which the Group has joint control of the arrangement and has equal rights to net assets of the joint arrangement.

Information relating to the significant associates and joint venture is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation	Effective equity interest and voting power held by the Group	
				2021	2020
				%	%
Gul Technologies Singapore Pte. Ltd. ("GulTech")	(i)	Investment holding	Singapore	**44.5**	44.5
Gultech (Jiangsu) Electronics Technologies Co., Ltd (held through GulTech)	(ii)	Manufacture of printed circuit boards	China	**36.7**	44.5
Sanya Summer Real Estate Co. Ltd	(iii),(iv)	Property development	China	**7.8**	7.8
PT Karawang Outlet Mall	(ii)	Property development and investment	Indonesia	**50.0**	–

(i) Audited by Deloitte & Touche LLP, Singapore.
(ii) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.
(iii) Analytical review performed for purpose of consolidation.
(iv) 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 2021, 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 discussed below:

Impact of the initial application of Interest Rate Benchmark Reform

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform: *Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16*. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates ("IBOR") to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The amendments have been applied retrospectively to hedging relationships and financial instruments, where applicable. The Group has not restated the comparative amounts, and there was no impact on the current period retained earnings amounts on adoption. The Group will transition its significant exposures to RFRs by 30 June 2023.

As a result of Phase 2 amendments, when the contractual terms of the Group's bank borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. If additional changes are made, which are not directly related to the reform, the applicable requirements of SFRS(I) 9 are applied to the other changes. Note 40(b) provides the required disclosures related to these amendments.

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 2022
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Annual improvements to SFRS(I)s 2018-2020

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*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022 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 2022, 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 to184.

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 1967 (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 2022 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 in Singapore

The Group recognises revenue based on the stage of completion for the sale of development properties under development in Singapore on the terms and specifications as set out in the contracts. The analysis of whether the contracts comprise one or more performance obligations 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 the value of work performed to date 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 the performance obligations. We performed procedures to evaluate the design and implementation and operating effectiveness of the relevant controls put in place by the Group in respect of revenue recognition from the development properties in Singapore.

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 performed arithmetic computations of the stage of completion and revenue to be recognised for the year.

We assessed management's basis of identifying performance obligations and the basis of revenue recognition for these development properties to be appropriate. We also assessed that the key assumptions applied by management for estimated total construction costs to be reasonable based on supportable information available. We also assessed that the related disclosures in the financial statements to be appropriate.

Further disclosures are made in Note 28 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

Key Audit Matters (cont'd)

Valuation of development properties

The Group has residential properties under development and completed properties for sale which are mainly located in Singapore and Indonesia. These development properties are stated at the lower of cost and net realisable values.

The determination of the estimated net realisable value of certain 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.

Our audit performed and responses thereon

We discussed with and evaluated management's basis used in their assessment in determining the net realisable value of the Group's properties under development and completed properties for sale and the amount of write-down to net realisable value 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 obtained valuations performed by external independent professional valuers engaged by the Group and held discussions with them on the appropriateness of comparables used and adjustments applied. We also considered the adequacy of the disclosures in respect of the write-downs, if any, presented in the financial statements for these properties.

We assessed 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 has appropriately recorded the write-down in profit or loss in the current year. We also assessed that the related disclosures in the financial statements to be appropriate.

Further disclosures are made in Note 10 to the financial statements.

Valuation of investment properties, hotels, owner-managed and owner-occupied properties

The Group has investment properties, hotels, owner-managed and owner-occupied properties stated at fair value, determined based on external independent professional valuers ("external valuers") engaged by the Group.

The valuation process involves significant judgement and estimation. The valuations are dependent on the valuation methodologies applied and the underlying assumptions used, which includes, among others, price per square metre of market comparables used; capitalisation rates; discount 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 methodologies used by the external valuers for the respective investment properties, hotels, owner-managed and owner-occupied 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 valuers for the Group's major investment properties, hotels, owner-managed and owner-occupied properties by assessing whether the valuation methodologies and key assumptions adopted are reasonable.

Some of the external valuers highlighted that that the potential for new COVID-19 variants, geopolitical conflicts, increasing interest rates and inflation may lead to an increased uncertainty, hence they 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 assessed 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 assessed that the related disclosures in the financial statements to be appropriate.

Further disclosures on the investment properties, hotels, owner-managed and owner-occupied 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, 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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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 Yang Chi Chih.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

24 March 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
ASSETS					
Current assets					
Cash and cash equivalents	5	**251,988**	405,044	**62,927**	190,661
Trade and other receivables	6	**28,277**	36,304	**447,061**	402,006
Contract assets	7	**79,327**	57,059	**–**	–
Contract costs	8	**3,045**	2,843	**–**	–
Inventories	9	**2,144**	2,129	**–**	–
Development properties	10	**209,739**	241,611	**–**	–
		574,520	744,990	**509,988**	592,667
Assets classified as held for sale	11	**1,542**	1,542	**–**	–
Total current assets		**576,062**	746,532	**509,988**	592,667
Non-current assets					
Property, plant and equipment	12	**473,774**	496,056	**849**	2,429
Right-of-use assets	13	**187**	239	**239**	9,004
Investment properties	14	**1,395,151**	1,342,245	**763**	811
Investments in subsidiaries	15	**–**	–	**763,829**	765,853
Investments in equity accounted investees	16	**166,196**	143,840	**–**	–
Investment in financial asset	17	**26,192**	29,639	**–**	–
Deferred tax assets	18	**1,566**	172	**–**	–
Trade and other receivables	6	**17,868**	5,605	**–**	–
Total non-current assets		**2,080,934**	2,017,796	**765,680**	778,097
Total assets		**2,656,996**	2,764,328	**1,275,668**	1,370,764
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	19	**332,133**	558,506	**–**	–
Lease liabilities	13	**34**	54	**195**	2,900
Trade and other payables	20	**99,874**	89,761	**550,695**	577,624
Contract liabilities	23	**1,317**	3,889	**–**	–
Income tax payable		**7,209**	7,642	**–**	–
Total current liabilities		**440,567**	659,852	**550,890**	580,524
Non-current liabilities					
Loans and borrowings	19	**946,028**	794,222	**139,610**	196,668
Lease liabilities	13	**38**	60	**17**	5,912
Deferred tax liabilities	18	**45,198**	45,377	**–**	–
Other non-current liabilities	20	**338**	400	**–**	–
Total non-current liabilities		**991,602**	840,059	**139,627**	202,580
Capital, reserves and non-controlling interests					
Share capital	24	**187,625**	181,695	**187,625**	181,695
Treasury shares	25	**(4,369)**	(4,167)	**(4,369)**	(4,167)
Reserves	26	**1,040,030**	1,072,672	**401,895**	410,132
Equity attributable to owners of the Company		**1,223,286**	1,250,200	**585,151**	587,660
Non-controlling interests		**1,541**	14,217	**–**	–
Total equity		**1,224,827**	1,264,417	**585,151**	587,660
Total liabilities and equity		**2,656,996**	2,764,328	**1,275,668**	1,370,764

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 2022

	Note	Group 2022 $'000	Group 2021 $'000
Revenue	28	**225,297**	248,714
Cost of sales		**(138,432)**	(178,591)
Gross profit		**86,865**	70,123
Other net operating (expenses)/income	29	**(5,130)**	92,831
Distribution costs		**(10,188)**	(12,268)
Administrative expenses		**(54,820)**	(49,861)
Share of results of equity accounted investees	16	**29,924**	28,332
Interest income	30	**4,530**	2,356
Finance costs	31	**(50,753)**	(43,964)
Profit before tax and fair value adjustments		**428**	87,549
Fair value adjustments	32	**306**	(3,434)
Profit before tax	33	**734**	84,115
Income tax credit/(expense)	34	**2,116**	(2,295)
Profit for the year		**2,850**	81,820
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties		**20,264**	6,912
Income tax relating to components of other comprehensive income that will not be reclassified subsequently		**(5,462)**	(1,997)
Fair value (loss)/gain on investments in equity instruments designated at fair value through other comprehensive income ("FVTOCI")		**(3,447)**	296
		11,355	5,211
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(34,975)**	(3,301)
Share of exchange differences on translation of equity accounted investees		**(5,333)**	2,752
Cash flow hedges		**–**	1,986
Income tax relating to components of other comprehensive income that may be reclassified subsequently		**–**	(596)
		(40,308)	841
Other comprehensive (loss)/income for the year, net of tax	35	**(28,953)**	6,052
Total comprehensive (loss)/income for the year		**(26,103)**	87,872
Profit attributable to:			
Owners of the Company		**4,591**	83,662
Non-controlling interests		**(1,741)**	(1,842)
		2,850	81,820
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(24,445)**	89,650
Non-controlling interests		**(1,658)**	(1,778)
		(26,103)	87,872
Basic and diluted earnings per share (in cents)			
Including fair value adjustments	36	**0.4**	7.0
Excluding fair value adjustments	36	**0.1**	7.5

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000
Operating activities			
Profit before tax		**734**	84,115
Adjustments for:			
Fair value (gain)/loss	32	**(306)**	3,434
Share of results of equity accounted investees	16	**(29,924)**	(28,332)
Allowance/(Write-back of allowance) for diminution in value for development properties, net	10	**450**	(499)
Depreciation of property, plant and equipment	12	**6,686**	9,422
Depreciation of right-of-use assets	13	**35**	54
Amortisation of contract costs	8	**3,784**	4,205
(Write back of allowance)/Allowance for doubtful trade and other receivables, net	6	**(126)**	914
Bad debts written off	29	**145**	104
Net gain on disposal of property, plant and equipment	33	**(9)**	(3)
Property, plant and equipment written off		**993**	260
Net gain on disposal of a subsidiary	38	**–**	(88,953)
Interest income	30	**(4,530)**	(2,356)
Finance costs	31	**50,753**	43,964
Unrealised foreign currency translation loss/(gain)		**844**	(4,498)
Operating cash flows before movements in working capital		**29,529**	21,831
Development properties		**29,365**	62,662
Inventories		**(144)**	(17)
Trade and other receivables		**7,521**	22,434
Contract costs		**(3,986)**	(4,194)
Contract assets		**(22,400)**	(10,093)
Contract liabilities		**(2,294)**	3,889
Trade and other payables		**15,148**	(23,891)
Cash generated from operations		**52,739**	72,621
Interest received		**3,405**	2,419
Income tax (paid)/refunded		**(1,233)**	54
Net cash from operating activities		**54,911**	75,094
Investing activities			
Purchase of property, plant and equipment	12	**(2,009)**	(943)
Proceeds from disposal of property, plant and equipment		**34**	3
Additions to investment properties	14	**(63,489)**	(1,772)
Deposit paid for acquisition of land and investment properties	6	**(9,863)**	(5,600)
Proceeds from repayment of loan by a related party		**5,838**	–
Investments in equity accounted investees	16	**(750)**	(23,000)
Loan to an equity accounted investee	6,16	**(8,000)**	–
Proceeds from disposal of a subsidiary	38	**–**	451,276
Dividend received from an equity accounted investee	16	**–**	65,723
Net cash (used in)/from investing activities		**(78,239)**	485,687
Financing activities			
Proceeds from loans and borrowings		**23,000**	540,353
Repayment of loans and borrowings		**(75,078)**	(936,693)
Repayment of lease liabilities	19	**(58)**	(54)
Interest paid		**(48,084)**	(42,507)
Bank deposits pledged as securities for bank facilities		**5,273**	74,730
Dividend paid to shareholders	27	**(2,478)**	(1,663)
Purchase of treasury shares	25	**(202)**	(276)
Acquisition of non-controlling interests of subsidiaries	15	**(14,300)**	–
Liquidation of a subsidiary with non-controlling interests		**–**	(436)
Net cash used in financing activities		**(111,927)**	(366,546)
Net (decrease)/increase in cash and cash equivalents		**(135,255)**	194,235
Cash and cash equivalents at the beginning of the year	5	**395,806**	198,398
Foreign currency translation adjustments		**(12,476)**	3,173
Cash and cash equivalents at the end of the year	5	**248,075**	395,806

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Investment revaluation reserve $'000	Capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group											
At 1 January 2022		181,695	(4,167)	(39,452)	127,916	(1,277)	234,362	751,123	1,250,200	14,217	1,264,417
Total comprehensive income/(loss) for the year											
Profit/(loss) for the year		-	-	-	-	-	-	4,591	4,591	(1,741)	2,850
Exchange differences on translation of foreign operations	35	-	-	(40,391)	-	-	-	-	(40,391)	83	(40,308)
Revaluation of properties	35	-	-	-	20,264	-	-	-	20,264	-	20,264
Fair value loss on investments in equity instruments designated at FVTOCI	35	-	-	-	-	(3,447)	-	-	(3,447)	-	(3,447)
Income tax adjustments relating to other comprehensive income	35	-	-	-	(5,462)	-	-	-	(5,462)	-	(5,462)
Other comprehensive (loss)/ income for the year, net of tax		-	-	(40,391)	14,802	(3,447)	-	-	(29,036)	83	(28,953)
Total		-	-	(40,391)	14,802	(3,447)	-	4,591	(24,445)	(1,658)	(26,103)
Transactions with owners, recognised directly in equity											
Transfer from capital reserves to revenue reserve		-	-	-	-	-	(8,386)	8,386	-	-	-
Share of reserves of equity accounted investees		-	-	-	-	-	1,093	-	1,093	-	1,093
Non-controlling interests arising from additional capital contribution in a subsidiary		-	-	-	-	-	-	-	-	2,400	2,400
Effects of acquiring non-controlling interests in a subsidiary		-	-	-	-	-	(882)	-	(882)	(13,418)	(14,300)
Issue of shares under the Scrip Dividend Scheme	24	5,930	-	-	-	-	-	-	5,930	-	5,930
Repurchase of shares	25	-	(202)	-	-	-	-	-	(202)	-	(202)
Dividend paid to shareholders											
- Cash	27	-	-	-	-	-	-	(2,478)	(2,478)	-	(2,478)
- Share	27	-	-	-	-	-	-	(5,930)	(5,930)	-	(5,930)
Total		5,930	(202)	-	-	-	(8,175)	(22)	(2,469)	(11,018)	(13,487)
At 31 December 2022		187,625	(4,369)	(79,843)	142,718	(4,724)	226,187	755,692	1,223,286	1,541	1,224,827

Details of "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 2022

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Investment revaluation reserve $'000	Capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group											
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/(loss) for the year											
Profit/(loss) for the year		–	–	–	–	–	–	83,662	83,662	(1,842)	81,820
Exchange differences on translation of foreign operations	35	–	–	(1,313)	–	–	700	–	(613)	64	(549)
Revaluation of properties	35	–	–	–	6,912	–	–	–	6,912	–	6,912
Cash flow hedges	35	–	–	–	–	–	1,986	–	1,986	–	1,986
Fair value gain on investments in equity instruments designated at FVTOCI	35	–	–	–	–	296	–	–	296	–	296
Income tax adjustments relating to other comprehensive income	35	–	–	–	(1,997)	–	(596)	–	(2,593)	–	(2,593)
Other comprehensive income/(loss) for the year, net of tax		–	–	(1,313)	4,915	296	2,090	–	5,988	64	6,052
Total		–	–	(1,313)	4,915	296	2,090	83,662	89,650	(1,778)	87,872
Transactions with owners, recognised directly in equity											
Transfer from revenue reserve to other capital reserves		–	–	–	–	–	28,309	(28,309)	–	–	–
Share of reserves of equity accounted investees		–	–	–	–	–	10,066	(7,644)	2,422	–	2,422
Non-controlling interests arising from additional capital contribution in a subsidiary		–	–	–	–	–	–	–	–	3,000	3,000
Liquidation of a subsidiary with non-controlling interests		–	–	–	–	–	–	–	–	(436)	(436)
Issue of shares under the Scrip Dividend Scheme	24	5,461	–	–	–	–	–	–	5,461	–	5,461
Repurchase of shares	25	–	(276)	–	–	–	–	–	(276)	–	(276)
Dividend paid to shareholders											
- Cash	27	–	–	–	–	–	–	(1,663)	(1,663)	–	(1,663)
- Share	27	–	–	–	–	–	–	(5,461)	(5,461)	–	(5,461)
Total		5,461	(276)	–	–	–	38,375	(43,077)	483	2,564	3,047
At 31 December 2021		181,695	(4,167)	(39,452)	127,916	(1,277)	234,362	751,123	1,250,200	14,217	1,264,417

Details of "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 2022

	Note	Share capital $'000	Treasury shares $'000	Capital reserves# $'000	Revenue reserve $'000	Total equity $'000
Company						
At 1 January 2022		**181,695**	**(4,167)**	**101,264**	**308,868**	**587,660**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**–**	**171**	**171**
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	**5,930**	**–**	**–**	**–**	**5,930**
Repurchase of shares	25	**–**	**(202)**	**–**	**–**	**(202)**
Dividend paid to shareholders						
- Cash	27	**–**	**–**	**–**	**(2,478)**	**(2,478)**
- Share	27	**–**	**–**	**–**	**(5,930)**	**(5,930)**
Total		**5,930**	**(202)**	**–**	**(8,408)**	**(2,680)**
At 31 December 2022		**187,625**	**(4,369)**	**101,264**	**300,631**	**585,151**
At 1 January 2021		176,234	(3,891)	101,264	315,560	589,167
Profit for the year, representing total comprehensive income for the year		–	–	–	432	432
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	24	5,461	–	–	–	5,461
Repurchase of shares	25	–	(276)	–	–	(276)
Dividend paid to shareholders						
- Cash	27	–	–	–	(1,663)	(1,663)
- Share	27	–	–	–	(5,461)	(5,461)
Total		5,461	(276)	–	(7,124)	(1,939)
At 31 December 2021		181,695	(4,167)	101,264	308,868	587,660

Details of "Capital reserves" are disclosed in Note 26.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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, associates and joint ventures are disclosed in Notes 42 and 43 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 2022 were authorised for issue by the Board of Directors on 24 March 2023.

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 Companies Act 1967 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 if market participants would take those characteristics 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the 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 the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss 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), less 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 required/permitted by applicable SFRS(I) Accounting Standards). 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 *Financial Instruments*, when applicable, or 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 ventures 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 transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefits 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 arrangements of the acquiree or share-based payment arrangements of the Group entered to replace share-based payment arrangements of the acquiree are measured in accordance with 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.

Goodwill is measured as the excess of 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) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Business combinations (cont'd)

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed 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 interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition date fair value 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.

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.

Associates and joint ventures (equity accounted investees)

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy 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 the 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 and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, an investment in an associate or a joint venture is recognised initially 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 associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds 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 ventures.

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 a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment 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.

If there is objective evidence that the Group's net investment in an associate or a joint venture is impaired, the requirements of SFRS(I) 1-36 *Impairment of Assets* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(b) Basis of consolidation (cont'd)

Associates and joint ventures (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. When the Group retains an interest in the former associate or a 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 *Financial Instruments*. The difference between the carrying amount of the associate or a 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 a joint venture is included in the determination of the gain or loss on disposal of the associate 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 associate or joint venture is disposed of.

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 a 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.

When a 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 *Investments in Associates and Joint Ventures* (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 (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 dollars ("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 group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are 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 at 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; 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation account in respect of that operation attributable to the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, 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. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(d) Financial instruments

Financial assets and financial liabilities are recognised in 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.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Classification of financial assets (cont'd)

Despite the foregoing, 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. 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 at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor 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 is not reclassified to profit or loss on disposal of the equity investments. Instead, it will be transferred to revenue reserve.

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 designated all investments in equity instruments that are not held for trading at FVTOCI on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Equity instruments designated at FVTOCI (cont'd)
A financial asset is held for trading if either:

- 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 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 (so called "accounting mismatch") 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 41(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 net 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 net 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 net operating income/(expense)" line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment revaluation reserves.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses ("ECL") on debt instruments that are measured at amortised cost, contract assets, as well as on financial guarantee contracts. The amount of ECL is updated at the end of each reporting period 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 the simplified approach 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. However, if 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

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 foregoing, 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 debtor 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 the asset has 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 are no past due amounts.

For 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 financial guarantee contract, 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.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

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;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- 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.

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, except for assets for which the simplified approach was used.

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 entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Derecognition of financial assets (cont'd)

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 investment revaluation reserve is not reclassified to profit or loss, but is transferred to revenue reserve.

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 the Group 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, and financial guarantee contracts issued by the Group 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 at FVTPL.

A financial liability is classified as held for trading if either:

- 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 at FVTPL upon initial recognition if either:

- 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 at FVTPL.

Financial liabilities at FVTPL are measured 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 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 revenue reserve upon derecognition of the financial liability.

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Financial liabilities at FVTPL (cont'd)
Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group at FVTPL are recognised in profit or loss.

Fair value is determined in the manner described in Note 41(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 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 contract liabilities
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 contract liabilities are initially measured at their fair values and, if not designated 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 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.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

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 a derivative contract is 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(d) Financial instruments (cont'd)

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of interest rate risk in cash flow hedges as appropriate.

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 "capital reserves", 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.

(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.

Revaluation

Certain land and buildings held for use in the production or supply of goods or services (excluding investment properties), 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(e) Property, plant and equipment (cont'd)

Revaluation (cont'd)

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 on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to revenue reserve.

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 and 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 the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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 asset revaluation reserve is transferred directly to revenue reserve.

(f) Impairment of property, plant and equipment excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment 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. When 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 of disposal 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.

(g) 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 included in profit or loss for the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(g) Investment properties (cont'd)

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Transfers are made to or from investment properties when and only when there is a change in use. For a transfer from 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.

(h) 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(m).

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.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs 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.

(j) 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.

(k) 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.

2 Summary of significant accounting policies (cont'd)

(k) Leases (cont'd)

The Group as lessor (cont'd)

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 both lease and non-lease components, the Group applies SFRS(I) 15 *Revenue from Contracts with Customers* 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. 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 receivable;
- 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.

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 significant event or change in circumstances resulting in 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 an unchanged 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(k) Leases (cont'd)

The Group as lessee (cont'd)
The Group did not make any such adjustments during the periods presented.

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 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, 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 right-of-use 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 consolidated 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 Group has applied the practical expedient which permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification and accordingly has accounted for any change in lease payments resulting from the COVID-19-related rent concessions applying SFRS(I) 16 as if the change were not a lease modification.

(l) 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 the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a 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.

Warranties
Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the Group's obligation.

(m) Revenue recognition

The Group recognises revenue from the following major sources:

- Sale of products
- Sale of development properties
- Revenue from hotel operations
- Revenue from services rendered
- Rental income
- Interest income
- Dividend income

2 Summary of significant accounting policies (cont'd)

(m) Revenue recognition (cont'd)

Revenue is measured based on the consideration to which the Group expects to be entitled 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 products

The Group sells commodity trading products and polypropylene and polyethylene woven bags. Revenue is recognised at a point in time 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 development 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 over-time based on the stage of completion of construction. The stage of completion is measured by reference to 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 at a point in time 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. Payments for these services are due in accordance with payment schedules in the customer contract, on straight-line basis over the term of the contract.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(m) Revenue recognition (cont'd)

Rental income
The Group's policy for recognition of revenue from operating leases is described above in Note 2(k).

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.

(n) 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.

(o) 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.

(p) 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.

(q) 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 net 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 the tax expected to be payable or recoverable on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from 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. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (cont'd)

(q) Income tax (cont'd)

Deferred tax (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in 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 asset 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 offset 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 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.

(r) Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal.

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered 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.

(s) 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 associated 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

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may 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 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 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.

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.

As at 31 December 2022, an allowance for diminution in value of $450,000 (2021: $Nil) and $6,836,000 (2021: $7,558,000) was made on Singapore development properties and land held for future development in China respectively, 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 investment properties, hotels, owner-managed and owner-occupied properties at fair value based on independent professional valuations.

In determining fair values, the valuers have used valuation methodologies (including direct comparison method, income capitalisation method, discounted cash flow method and residual 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 properties. The income capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. The discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows. The residual method involves the estimation of the gross development value assuming the property is completed and from which the development costs are deducted to derive a residual figure. 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. In Australia, the valuers have highlighted that the potential for new COVID-19 variants, geopolitical conflicts, increasing interest rates and inflation may lead to increased uncertainty.

Information relating to the valuation methodologies and inputs used in determining the fair value of hotel, owner-managed and owner-occupied properties and investment properties are disclosed in Notes 12 and 14 respectively to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty (cont'd)

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 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$35,267,000 (2021: A$35,007,000) or equivalent to $32,118,000 (2021: $34,433,000) (Note 18). In estimating this amount, the Group considers the taxable gains to be the excess of the 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

Loss allowance for aged trade receivables is based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including current creditworthiness, past collection history of each customer, 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 revenues

For management purposes, the Group is organised into business segments based on their products and services. Accordingly, the Group's reportable operating segments under SFRS(I) 8 *Operating Segments* are as follows:

Segment	Principal activities
Real Estate Investment	Property investments in Singapore, Australia, Indonesia 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.

Information regarding each of the Group's reportable segments is presented in the following section.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4 Segment information (cont'd)

Segment revenues and results

	Real Estate Investment $'000	Real Estate Development $'000	Hospitality $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate[2] $'000	Inter-Segment Eliminations $'000	Consolidated $'000
2022								
Revenue								
External revenue	**52,421**	**78,027**	**85,450**	**9,213**	**-**	**186**	**-**	**225,297**
Inter-segment revenue	**3,614**	**3,625**	**-**	**-**	**-**	**9,364**	**(16,603)**	**-**
	56,035	**81,652**	**85,450**	**9,213**	**-**	**9,550**	**(16,603)**	**225,297**
Adjusted EBIT*	**28,489**	**(6,225)**	**19,139**	**(1,926)**	**30,540**	**(18,982)**	**1,710**	**52,745**
Interest income								**4,530**
Finance costs								**(50,753)**
Net foreign exchange loss								**(6,114)**
Net gain on disposal of property, plant and equipment								**9**
Net gain on disposal of right-of-use assets								**11**
Profit before tax and fair value adjustments								**428**
Fair value adjustments								**306**
Profit before tax								**734**
Income tax credit								**2,116**
Profit for the year								**2,850**
2021								
Revenue								
External revenue	52,589	91,643	45,096	59,217	-	169	-	248,714
Inter-segment revenue	3,510	74	-	-	-	9,972	(13,556)	-
	56,099	91,717	45,096	59,217	-	10,141	(13,556)	248,714
Adjusted EBIT*	31,787	(8,192)	1,433	(598)	26,441	(14,494)	3,593	39,970
Interest income								2,356
Finance costs								(43,964)
Net foreign exchange gain								1,705
Net gain on disposal of property, plant and equipment								3
Loss allowance on interest receivables								(1,474)
Net gain on disposal of a subsidiary								88,953
Profit before tax and fair value adjustments								87,549
Fair value adjustments								(3,434)
Profit before tax								84,115
Income tax expense								(2,295)
Profit for the year								81,820

* 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 investments in joint venture/associate and property, plant and equipment (v) loss allowance on interest receivables and (vi) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4 Segment information (cont'd)

Segment assets, liabilities and other segment information

	Real Estate Investment $'000	Real Estate Development $'000	Hospitality $'000	Industrial Services $'000	Other Investments $'000	Corporate $'000	Consolidated $'000
As at 31 December 2022							
Assets							
Segment assets	1,605,267	327,464	392,408	63,376	933	73,594	2,463,042
Deferred tax assets	–	–	1,343	–	–	223	1,566
Investment in financial asset	–	26,192	–	–	–	–	26,192
Investments in equity accounted investees	21,783	14,048	–	–	130,365	–	166,196
Total assets	1,627,050	367,704	393,751	63,376	131,298	73,817	2,656,996
Liabilities							
Segment liabilities	(31,825)	(36,326)	(16,536)	(1,165)	(5,000)	(10,749)	(101,601)
Loans and borrowings	(815,936)	(142,819)	(179,796)	–	–	(139,610)	(1,278,161)
Income tax payable and deferred tax liabilities	(5,452)	(1,060)	(175)	(324)	–	(45,396)	(52,407)
Total liabilities	(853,213)	(180,205)	(196,507)	(1,489)	(5,000)	(195,755)	(1,432,169)
Net assets/(liabilities)	773,837	187,499	197,244	61,887	126,298	(121,938)	1,224,827
Other information							
Capital expenditure	51	34	1,145	488	–	291	2,009
Depreciation of property, plant and equipment	701	64	4,823	200	–	898	6,686
Depreciation of right-of-use assets	3	–	–	29	–	3	35
Allowance for diminution in value for development properties	–	450	–	–	–	–	450
Revaluation gain on properties (in other comprehensive income)	2,058	–	18,206	–	–	–	20,264
Revaluation loss on property, plant and equipment (in profit or loss)	(2,864)	–	–	–	–	–	(2,864)
Fair value gain on investment properties	6,106	–	–	–	–	–	6,106
Fair value loss on financial instruments	–	–	–	–	(2,936)	–	(2,936)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4 Segment information (cont'd)

Segment assets, liabilities and other segment information (cont'd)

	Real Estate Investment $'000	Real Estate Development $'000	Hospitality $'000	Industrial Services $'000	Other Investments $'000	Corporate $'000	Consolidated $'000
As at 31 December 2021							
Assets							
Segment assets	1,575,393	346,157	402,411	66,145	945	199,626	2,590,677
Deferred tax assets	51	52	–	69	–	–	172
Investment in financial assets	–	29,639	–	–	–	–	29,639
Investments in equity accounted investees	24,252	15,695	–	–	103,893	–	143,840
Total assets	1,599,696	391,543	402,411	66,214	104,838	199,626	2,764,328
Liabilities							
Segment liabilities	(31,652)	(31,942)	(13,866)	(1,924)	(5,032)	(9,748)	(94,164)
Loans and borrowings	(804,279)	(157,882)	(193,899)	–	–	(196,668)	(1,352,728)
Income tax payable and deferred tax liabilities	(6,380)	(2,476)	–	(239)	–	(43,924)	(53,019)
Total liabilities	(842,311)	(192,300)	(207,765)	(2,163)	(5,032)	(250,340)	(1,499,911)
Net assets/(liabilities)	757,385	199,243	194,646	64,051	99,806	(50,714)	1,264,417
Other information							
Capital expenditure	36	30	474	220	–	183	943
Depreciation of property, plant and equipment	707	75	7,652	218	–	770	9,422
Depreciation of right-of-use assets	5	–	19	23	–	7	54
Write back of allowance for diminution in value for development properties	–	499	–	–	–	–	499
Revaluation loss on properties (in other comprehensive income)	(254)	–	(6,658)	–	–	–	(6,912)
Revaluation gain/(loss) on property, plant and equipment (in profit or loss)	(2,525)	–	2,454	–	–	–	(71)
Fair value loss on investment properties	(3,012)	–	–	–	–	–	(3,012)
Fair value loss on financial instruments	–	–	–	–	(351)	–	(351)

Geographical information

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

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, investment in financial assets and trade and other receivables are based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2022 $'000	**2021 $'000**	**2022 $'000**	**2021 $'000**
Singapore	**108,401**	140,035	**1,226,498**	1,153,240
Australia	**106,562**	64,712	**616,495**	656,812
China	**777**	35,019	**21,660**	24,039
Malaysia	**9,214**	8,948	**4,340**	4,289
Indonesia	**343**	–	**119**	160
	225,297	248,714	**1,869,112**	1,838,540

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4 Segment information (cont'd)

Other segment information

There were no customers that contributed individually 10% or more to the Group's revenue in FY2022. In FY2021, there were sales of approximately $34.4 million to a customer from the Industrial Services segment that contributed 10% or more to the Group's revenue of $248.7 million.

5 Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Cash at banks and on hand	**173,665**	228,330	**7,510**	52,604
Fixed deposits	**69,452**	128,277	**55,417**	118,068
Other cash equivalents	**–**	19,989	**–**	19,989
Amounts held under the Housing Developers (Project Account) Rules	**8,871**	28,448	**–**	–
	251,988	405,044	**62,927**	190,661

Cash and cash equivalents comprise cash at banks, fixed deposits and other cash equivalents 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 4.20% per annum (2021: 0.08% to 0.80% per annum) and for tenures ranging from 7 days to 1 year (2021: 7 days to 1 year). Other cash equivalents held by the Group and the Company comprise marketable securities that have a maturity of four weeks. These are held for the purpose of meeting short-term cash commitments and are subject to insignificant risk of changes in value.

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 cash equivalents 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 cash equivalents are disclosed under Note 41 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	
	2022	2021
	$'000	$'000
Cash and cash equivalents per consolidated statement of cash flows		
Cash and cash equivalents (as per statement of financial position)	**251,988**	405,044
Encumbered fixed deposits and bank balances	**(3,913)**	(9,238)
	248,075	395,806

As at 31 December 2022, the Group had cash and cash equivalents placed with banks in China amounting to $69,423,000 (2021: $88,332,000), the repatriation of which into Singapore is subject to the Foreign Exchange Control Regulations in China.

As at 31 December 2022, cash and cash equivalents amounting to $46,140,000 (2021: $31,868,000) were pledged to banks to secure credit facilities. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6 Trade and other receivables

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Trade					
Trade receivables		**5,889**	9,896	**–**	–
Less: Loss allowance		**(182)**	(346)	**–**	–
		5,707	9,550	**–**	–
Amounts due from:					
- related parties	22	**295**	8,466	**–**	–
- joint ventures	16	**21**	–	**–**	–
		316	8,466	**–**	–
Less: Loss allowance	22	**–**	(1,493)	**–**	–
		316	6,973	**–**	–
Total trade receivables - current		**6,023**	16,523	**–**	–
Non-trade					
Deposits [(a)]		**17,910**	8,163	**569**	569
Prepayments		**6,343**	5,521	**829**	608
Interest receivables		**442**	85	**388**	83
Sundry debtors		**4,460**	2,286	**34**	29
Tax recoverable		**2,061**	2,615	**–**	–
		31,216	18,670	**1,820**	1,289
Less: Loss allowance		**(72)**	(114)	**(72)**	(72)
		31,144	18,556	**1,748**	1,217
Amounts due from:					
- subsidiaries	21	**–**	–	**485,268**	430,583
- related parties	22	**–**	5,840	**–**	–
- associates	16	**951**	945	**18**	–
- joint ventures	16	**8,038**	56	**9**	36
		8,989	6,841	**485,295**	430,619
Less: Loss allowance					
- subsidiaries	21	**–**	–	**(39,982)**	(29,830)
- joint ventures	16	**(11)**	(11)	**–**	–
		8,978	6,830	**445,313**	400,789
		40,122	25,386	**447,061**	402,006
Less: non-current portion		**(17,868)**	(5,605)	**–**	–
Total non-trade receivables - current		**22,254**	19,781	**447,061**	402,006
Total trade and other receivables - current		**28,277**	36,304	**447,061**	402,006
Total trade and other receivables - non-current		**17,868**	5,605	**–**	–

(a) Included in the deposits of the Group were deposits amounting to:

- $5,600,000 paid for the tender of a freehold site located at 870 Dunearn Road in FY2021. The deposit has been classified as non-current at the end of the reporting period in FY2021 and was transferred to investment property upon completion of the acquisition of the site in FY2022;
- $9,863,000 paid for the acquisition of 19 commercial units at Sanya Summer Plaza from Sanya Summer Real Estate Co., Ltd, as associate and related party of the Group. The deposit has been classified as non-current at the end of the reporting period in FY2022; and
- $999,000 (2021: $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 deposits are placed with counterparties that are creditworthy, the management has assessed that the credit risks are low and the deposits are subject to immaterial credit loss.

6 Trade and other receivables (cont'd)

Analysis of trade receivables

Trade receivables are non-interest bearing and are generally on 7 to 90 days (2021: 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. There has been no change in the estimation techniques during the current reporting period.

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.

Analysis of amounts due from related parties

Certain past due trade amounts due from related parties bear interest rates of Nil% (2021: 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 30 days (2021: 90 to 180 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loss allowance for amounts due from related parties has always been measured at an amount equal to lifetime 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.

The table below shows the movement in ECL that has been recognised for trade receivables and amounts due from related parties:

	Lifetime ECL - credit-impaired **$'000**
Group	
Balance as at 1 January 2021	945
Amounts written off	(45)
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	128
Change in loss allowance due to changes in credit risk parameters	786
Exchange difference on consolidation	25
Balance as at 31 December 2021	**1,839**
Amounts written off	**(1,491)**
Change in loss allowance due to new trade receivables originated, net of those derecognised due to settlement	**(126)**
Exchange difference on consolidation	**(40)**
Balance as at 31 December 2022	**182**

Analysis of other receivables

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 2021	180
Amounts written off	(59)
Exchange difference on consolidation	4
Balance as at 31 December 2021	**125**
Amounts written off	**(41)**
Exchange difference on consolidation	**(1)**
Balance as at 31 December 2022	**83**
Company	
Balance as at 1 January 2021, 31 December 2021 and 2022	72

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6 Trade and other receivables (cont'd)

The following is an aging analysis of trade receivables:

	Group	
	2022	**2021**
	$'000	**$'000**
Not past due	**4,588**	8,225
< 3 months	**1,340**	1,446
3 months to 6 months	**78**	59
6 months to 12 months	**17**	108
> 12 months	**–**	6,685
	6,023	16,523

Details of collateral

As at 31 December 2022, trade and other receivables amounting to $11,692,000 (2021: $12,423,000) 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 19 to the financial statements.

7 Contract assets

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. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets. 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

Contract costs 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 during which the residential properties are transferred to the purchasers. Amortisation amounting to $3,784,000 (2021: $4,205,000) was recognised as part of the distribution costs in profit or loss. There was no impairment loss in relation to the costs capitalised.

9 Inventories

	Group	
	2022	**2021**
	$'000	**$'000**
Raw materials	**708**	926
Work-in-progress	**873**	748
Finished goods	**563**	455
At cost	**2,144**	2,129

There was no allowance for inventory obsolescence recognised in profit or loss for the year ended 31 December 2022 and 2021.

Details of collateral

As at 31 December 2022, inventories amounting to $2,144,000 (2021: $2,129,000) were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10 Development properties

	Group	
	2022	2021
	$'000	$'000
Properties in the course of development	**202,616**	233,766
Land held for future development	**6,836**	7,558
	209,452	241,324
Completed properties held for sale	**287**	287
	209,739	241,611

The above comprises:

Properties in the course of development in Singapore	**135,005**	176,111
Properties in the course of development in Indonesia	**67,611**	57,655
Land held for future development in China	**6,836**	7,558
Completed properties held for sale in Singapore	**287**	287
	209,739	241,611

In 2021, the Group transferred from development properties to property, plant and equipment (Note 12) a residential unit in China which was used for owner-occupation.

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.

Properties in the course of development and land held for future development or sale

	Group	
	2022	2021
	$'000	$'000
Land cost	**183,491**	228,074
Development cost incurred to-date	**24,394**	17,310
Others	**8,853**	3,498
	216,738	248,882
Less: Allowance for diminution in value	**(7,286)**	(7,558)
	209,452	241,324

Completed properties held for sale

Completed properties, at cost	**287**	287

Allowance for diminution in value

		Group	
	Note	2022	2021
		$'000	$'000
Movements in allowance for diminution in value			
At 1 January		**7,558**	7,718
Exchange difference on consolidation		**(722)**	339
Allowance/(Write-back) during the year	33	**450**	(499)
At 31 December		**7,286**	7,558

The allowance for diminution in value for development properties was estimated after taking into account estimated selling prices and estimated total construction costs, where appropriate. The estimated selling prices are based on expected selling prices for the development project after taking into consideration of prevailing market conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10 Development properties (cont'd)

Details of collateral

As at 31 December 2022, development properties amounting to $132,632,000 (2021: $176,111,000) were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

List of development properties

As at 31 December 2022, the development properties held by the Group are as follows:

Name of property/ location	Description/ planned use	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						
Mont Botanik Residence Jalan Remaja Singapore	Condominium of 108 units	Freehold	4,047	8,546	2023	100%
Peak Residence 333 Thomson Road Singapore	Condominium of 90 units	Freehold	5,331	8,209	2024	70%
Balmoral Tower, Opus Bay Batam, Indonesia	Apartments of 559 units	30 years from 2004	5,564	31,830	2025	100%
Cluny Villas, Opus Bay Batam, Indonesia	Villas of 277 units (Phase 1 – 51 units launched)	30 years from 2004	186,886	76,716	2023 to 2025 (Phase 1)	100%
Batam Opus Bay Land (I), Indonesia [(a)]	Proposed integrated mixed-development township	30 years from 2004	657,299	*	*	100%
Batam Opus Bay Land (II), Indonesia	Proposed residential development	30 years from 2019	401,229	*	*	100%
Land held for future development						
Land in Jin'an District, Fuzhou, Fujian Province, China	Residential	70 years from 1994	163,740	**	**	100%
Completed properties held for sale						
Sennett Residence Pheng Geck Avenue Singapore	Condominium townhouses of 332 units and 3 shop units	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 Tower and Cluny Villas

11 Assets classified as held for sale

On 30 December 2021, the Group's wholly-owned subsidiary, Clerodendrum Land Pte. Ltd., granted options to a related party for the sale of three shop units in Sennett Residence for a consideration of $2,241,000. One unit is classified as development property held for sale and the remaining two units are classified as investment properties. The sale completion date has been extended and the sale is expected to complete in 2023. Accordingly, the investment properties have been classified as assets held for sale based on the agreed sale consideration of $1,542,000. The operations of the investment properties are included in the Group's real estate investment segment for segment reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022		**478,960**	**8,826**	**28,238**	**509**	**516,533**
Exchange differences on consolidation		**(33,261)**	**(692)**	**(1,618)**	**(12)**	**(35,583)**
Additions		**100**	**–**	**1,833**	**76**	**2,009**
Disposals		**–**	**–**	**(8)**	**(88)**	**(96)**
Write-offs		**–**	**–**	**(1,877)**	**–**	**(1,877)**
Reclassification		**(27)**	**(285)**	**293**	**19**	**–**
Elimination of depreciation upon revaluation		**(3,469)**	**–**	**–**	**–**	**(3,469)**
Revaluation		**17,400**	**–**	**–**	**–**	**17,400**
At 31 December 2022		**459,703**	**7,849**	**26,861**	**504**	**494,917**
At 1 January 2021		385,134	8,458	39,481	507	433,580
Exchange differences on consolidation		(9,955)	149	(759)	2	(10,563)
Additions		–	31	912	–	943
Disposals		–	–	(17)	–	(17)
Write-offs		–	(211)	(1,568)	–	(1,779)
Reclassification		9,811	–	(9,811)	–	–
Transfer from development properties following change in use	10	–	399	–	–	399
Reclassified from investment properties	14	100,063	–	–	–	100,063
Elimination of depreciation upon revaluation		(12,934)	–	–	–	(12,934)
Revaluation		6,841	–	–	–	6,841
At 31 December 2021		478,960	8,826	28,238	509	516,533
Comprising:						
At 31 December 2022						
At cost		**809**	**7,849**	**26,861**	**504**	**36,023**
At valuation		**458,894**	**–**	**–**	**–**	**458,894**
		459,703	**7,849**	**26,861**	**504**	**494,917**
At 31 December 2021						
At cost		809	8,826	28,238	509	38,382
At valuation		478,151	–	–	–	478,151
		478,960	8,826	28,238	509	516,533

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12 Property, plant and equipment (cont'd)

	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 2022	**–**	**590**	**16,366**	**411**	**17,367**
Exchange differences on consolidation	**(180)**	**(67)**	**(1,063)**	**(6)**	**(1,316)**
Depreciation	**3,649**	**136**	**2,896**	**5**	**6,686**
Disposals	**–**	**–**	**(5)**	**(66)**	**(71)**
Write-offs	**–**	**–**	**(884)**	**–**	**(884)**
Reclassification	**–**	**(68)**	**68**	**–**	**–**
Elimination of depreciation upon revaluation	**(3,469)**	**–**	**–**	**–**	**(3,469)**
At 31 December 2022	**–**	**591**	**17,378**	**344**	**18,313**
At 1 January 2021	–	655	21,954	403	23,012
Exchange differences on consolidation	(122)	17	(494)	2	(597)
Depreciation	5,264	129	4,023	6	9,422
Disposals	–	–	(17)	–	(17)
Write-offs	–	(211)	(1,308)	–	(1,519)
Reclassification	7,792	–	(7,792)	–	–
Elimination of depreciation upon revaluation	(12,934)	–	–	–	(12,934)
At 31 December 2021	–	590	16,366	411	17,367
Accumulated impairment:					
At 1 January 2022	**–**	**3,110**	**–**	**–**	**3,110**
Exchange differences on consolidation	**–**	**(280)**	**–**	**–**	**(280)**
At 31 December 2022	**–**	**2,830**	**–**	**–**	**2,830**
At 1 January 2021	–	2,978	–	–	2,978
Exchange differences on consolidation	–	132	–	–	132
At 31 December 2021	–	3,110	–	–	3,110
Carrying amount:					
At 31 December 2022	**459,703**	**4,428**	**9,483**	**160**	**473,774**
At 31 December 2021	478,960	5,126	11,872	98	496,056

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12 Property, plant and equipment (cont'd)

	Plant and equipment $'000
Company	
Cost:	
At 1 January 2022	**4,316**
Additions	**279**
Write-offs	**(1,784)**
At 31 December 2022	**2,811**
At 1 January 2021	4,255
Additions	90
Write-offs	(29)
At 31 December 2021	4,316
Accumulated depreciation:	
At 1 January 2022	**1,887**
Depreciation	**877**
Write-offs	**(802)**
At 31 December 2022	**1,962**
At 1 January 2021	1,164
Depreciation	752
Write-offs	(29)
At 31 December 2021	1,887
Carrying amount:	
At 31 December 2022	**849**
At 31 December 2021	2,429

Included in building and freehold land is freehold land with a carrying amount of $324,791,000 (2021: $342,184,000) 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 2022 and 2021 as a result of such assessment.

Details of collateral
As at 31 December 2022, property, plant and equipment amounting to $470,373,000 (2021: $490,789,000) were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

Fair value measurement of hotels, owner-managed and owner-occupied properties
The Group's hotels, owner-managed and owner-occupied 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 professional 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 2022 and 2021, the fair value measurement of the Group's hotels, owner-managed and owner-occupied properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12 Property, plant and equipment (cont'd)

Fair value measurement of hotels, owner-managed and owner-occupied properties (cont'd)

Based on the valuation, revaluation gain amounting to $20,264,000 (2021: $6,912,000) was recognised in other comprehensive income (Note 35). 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 $2,864,000 (2021: $71,000) was recognised in the profit or loss, representing the revaluation loss in excess of the balance accumulated in the asset revaluation reserve of the same property (Note 32).

As at 31 December 2022, had freehold land and building been carried at historical cost, their aggregate carrying amount would have been approximately $441,629,000 (2021: $470,210,000) 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 methodologies and significant unobservable inputs used in the fair value measurement as at 31 December 2022 and 2021 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2022	Range 2021
Australia				
Grand Hyatt Melbourne (Hotel) [a]	Capitalisation Approach	Capitalisation rate[1]	**5.00%**	4.75%
123 Collins Street Melbourne, Victoria	Discounted Cash Flow Method	Discount rate[1]	**6.75% - 7.75%**	5.5% - 6.5%
		Terminal yield rate[1]	**4.75% - 5.75%**	4.5% - 5.5%
Carpark within Grand Hyatt Melbourne complex[a],	Capitalisation Approach	Capitalisation rate[1]	**5%**	5%
	Discounted Cash Flow Method	Discount rate[1]	**6.75%**	6.75%
		Terminal yield rate[1]	**5.25%**	5.25%
Hyatt Regency Perth (Hotel) [a]	Capitalisation Approach	Capitalisation rate[1]	**6.0%**	5.0%
99 Adelaide Terrace East Perth, Western Australia	Discounted Cash Flow Method	Discount rate[1]	**7.75% - 8.75%**	5.5% - 7.5%
		Terminal yield rate[1]	**5.75% - 6.75%**	4.25% - 6.25%
	Direct Comparison Method	Value per room[2]	**$118,400 - $136,600**	–
Singapore				
The Oxley[b] 9 Oxley Rise	Comparison Method	Price per square metre of strata floor area[2]	**$28,900 - $29,100**	$18,800 - $26,900
	Income Capitalisation Method	Net income margin*[2]	**85%**	80% - 85%
		Capitalisation rate[1]	**3.25%**	3%

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

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

(2) Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.

(a) The valuations were performed by CBRE Valuations Pty Limited for both years.

(b) The valuations were performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd for both years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12 Property, plant and equipment (cont'd)

List of hotels, owner-managed and owner-occupied properties

The carrying amount of the Group's hotels, owner-managed and owner-occupied properties as at 31 December 2022 and 2021 included in property, plant and equipment are set out below.

Name of property	Description	Tenure	Land area[2] (sq m)	Group's effective equity interest	2022 A$'000[1]	2021 A$'000[1]	2022 S$'000	2021 S$'000
Australia								
Grand Hyatt Melbourne (Hotel)	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 and 4-levels of basement car park. The retail/ commercial space are accounted for under investment properties (Note 14).	Freehold	5,776	100%	**360,000**	347,000	**327,852**	341,309
Carpark within Grand Hyatt Melbourne complex					**67,500**	71,000	**61,472**	69,836
Hyatt Regency Perth (Hotel)	Located within walking distance from the central business district and overlooks the Swan River. The property is an integrated 5-star hotel, office, retail and parking complex. The hotel is built over 9 levels. The office, retail and parking complex are accounted for under investment properties (Note 14).	Freehold	22,754	100%	**50,250**	47,000	**45,763**	46,229
					477,750	465,000	**435,087**	457,374

(1) Figures in A$ are for information.
(2) Land area refers to the whole development including commercial and carpark.

Name of property	Description	Tenure	Estimated lettable area (sq m)	Group's effective equity interest	2022 S$'000	2021 S$'000
Singapore						
The Oxley 9 Oxley Rise	3 floors of commercial space within a 10-storey building including residential units. The remaining commercial space for lease are accounted for under investment properties (Note 14).	Freehold	1,073	100%	**29,375**	27,424
					29,375	27,424

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

13 Right-of-use assets/Lease liabilities

The 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 (2021: 3 to 84 years) and rentals are generally fixed for the same periods. The Group has an option to purchase certain equipment for a nominal amount at the end of the lease term.

Right-of-use assets

	Leasehold land and building $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group				
Cost:				
At 1 January 2022	**281**	**123**	**26**	**430**
Additions	**5**	**12**	**–**	**17**
Disposals	**–**	**(57)**	**(25)**	**(82)**
Exchange differences on consolidation	**(16)**	**(6)**	**(1)**	**(23)**
At 31 December 2022	**270**	**72**	**–**	**342**
At 1 January 2021	282	125	27	434
Additions	58	–	–	58
Disposals	(55)	–	–	(55)
Exchange differences on consolidation	(4)	(2)	(1)	(7)
At 31 December 2021	281	123	26	430
Accumulated depreciation:				
At 1 January 2022	**96**	**69**	**26**	**191**
Depreciation	**25**	**10**	**–**	**35**
Disposals	**–**	**(35)**	**(25)**	**(60)**
Exchange differences on consolidation	**(7)**	**(3)**	**(1)**	**(11)**
At 31 December 2022	**114**	**41**	**–**	**155**
At 1 January 2021	102	39	27	168
Depreciation	23	31	–	54
Disposals	(27)	–	–	(27)
Exchange differences on consolidation	(2)	(1)	(1)	(4)
At 31 December 2021	96	69	26	191
Carrying amount:				
At 31 December 2022	**156**	**31**	**–**	**187**
At 31 December 2021	185	54	–	239

13 Right-of-use assets/Lease liabilities (cont'd)

The Company as a lessee

The Company leases office premises and office equipment. The average lease term is between 2 to 6 years (2021: 2 to 6 years) 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:			
As at 1 January 2022	**15,064**	**39**	**15,103**
Additions	**4,759**	**6**	**4,765**
Write-offs	**(15,970)**	**–**	**(15,970)**
As at 31 December 2022	**3,853**	**45**	**3,898**
As at 1 January 2021	12,485	39	12,524
Additions	2,579	–	2,579
As at 31 December 2021	15,064	39	15,103
Accumulated depreciation:			
As at 1 January 2022	**6,086**	**13**	**6,099**
Depreciation	**2,977**	**8**	**2,985**
Write-offs	**(5,425)**	**–**	**(5,425)**
At 31 December 2022	**3,638**	**21**	**3,659**
As at 1 January 2021	2,961	6	2,967
Depreciation	3,125	7	3,132
At 31 December 2021	6,086	13	6,099
Carrying amount:			
At 31 December 2022	**215**	**24**	**239**
At 31 December 2021	8,978	26	9,004

Lease liabilities

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Amounts due for settlement within 12 months (shown under current liabilities)	**34**	54	**195**	2,900
Amounts due for settlement after 12 months	**38**	60	**17**	5,912
	72	114	**212**	8,812

The Group and the Company do not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

As at 31 December 2022, the commitments for short-term leases are $15,000 (2021: $9,000) for the Group. The Company does not have any commitments for short-term leases as at the end of reporting period.

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 during the year amounted to $155,000 (2021: $93,000) for the Group.

As at 31 December 2022, right-of-use assets amounting to $156,000 (2021: $185,000) were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14 Investment properties

	Note	Group		Company	
		2022	2021	2022	2021
		$'000	$'000	$'000	$'000
Completed investment properties					
At 1 January		**1,342,245**	1,452,351	**811**	498
Exchange differences on consolidation		**(16,341)**	(6,175)	**–**	–
Additions		**63,489**	1,772	**–**	–
Net gain/(loss) from fair value adjustments	32	**5,758**	(4,098)	**(48)**	313
Properties transferred to property, plant and equipment	12	**–**	(100,063)	**–**	–
Classified as held for sale	11	**–**	(1,542)	**–**	–
		1,395,151	1,342,245	**763**	811

	Group	
	2022	2021
	$'000	$'000
Completed investment properties represented by:		
Singapore	**1,195,145**	1,122,246
Australia	**179,681**	197,507
China	**20,325**	22,492
	1,395,151	1,342,245

Fair value adjustments

The Group's investment properties as at 31 December 2022 and 2021 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. Based on these valuations, a net fair value gain of $5,758,000 (2021: net fair value loss of $4,098,000) was recognised in profit or loss (Note 32).

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 2022 and 2021, the fair value measurement of the Group's investment properties is classified within Level 3 of the fair value hierarchy. In FY2021, there was a transfer between Level 2 and Level 3 of the fair value hierarchy for the 2 shop units within Sennett Residence which were measured based on agreed sale consideration of $1,542,000 (Note 11).

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Management reviews the appropriateness of the valuation methodologies and assumptions adopted and address any significant issues that may arise. Details of valuation methodologies and significant unobservable inputs used in the fair value measurement as at 31 December 2022 and 2021 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2022	Range 2021
Singapore				
18 Robinson[a] 18 Robinson Road	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	**77% - 81%** **3.0%**	67% - 76% 3.1%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	**6.25%** **3.0%**	6.25% - 6.75% 3.1% - 3.6%
	Direct Comparison Method	Price per square metre of lettable area[1]	**–**	$29,200 - $39,200
Link@896[b] 896 Dunearn Road	Direct Comparison Method	Price per square metre of strata floor area[1]	**Office : $16,400 - $28,100** **Retail : $24,100 - $45,200**	Office : $14,800 - $16,300 Retail : $16,600 - $43,800
	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	**76% - 80%** **3.5%**	68% - 73% 3.5%
Site at 870 Dunearn Road[c]	Residual Method	Gross development value per square metre on net floor area[1]	**$47,200**	–
		Total development cost per square metre of gross floor area[2]	**$16,300**	–
		Developer's profit and marketing fees[2]	**10%**	–
The Oxley[d] 9 Oxley Rise #01-01 to #01-10, #02-01 to #02-14, #03-01 to #03-14	Comparison Method	Price per square metre of strata floor area[1]	**$28,900 - $29,100**	$18,800 - $26,900
	Income Capitalisation Method	Net income margin*[1] Capitalisation rate[2]	**85%** **3.25%**	80% - 85% 3%
L&Y Building[b] #01-03, #01-04, #05-01 59 Jalan Pemimpin	Direct Comparison Method	Price per square metre of strata floor area[1]	**$7,600 - $7,700**	$6,200 - $9,500
Far East Finance Building[a] #11-01/02 14 Robinson Road	Direct Comparison Method	Price per square metre of strata floor area[1]	**–**	$27,000 - $31,000
	Income Capitalisation Method	Net income margin*[1] Capitalisation rate [2]	**78% - 82%** **2.15%**	– –
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	**6.0%** **2.15%**	– –

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2022	Range 2021
Australia				
Commercial Centre & Carpark within Hyatt Regency Perth complex[e] 99 Adelaide Terrace East Perth, Western Australia	Capitalisation Method	Capitalisation rate[2]	**7.75%**	7.75%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	**7.25%** **7.75%**	7.25% 7.75%
Two vacant land[e] 10 & 40 Terrace Road East Perth, Western Australia	Comparison Method	Price per square metre of land area[1]	**$3,600**	$3,934
Commercial Centre within Grand Hyatt Melbourne complex[e] 123 Collins Street Melbourne, Victoria	Capitalisation Method	Capitalisation rate[2]	**5.0%**	4.75%
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	**6.25%** **5.25%**	6.25% 5%
Single-storey commercial Building[e] 25 George Parade Melbourne, Victoria	Comparison Method	Price per square metre of land area[1]	**$27,300 - $29,600**	$29,500 - $32,000
China				
Three-storey commercial building[f] No. 2950 Chunshen Road Minhang District, Shanghai	Comparison Method	Price per square metre of gross floor area[1]	**$5,600 - $7,000**	$6,600 - $8,200
	Income Capitalisation Method	Capitalisation rate[2]	**5% - 5.5%**	–
	Discounted Cash Flow Method	Discount rate[2] Terminal yield rate[2]	**–** **–**	7% 5%
6 shop units and basement commercial units within Lakeside Ville Phase III[f] Lane 1517 Huqingping Highway, Qingpu District, Shanghai	Comparison Method	Price per square metre of gross floor area[1]	**Aboveground: $5,800 - $6,200** **Basement: $900 - $1,000**	Aboveground: $6,400 - $9,000 Basement: $1,100 - $1,300
	Income Capitalisation Method	Capitalisation rate[2]	**Aboveground: 4.25% - 4.75%** **Basement: 4.25% - 4.75%**	– –
	Discounted Cash Flow Method	Discount rate[2]	**–** **–**	Aboveground: 6.5% Basement: 6.5%
		Terminal yield rate[2]	**–** **–**	Aboveground: 4.5% Basement: 4.5%
55 underground carpark lots at Luyinyuan[f] Lane 558 Baochun Road, Minhang District, Shanghai	Comparison Method	Sale price per car park lot[1]	**$47,300 - $58,000**	$51,300 - $68,400
2 apartment units at Lakeside Ville Phase III[f] Unit 201 in Block 363 and Unit 1102 in Block 391 Lakeside Ville Phase III, Lane 1517 Huqingping Highway, Qingpu District, Shanghai	Comparison Method	Price per square metre of gross floor area[1]	**$10,000 - $11,700**	$11,300 - $12,800

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14 Investment properties (cont'd)

Fair value adjustments (cont'd)

Notes:

* Net income margin = net property income/annual gross rental income.
(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 valuation was performed by Jones Lang LaSalle Property Consultants Pte Ltd. In 2021, the valuation was performed by Savills Valuation and Professional Services (S) Pte Ltd.
(b) The valuations were performed by Savills Valuation and Professional Services (S) Pte Ltd for both years.
(c) The valuation was performed by Jones Lang LaSalle Property Consultants Pte Ltd.
(d) The valuations were performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd for both years.
(e) The valuations were performed by CBRE Valuations Pty Limited for both years.
(f) The valuations were performed by Knight Frank Petty Limited. In 2021, the valuations were performed by Beijing Colliers International Real Estate Valuation Co., Ltd.

Operating lease disclosure

During the year, rental income from the Group's investment properties which were all leased under operating leases amounted to $43,173,000 (2021: $45,680,000) (Note 28). Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $13,675,000 (2021: $16,646,000). Information on operating lease commitments is disclosed in Note 39 to the financial statements.

Details of collateral

As at 31 December 2022, investment properties amounting to $1,316,826,000 (2021: $1,319,753,000) were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in Note 19 to the financial statements.

List of completed investment properties

The carrying amounts of completed investment properties held by the Group as at 31 December 2022 and 2021 are as follows:

Name of property	Description	Tenure	Estimated lettable area (sq m)	Group's effective equity interest	2022 $'000	2021 $'000
Singapore						
18 Robinson 18 Robinson Road	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 729X, 616W, 691X, 99280A, 99287W and 99289P) 99-years from 2013 (Lots 731N and 488P)	17,784	100%	**683,000**	671,500
Link@896 896 Dunearn Road	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)	18,006	100%	**388,000**	388,000
Site at 870 Dunearn Road	Redevelopment site	Estate in Fee Simple (Lot 829N)	1,592[1]	100%	**58,000**	–
The Oxley 9 Oxley Rise #01-01 to #01-10, #02-01 to #02-14, #03-01 to #03-14	3 floors of commercial space within a 10-storey building including residential units	Freehold	1,484	100%	**40,625**	37,926
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin	3 out of a total of 24 strata units of a 5-storey industrial building	999 years from 1885	2,100	100%	**14,820**	14,820
Far East Finance Building #11-01/02 14 Robinson Road	1 strata unit (floor) within a 13-storey commercial building and a basement	999 years from 1884	284	100%	**10,700**	10,000
					1,195,145	1,122,246

(1) Refers to land area.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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	2022 A$'000[1]	2021 A$'000[1]	2022 S$'000	2021 S$'000
Australia								
Commercial Centre within Grand Hyatt Melbourne complex	4 retail tenancies located along Collins Street, additional tenancy space within the complex and a basement tenancy space	Freehold	3,024[2]	100%	**92,000**	94,000	**83,784**	92,458
Commercial Centre & Carpark within Hyatt Regency Perth complex and 2 vacant land of 3,072 sqm	3-level commercial building and plaza level shops and suites with 2-levels of basement carpark	Freehold	22,644[2][3]	100%	**100,300**	101,800	**91,343**	100,131
25 George Parade Melbourne	A single storey commercial building	Freehold	135	100%	**5,000**	5,000	**4,554**	4,918
					197,300	200,800	**179,681**	197,507

(1) Figures in A$ are for information only.
(2) Refers to the estimated lettable area of the commercial centre.
(3) Includes additional lettable area under construction.

Name of property	Description	Tenure	Estimated lettable / gross floor area (sq m)	Group's effective equity interest	2022 RMB'000[1]	2021 RMB'000[1]	2022 S$'000	2021 S$'000
China								
No. 2950 Chunshen Road Minhang District, Shanghai	A 3-storey commercial building	57 years from 2008	2,170	100%	**31,900**	31,900	**6,163**	6,814
Lakeside Ville Phase III, Lane 1517 Huqingping Highway, Qingpu district, Shanghai	6 shop units and basement commercial units	70 years from 1997	3,896	100%	**26,700**	26,800	**5,158**	5,724
	2 apartment units		634	100%	**32,600**	32,600	**6,299**	6,964
Lane 558 Baochun Road, Minhang district, Shanghai	55 underground carpark lots	60 years from 2005	2,403	100%	**14,000**	14,000	**2,705**	2,990
					105,200	105,300	**20,325**	22,492

(1) Figures in RMB are for information only.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15 Investments in subsidiaries

	Company	
	2022	**2021**
	$'000	**$'000**
Quoted shares, at cost	**–**	115,976
Unquoted shares, at cost	**725,533**	606,838
Loan to a subsidiary	**61,402**	103,115
Deemed investment arising from financial guarantees	**92,275**	79,543
	879,210	905,472
Less: Allowance for impairment	**(115,381)**	(139,619)
	763,829	765,853
Fair value of investment in a subsidiary for which there are published price quotations[(1)]	**–**	19,280

Details of the Company's significant subsidiaries are disclosed in Note 42 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 $11,033,000 (2021: $4,862,000) is disclosed under the Company's non-trade payables in Note 20 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	
	2022	**2021**
	$'000	**$'000**
Allowance for impairment		
At 1 January	**(139,619)**	(121,084)
Reversal of allowance/(Allowance) for impairment, net	**11,337**	(18,535)
Written off	**12,901**	–
	24,238	(18,535)
At 31 December	**(115,381)**	(139,619)

During the year, a reversal of impairment loss amounting to $11,337,000 (2021: impairment loss of $18,535,000) was made in respect of the Company's investments in certain subsidiaries to reflect the carrying values of the investments to the recoverable amounts after taking into account the current financial position of the subsidiaries.

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, of which advances amounting to $40,000,000 (2021: $80,000,000) bear interest rate at 6.5% per annum (2021: 3.8% per annum). The remaining advances of $21,402,000 (2021: $23,115,000) are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15 Investments in subsidiaries (cont'd)

Non-wholly owned subsidiaries

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	
		2022	2021	2022 $'000	2021 $'000	2022 $'000	2021 $'000
SP Corporation Pte. Ltd. (formerly known as SP Corporation Limited) and its subsidiaries[(1)]	Various	**–**	19.8%	**(229)**	(256)	**–**	11,055
TSRC Novena Pte. Ltd.	Singapore	**30%**	30%	**(1,218)**	(1,306)	**1,541**	359
Goodworth Investment Pte Ltd, Splendourland Pte Ltd, PT Goodworth Investments[(2)]	Singapore & Indonesia	**–**	10%	**(294)**	(280)	**–**	2,853
Individually immaterial subsidiaries with non-controlling interests	Various			**–**	–	**–**	(50)
				(1,741)	(1,842)	**1,541**	14,217

Notes:

(1) During the year, the Company acquired the remaining 19.8% interests in SP Corporation Limited for a purchase consideration of $11,055,000. The acquisition was effected by way of a scheme of arrangement in accordance with Section 210 of the Companies Act 1967 and the Singapore Code on Take-overs and Mergers. SP Corporation Limited was subsequently delisted from the Official List of the SGX-ST on 23 December 2022, and converted from a public company to a private company on 27 December 2022 under the new name SP Corporation Pte. Ltd.

(2) During the year, the Company acquired the remaining 10% interests in Goodworth Investment Pte Ltd and Splendourland Pte Ltd from a related party for a purchase consideration totalling $3,245,000 and repaid shareholder loans totalling $2,881,000 to the related party (Note 37).

The summarised financial information of SP Corporation Pte. Ltd. and its subsidiaries on a 100% basis as at 31 December 2021 is set out below:

	2021 $'000
Current assets	56,398
Non-current assets	578
Current liabilities	(780)
Non-current liabilities	(391)
Equity attributable to owners	55,805
Revenue for the year	50,269
Expenses for the year	(51,527)
Net loss for the year	(1,258)
Other comprehensive income for the year	329
Total comprehensive income for the year	(929)
Net cash inflow from operating activities	14,788
Net cash outflow from investing activities	(7)
Net cash outflow from financing activities	(100)
Net cash inflow for the year	14,681

16 Investments in equity accounted investees

	Group	
	2022	2021
	$'000	$'000
Unquoted equity shares, at cost	**109,710**	108,960
Exchange differences on consolidation	**(2,805)**	4,018
Share of post-acquisition results and reserves, net of dividends and distributions received	**59,291**	30,862
	166,196	143,840

Equity accounted investees

Associates

The Group equity accounted for Gul Technologies Singapore Pte Ltd ("GulTech"), Sanya Summer Real Estate Co. Ltd ("SSRE") and Pan-West (Private) Limited ("Pan-West"). In August and September 2021, GulTech divested a total of 17.5% of its equity stake in Gultech (Jiangsu) Electronics Co., Ltd ("Gultech Jiangsu") and the effects of this divestment was included in the share of post-acquisition reserves. Details of the Group's significant associates are disclosed in Note 43 to the financial statements.

The Group's share of net assets and total comprehensive income of its associates is set out below:

	Note	Group	
		2022	2021
		$'000	$'000
Share of net assets			
At 1 January		**119,588**	152,547
Exchange differences on consolidation		**(3,727)**	3,239
Share of total comprehensive income (refer to below)		**27,459**	28,048
Share of post-acquisition reserves		**1,093**	2,422
Dividends		**–**	(66,668)
At 31 December		**144,413**	119,588
Share of total comprehensive income			
Share of results before fair value adjustments		**30,395**	28,399
Share of fair value loss on financial instruments	32	**(2,936)**	(351)
Share of total comprehensive income for the year		**27,459**	28,048

	Note	Group		Company	
		2022	2021	2022	2021
		$'000	$'000	$'000	$'000
Amounts due from associate (non-trade)	6	**951**	945	**18**	–

The non-trade amount due from associate was unsecured, interest-free, and repayable on demand.

Share of the associates' capital commitments is disclosed in Note 39 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)

Associates (cont'd)

GulTech and its subsidiaries

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

	2022	2021	2022	2021
	US$'000[1]	US$'000[1]	S$'000	S$'000
Current assets	**268,313**	236,864	**360,373**	322,277
Non-current assets	**163,147**	164,094	**219,123**	223,267
Current liabilities	**(120,017)**	(145,115)	**(161,195)**	(197,443)
Non-current liabilities	**(87,076)**	(79,120)	**(116,952)**	(107,650)
	224,367	176,723	**301,349**	240,451
Non-controlling interests	**(6,151)**	(5,055)	**(8,261)**	(6,878)
Equity attributable to owners	**218,216**	171,668	**293,088**	233,573
Revenue for the year	**453,341**	452,687	**624,931**	608,095
Net profit for the year	**45,039**	47,155	**62,086**	63,343

[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:

	2022	2021	2022	2021
	RMB'000[1]	RMB'000[1]	S$'000	S$'000
Current assets	**1,516,183**	1,252,872	**292,927**	267,613
Non-current assets	**1,691**	1,450	**327**	310
Current liabilities	**(544,976)**	(402,944)	**(105,289)**	(86,069)
Non-current liabilities	**(426,333)**	(295,000)	**(82,368)**	(63,012)
Equity attributable to owners	**546,565**	556,378	**105,597**	118,842
Net loss for the year	**(9,783)**	(7,857)	**(2,010)**	(1,635)

[1] Figures in RMB are for information.

Pan-West

The Group had recognised its share of losses of $4,998,000 (2021: $4,998,000) (Note 20) 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.

Since prior years, 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 $8,081,000 (2021: $8,348,000) as at the end of the year was not recognised.

Joint ventures

The Group equity accounted for Greenwillow-AREI Partners Pte. Ltd. ("GAP"), TSME Mitra I Pte. Ltd. ("TSME") and TSME Mitra III Pte Ltd, which was incorporated during the year. The Group jointly controls the ventures with the other partners under the contractual agreements which require unanimous consent for all major decisions over the relevant activities. In 2021, the Group through TSME entered into a joint venture arrangement to develop a property in Karawang, east of Jakarta, into an international luxury outlet mall.

Details of the Group's significant joint ventures are disclosed in Note 43 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)
Joint ventures (cont'd)
The Group's share of net assets and total comprehensive income of its joint ventures is set out below:

	Note	2022 S$'000	2021 S$'000
Share of net assets			
At 1 January		**24,252**	–
Exchange differences on consolidation		**(3,096)**	233
Cost of initial recognition		**750**	23,000
Share of total comprehensive (loss)/income (refer to below)		**(123)**	1,019
At 31 December		**21,783**	24,252
Share of total comprehensive (loss)/income			
Share of results before fair value adjustments		**(471)**	(67)
Share of fair value gain on investment property	32	**348**	1,086
Share of total comprehensive (loss)/income for the year		**(123)**	1,019

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Amounts due from joint ventures					
- trade		**21**	–	**–**	–
- non-trade		**38**	56	**9**	36
Non-current amount due from joint venture (non-trade)		**8,000**	–	**–**	–
Allowance for impairment loss		**(11)**	(11)	**–**	–
Presented in trade and other receivables	6	**8,048**	45	**9**	36

The amounts due from joint ventures are unsecured and interest-free. The non-current amount due from joint venture is unsecured, interest-free and repayable in 2026.

Share of the joint ventures' capital commitments is disclosed in Note 39 to the financial statements.

Greenwillow-AREI Partners Pte. Ltd.
The Group has ceased recognising GAP's losses after the Group's share of accumulated losses of $16,000 exceeded the Group's cost of investment of $5,000. Accordingly, an allowance for impairment loss of $11,000 (2021: $11,000) was made for amount due from GAP (Note 6).

TSME Mitra I Pte. Ltd. and its subsidiaries
The summarised financial information of TSME Mitra I Pte. Ltd. and its subsidiaries on a 100% basis is set out below:

	2022 S$'000	2021 S$'000
Current assets	**13,629**	7,611
Non-current assets	**50,072**	41,049
Current liabilities	**(1,221)**	(156)
Non-current liabilities	**(20,399)**	–
Equity attributable to owners	**42,081**	48,504
Net (loss)/profit for the period	**(231)**	2,039

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16 Investments in equity accounted investees (cont'd)

Equity accounted investees (cont'd)
Joint ventures (cont'd)
TSME Mitra III Pte. Ltd. and its subsidiaries
The summarised financial information of TSME Mitra III Pte. Ltd. and its subsidiaries on a 100% basis is set out below:

	2022 S$'000	2021 S$'000
Current assets	**1,491**	–
Current liabilities	**(7)**	–
Equity attributable to owners	**1,484**	–
Net loss for the period	**(16)**	–

17 Investment in financial asset

	Group	
	2022 $'000	2021 $'000
Investment in equity instrument designated at fair value through other comprehensive income ("FVTOCI")		
Unquoted equity shares	**26,192**	29,639

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 2022 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 of $3,447,000 (2021: fair value gain of $296,000) was recognised in other comprehensive income (Note 35).

The investment is held for long-term strategic purpose and is not held for trading. Accordingly, management has elected to designate the investment 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 2022 and 2021, 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 methodologies and significant unobservable inputs used in the fair value measurement as at 31 December 2022 and 2021 are as follows:

Financial asset at FVTOCI	Fair value (net assets) 2022 $'000	Fair value (net assets) 2021 $'000	Valuation methodology	Significant unobservable inputs (Level 3)	Range 2022	Range 2021
Unquoted equity shares	**26,192**	29,639	Income approach	Revenue growth rate[1]	**6% - 8%**	0% - 8%
				Discount rate[2]	**11.4%**	10.7%

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18 Deferred tax assets and liabilities

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

	Group 2022 $'000	Group 2021 $'000
Deferred tax assets and liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**257**	176
Revaluation of properties	**4,265**	4,720
Foreign income not remitted and which will be subject to tax if remitted in the future	**47,625**	46,708
Unutilised tax losses	**(7,604)**	(6,806)
Others	**(911)**	407
	43,632	45,205
Represented by:		
Deferred tax assets	**(1,566)**	(172)
Deferred tax liabilities	**45,198**	45,377
	43,632	45,205

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 2022		**176**	**–**	**4,720**	**46,708**	**(6,806)**	**407**	**45,205**
Exchange differences on consolidation		**(19)**	**–**	**(453)**	**(3,174)**	**298**	**96**	**(3,252)**
Transfer from income tax payable		**–**	**–**	**(35)**	**–**	**–**	**46**	**11**
Charged/(Credited) to profit or loss	34	**100**	**–**	**33**	**(1,371)**	**(1,096)**	**(1,460)**	**(3,794)**
Charged to other comprehensive income	35	**–**	**–**	**–**	**5,462**	**–**	**–**	**5,462**
At 31 December 2022		**257**	**–**	**4,265**	**47,625**	**(7,604)**	**(911)**	**43,632**
At 1 January 2021		164	2,121	4,331	44,689	(5,967)	(200)	45,138
Exchange differences on consolidation		(1)	–	206	(1,096)	87	16	(788)
Transfer to income tax payable		–	(2,121)	32	–	–	(32)	(2,121)
Charged/(Credited) to profit or loss	34	13	–	151	522	(926)	623	383
Credited to other comprehensive income	35	–	–	–	2,593	–	–	2,593
At 31 December 2021		176	–	4,720	46,708	(6,806)	407	45,205

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18 Deferred tax assets and liabilities (cont'd)

Deferred tax liabilities relating to equity interest in GHG

Deferred tax liabilities included an amount of $32,118,000 (2021: $34,433,000) 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 $296,000 (2021: $289,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

Deferred tax benefits not recognised

At the end of the reporting year, the Group had, subject to the agreement by the tax authorities, unutilised tax losses of $51,538,000 (2021: $43,880,000) and capital allowances of $27,308,000 (2021: $30,524,000) 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.

19 Loans and borrowings

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Short-term borrowings				
Bank loans	**332,133**	358,977	**–**	–
Notes issued under secured MTN Programme	**–**	199,529	**–**	–
	332,133	558,506	**–**	–
Long-term borrowings				
Bank loans	**806,418**	597,554	**–**	–
Notes issued under unsecured MTN Programme	**139,610**	196,668	**139,610**	196,668
	946,028	794,222	**139,610**	196,668
Total borrowings	**1,278,161**	1,352,728	**139,610**	196,668
Represented by:				
Interest-bearing liabilities	**1,282,778**	1,358,919	**141,750**	200,000
Capitalised finance costs	**(4,617)**	(6,191)	**(2,140)**	(3,332)
	1,278,161	1,352,728	**139,610**	196,668
Security profile				
Secured borrowings				
Current	**330,894**	557,291	**–**	–
Non-current	**803,972**	593,869	**–**	–
	1,134,866	1,151,160	**–**	–
Unsecured borrowings				
Current	**1,239**	1,215	**–**	–
Non-current	**142,056**	200,353	**139,610**	196,668
	143,295	201,568	**139,610**	196,668
Total borrowings	**1,278,161**	1,352,728	**139,610**	196,668

In FY2022, the Group has a secured loan of $270,000,000 due in June 2023. Subsequent to the year ended 31 December 2022, the Group received a term-sheet subject to documentation and final credit approval from the lenders to refinance the loan with a new maturity date in July 2026.

In FY2021, the Group had a secured loan of $105,060,000 due in August 2022. On 2 March 2022, the loan agreement was executed and the maturity date was extended to August 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19 Loans and borrowings (cont'd)

Multicurrency Medium Term Note Programme

The Company has in place an unsecured S$900 million Multicurrency Medium Term Note ("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.

The Company issued S$65 million Series III notes on 19 May 2020. The Series III notes have a tenor of two years and bear a fixed interest rate of 7.75% per annum payable semi-annually in arrears. The Company purchased S$40 million of the notes on 15 October 2021 under a tender offer and redeemed the remaining S$25 million notes on 29 November 2021 at 102% of the principal amounts, resulting in a loss on extinguishment of financial liability (Note 31).

The Company issued S$200 million Series IV notes on 18 October 2021. The Series IV notes have a tenor of three years and bear a fixed interest rate of 6.90% per annum payable semi-annually in arrears. The Company purchased S$58.25 million of the notes on 18 November 2022 under a tender offer at 101% of the principal amounts, resulting in a loss on extinguishment of financial liability (Note 31).

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 issued S$200 million Series I notes on 18 October 2019. The Series I notes have a tenor of three years and bear a fixed rate of 2.80% per annum payable semi-annually in arrears. The notes were redeemed in full on 18 October 2022.

Details of collateral

Loans and borrowings from banks were secured over the Group's cash and cash equivalents (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 40).

Interest rate profile

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Loans and borrowings				
Fixed rate	**143,295**	500,837	**139,610**	196,668
Variable rate	**1,134,866**	851,891	**–**	–
	1,278,161	1,352,728	**139,610**	196,668

The Group's exposure to fair value interest rate risk as at 31 December 2022 is disclosed in Note 41(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 41(a) and 41(d) respectively to the financial statements.

Loan maturity profile

The non-current borrowings are generally repayable from 25 March 2024 to 18 November 2025 (2021: 30 June 2023 to 18 November 2025). Information relating to the maturity profile of the Group's loans and borrowings is disclosed in Note 41(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 2022	Financing cash flow(i)	New lease liabilities	Foreign exchange movement	Other changes(ii)	31 December 2022
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Loans and borrowings(1)	**1,352,728**	**(52,078)**	**–**	**(23,951)**	**1,462**	**1,278,161**
Lease liabilities	**114**	**(58)**	**17**	**(3)**	**2**	**72**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19 Loans and borrowings (cont'd)

Reconciliation of liabilities arising from financing activities (cont'd)

	1 January 2021 $'000	Financing cash flow[i] $'000	New lease liabilities $'000	Foreign exchange movement $'000	Other changes[ii] $'000	31 December 2021 $'000
Group						
Loans and borrowings[1]	1,757,651	(396,340)	–	(9,350)	767	1,352,728
Lease liabilities	138	(54)	58	(2)	(26)	114

[1] Includes borrowings of $292,698,000 under liabilities directly associated with asset classified as held for sale as at 1 January 2021.
[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 capitalised finance costs and payments.

20 Trade and other payables

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Trade					
Trade payables - current		**11,921**	11,392	**–**	–
Non-trade					
Other creditors		**29,716**	29,896	**1,029**	563
Other provisions		**2,551**	6,573	**–**	–
Advanced billings		**10,078**	8,128	**–**	–
Accrued operating expenses		**39,966**	26,457	**8,007**	6,808
Accrued interest expenses		**5,980**	5,404	**2,010**	2,836
Financial guarantees to subsidiaries	15	**–**	–	**11,033**	4,862
Amounts due to subsidiaries	21	**–**	–	**528,616**	562,555
Amounts due to related parties	22	**–**	2,311	**–**	–
		88,291	78,769	**550,695**	577,624
Less: non- current portion		**(338)**	(400)	**–**	–
Total non-trade payables - current		**87,953**	78,369	**550,695**	577,624
Total trade and other payables - current		**99,874**	89,761	**550,695**	577,624
Total trade and other payables - non-current		**338**	400	**–**	–

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 (2021: 7 to 90 days) credit term. The Group manages liquidity risk of trade payables primarily by maintaining sufficient cash and credit facilities (Note 41(d)).

Included in other creditors of the Group is a financial guarantee of $4,998,000 (2021: $4,998,000) granted to its associate, Pan-West, being the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary (Note 16).

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 41 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21 Amounts due from/(to) subsidiaries

	Company	
	2022	**2021**
	$'000	**$'000**
Amounts due from subsidiaries - non-trade		
- Interest bearing	**–**	144,000
- Interest free	**485,268**	286,583
	485,268	430,583
Less: Allowance for impairment	**(39,982)**	(29,830)
	445,286	400,753
Amounts due to subsidiaries - non-trade		
- Interest bearing	**(142,080)**	(142,080)
- Interest free	**(386,536)**	(420,475)
	(528,616)	(562,555)
Movement in allowance for impairment		
At 1 January	**(29,830)**	(24,276)
Allowance made	**(10,152)**	(5,554)
At 31 December	**(39,982)**	(29,830)

Amounts due from/(to) subsidiaries are generally unsecured and are repayable on demand. Interest-bearing advances due from and to subsidiaries are charged at weighted average interest of Nil% (2021: 6.9%) per annum and 4.0% (2021: 1.8%) per annum respectively.

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 $10,152,000 (2021: $5,554,000) was made for amounts due from subsidiaries.

22 Amounts due from/(to) related parties

		Group	
	Note	**2022**	**2021**
		$'000	**$'000**
Amounts due from related parties:			
Trade – current	(a)	**295**	6,973
Non-trade – current			
- Loan	(b)	**–**	5,838
- Others		**–**	2
Total		**295**	12,813
Presented as:			
Amounts due from related parties, trade	6	**295**	6,973
Amounts due from related parties, non-trade	6	**–**	5,840
		295	12,813
Amounts due to related parties:			
Non-trade – current	20	**–**	(2,311)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

22 Amounts due from/(to) related parties (cont'd)

a) Included in the trade and other receivables of SP Corporation Limited ("SP Corp") as at 31 December 2021 were:

(i) An amount of $5,617,000 due from a related party, of which $5,206,000 was secured by two parcels of industrial land and building of the related party in Indonesia valued at approximately $18,714,000. Management had performed an impairment assessment and a loss allowance of $411,000, representing the interest on overdue trade receivables, was provided for as at 31 December 2021. Subsequent to the year ended 31 December 2021, the related party repaid the outstanding amount of $5,206,000 in full.

(ii) An amount of $2,443,000 due from another related party. Management had performed an impairment assessment for the balance outstanding as at year end and a loss allowance of $1,082,000, representing the interest on overdue trade receivables, was provided for as at 31 December 2021. Subsequent to the year ended 31 December 2021, the outstanding balance of $1,361,000 was fully repaid.

b) The loan of $5,000,000 to a related party was repayable within two years from 8 October 2019 and bore a fixed interest rate of 7.5% per annum. The loan was secured by the equity stake of 19.17% held by a minority shareholder in the related party. Upon maturity, the related party exercised the option to extend the loan and accrued interest totalling $5,750,000 for another year from 8 October 2021. The loan and interest receivables were repaid during the year.

23 Contract liabilities

Contract liabilities represent amounts of consideration billed to purchasers of the development properties in advance of the revenue recognised to-date based on the stage of completion of construction. As at 1 January 2021, contract liabilities amounted to $Nil.

24 Share capital

	Group and Company			
	2022	**2021**	**2022**	**2021**
	Number of shares ('000)		**$'000**	**$'000**
Issued and paid up:				
At 1 January	**1,201,565**	1,187,490	**181,695**	176,234
Issued under Scrip Dividend Scheme	**16,991**	14,680	**5,930**	5,461
Shares bought back and held as treasury shares	**(512)**	(605)	**–**	–
At 31 December	**1,218,044**	1,201,565	**187,625**	181,695

The Company has a single class of ordinary shares. All issued shares carry one vote per share and are entitled to receive dividends 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 16,991,000 (2021: 14,680,000) ordinary shares at an issue price of 34.9 cents (2021: 37.2 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 0.7 cent per share for the financial year ended 31 December 2021 (2021: 0.6 cent per share for the financial year ended 31 December 2020).

25 Treasury shares

	Group and Company			
	2022	**2021**	**2022**	**2021**
	Number of shares ('000)		**$'000**	**$'000**
At 1 January	**12,365**	11,760	**4,167**	3,891
Repurchased during the year	**512**	605	**202**	276
At 31 December	**12,877**	12,365	**4,369**	4,167

During the year, the Company acquired 512,000 (2021: 605,000) of its own shares through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $202,000 (2021: $276,000) and has been deducted from shareholders' equity. The shares are held as treasury shares.

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26 Reserves

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Asset revaluation reserve	**142,718**	127,916	**–**	–
Foreign currency translation account	**(79,843)**	(39,452)	**–**	–
Capital reserves	**226,187**	234,362	**101,264**	101,264
Investment revaluation reserve	**(4,724)**	(1,277)	**–**	–
Revenue reserve	**755,692**	751,123	**300,631**	308,868
	1,040,030	1,072,672	**401,895**	410,132

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 the translation of monetary items which form part of the Group's net investments in foreign operations at the end of the reporting period.

Capital reserves
Capital reserves comprise mainly capital reduction reserve of the Company, share of reserve of an associate, GulTech, distribution reserve of GHG which is used to record the balance of amounts available for distribution as defined by the Trust Deed and differences between the amounts by which the non-controlling interests are adjusted and the fair value of consideration paid for acquisition of additional interests in existing subsidiaries.

Investment revaluation reserve
Investment revaluation reserve represents the cumulative gains and losses arising on the revaluation of investment in equity instrument designated 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	
	2022	2021
	$'000	$'000
Tax-exempt one-tier first and final dividend paid in respect of the previous year		
Cash	**2,478**	1,663
Share	**5,930**	5,461
	8,408	7,124

The Directors proposed a tax exempt one-tier first and final dividend of 0.7 cent (2021: 0.7 cent) per share amounting to $8,526,000 (2021: $8,408,000), 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 2022.

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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28 Revenue (cont'd)

A disaggregation of the Group's revenue for the year, is as follows:

	Note	Group 2022 $'000	Group 2021 $'000
Segment Revenue			
Revenue from contracts with customers:			
Sale of products		**9,213**	59,217
Sale of development properties and services rendered		**78,027**	91,643
Hotel operations and related income		**85,450**	45,096
Services rendered		**186**	169
Others		**9,248**	6,909
		182,124	203,034
Rental income from investment properties	14	**43,173**	45,680
		225,297	248,714
At a point of time:			
Sale of products		**9,213**	59,217
Sale of completed development properties		**–**	37,424
Hotel operations – food and beverage		**23,209**	14,269
Over time:			
Sale of development properties under construction		**77,983**	53,714
Hotel operations – room sales and other income		**62,241**	30,827
Services rendered		**230**	674
Others		**9,248**	6,909
		182,124	203,034

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 $77,983,000 (2021: $53,714,000) whereby the revenue is recognised based on the stage of completion method.

As at 31 December 2022, the transaction price allocated to performance obligations that are partially satisfied amounted to $61,811,000 (2021: $58,694,000). Management expects this amount to be recognised as revenue during the next financial period.

29 Other net operating (expenses)/income

	Group 2022 $'000	Group 2021 $'000
Bad debts written off	**(145)**	(104)
Foreign exchange (loss)/gain, net	**(6,114)**	1,705
Government grant income	**128**	3,579
Net gain on disposal of a subsidiary	**–**	88,953
Write back of allowance/(Allowance) for doubtful trade and other receivables, net	**126**	(914)
Other income/(expenses)	**875**	(388)
	(5,130)	92,831

30 Interest income

	Group 2022 $'000	Group 2021 $'000
Interest income on bank deposits	**4,105**	1,694
Interest income from debtors	**–**	30
Interest income from related parties	**288**	632
Interest income – others	**137**	–
	4,530	2,356

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31 Finance costs

	Group	
	2022 $'000	2021 $'000
Interest expense on loans and borrowings	**46,708**	34,437
Amortisation of capitalised finance costs	**3,451**	8,224
Loss on extinguishment of financial liability	**583**	1,300
Interest expense on lease liabilities	**11**	3
	50,753	43,964

32 Fair value adjustments

	Group	
	2022 $'000	2021 $'000
Fair value gain/(loss) from:		
- Subsidiaries	**2,894**	(4,169)
- Share of equity accounted investees	**(2,588)**	735
	306	(3,434)
Represented by:		
Fair value adjustments in respect of:		
- investment properties	**6,106**	(3,012)
- property, plant and equipment	**(2,864)**	(71)
- financial instruments	**(2,936)**	(351)
	306	(3,434)

The fair value adjustments are analysed as follows:

		Group		
	Note	Gross $'000	Deferred tax $'000	Net $'000
31 December 2022				
Fair value gain on investment properties				
Subsidiaries	14	**5,758**	**2,588**	**8,346**
Share of an equity accounted investee	16	**348**	**–**	**348**
		6,106	**2,588**	**8,694**
Revaluation loss on property, plant and equipment				
Subsidiaries	12	**(2,864)**	**859**	**(2,005)**
Fair value loss on financial instruments				
Share of an equity accounted investee	16	**(2,936)**	**–**	**(2,936)**
		306	**3,447**	**3,753**
31 December 2021				
Fair value gain/(loss) on investment properties				
Subsidiaries	14	(4,098)	(2,083)	(6,181)
Share of an equity accounted investee	16	1,086	–	1,086
		(3,012)	(2,083)	(5,095)
Revaluation loss on property, plant and equipment				
Subsidiaries	12	(71)	21	(50)
Fair value loss on financial instruments				
Share of an equity accounted investee	16	(351)	–	(351)
		(3,434)	(2,062)	(5,496)

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33 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	
	2022	**2021**
	$'000	**$'000**
Allowance/(Write-back of allowance) for diminution in value for development properties (included in cost of sales)	**450**	(499)
Expenses relating to short term leases (included in administrative expenses)	**97**	39
Cost of inventories recognised as an expense	**5,191**	57,613
Net gain on disposal of property, plant and equipment (included in other net operating income/expenses)	**(9)**	(3)
Property, plant and equipment written off (included in other net operating income/expenses)	**993**	260
Auditors' remuneration[1]		
Audit fees:		
- Auditors of the Company	**459**	470
- Other auditors	**281**	294
Non-audit fees:		
(i) Audit related services		
- Auditors of the Company	**38**	88
(ii) Non-audit related services		
- Auditors of the Company	**79**	105
- Other auditors	**81**	160
Directors' remuneration		
Of the Company:		
- Salaries and wages	**2,390**	2,241
Of the subsidiaries:		
- Salaries and wages	**592**	410
- Defined contribution plans	**21**	20
	3,003	2,671
Employees benefit expenses (excluding Directors' remuneration)		
- Salaries and wages	**44,196**	37,381
- Defined contribution plans	**3,937**	1,693
- Others	**5,702**	652
	53,835	39,726

[1] 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 is of the opinion that these services would not affect the independence of the auditors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

34 Income tax (credit)/expense

	Note	Group	
		2022	2021
		$'000	$'000
Current income tax:			
- Current		**201**	1,677
- (Over)/Underprovision in prior years		**(1,754)**	192
		(1,553)	1,869
Deferred tax:			
- Origination and reversal of temporary differences		**(3,794)**	1,036
- Overprovision in prior years		**–**	(653)
	18	**(3,794)**	383
Withholding tax		**3,231**	43
		(2,116)	2,295

Singapore income tax is calculated at 17% (2021: 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	
	2022	2021
	$'000	$'000
Profit before income tax	**734**	84,115
Income tax calculated at 17% (2021: 17%)	**125**	14,300
Adjustments:		
Share of results of equity-accounted investees	**(5,087)**	(4,816)
Expenses not deductible for tax purposes	**5,351**	6,683
Tax losses not recognised as deferred tax assets	**2,783**	1,571
Tax losses not available for set-off against future income	**2,275**	1,875
Different tax rates of subsidiaries operating in other jurisdictions	**1,180**	1,629
Income not subject to tax	**(7,085)**	(17,273)
Utilisation of tax losses and capital allowance previously not recognised	**(1,655)**	(1,075)
Overprovision in prior years	**(1,754)**	(461)
Withholding tax expense	**3,231**	43
Others	**(1,480)**	(181)
	(2,116)	2,295

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35 Other comprehensive income

	Note	Group		
		Before tax $'000	Deferred tax $'000	After tax $'000
31 December 2022				
Other comprehensive (loss)/income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	**20,264**	**(5,462)**	**14,802**
Fair value loss on investment in equity instrument designated at FVTOCI	17	**(3,447)**	**–**	**(3,447)**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**(34,975)**	**–**	**(34,975)**
Share of exchange differences on translation of equity accounted investees		**(5,333)**	**–**	**(5,333)**
		(23,491)	**(5,462)**	**(28,953)**
31 December 2021				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	12	6,912	(1,997)	4,915
Fair value gain on investment in equity instrument designated at FVTOCI	17	296	–	296
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(3,301)	–	(3,301)
Share of exchange differences on translation of equity accounted investees		2,752	–	2,752
Cash flow hedges		1,986	(596)	1,390
		8,645	(2,593)	6,052

In 2021, 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$177,000,000 have fixed interest payments at a weighted average fixed rate of 1.19% per annum and have a floating interest rate of 3-month Bank Bill Swap Bid Rate. These interest rate swap contracts were terminated on 4 January 2022 following the refinancing of bank borrowings in December 2021. In 2021, the fair value change of these interest rate swaps amounting to $1,986,000 has been recognised in other comprehensive income.

36 Earnings per share

The 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
31 December 2022				
Profit before tax		**428**	**306**	**734**
Income tax (expense)/credit	32, 34	**(1,331)**	**3,447**	**2,116**
(Loss)/Profit for the year		**(903)**	**3,753**	**2,850**
Non-controlling interests		**1,741**	**–**	**1,741**
Profit attributable to owners of the Company		**838**	**3,753**	**4,591**
31 December 2021				
Profit before tax		87,549	(3,434)	84,115
Income tax expense	32, 34	(233)	(2,062)	(2,295)
Profit for the year		87,316	(5,496)	81,820
Non-controlling interests		1,842	–	1,842
Profit attributable to owners of the Company		89,158	(5,496)	83,662

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36 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	
	2022	2021
	$'000	$'000
Profit attributable to owners of the Company		
Before fair value adjustments	**838**	89,158
Fair value adjustments	**3,753**	(5,496)
After fair value adjustments	**4,591**	83,662
Weighted average number of ordinary shares for the purpose of computation of basic and diluted earnings per share ('000)	**1,210,093**	1,194,929
Basic and diluted earnings per share (cents)		
Including fair value adjustments	**0.4**	7.0
Excluding fair value adjustments	**0.1**	7.5

There are no dilutive potential ordinary shares in issue for 2022 and 2021.

37 Significant related party transactions

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.

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	
	2022	2021
	$'000	$'000
Transactions with major shareholder		
Sale of products and services rendered	**44**	7,250
Rental income	**1,779**	1,934
Interest income	**288**	632
Purchase of products and services[(a)]	**–**	(47,730)
Purchase of property, plant and equipment	**–**	(54)
MTN interest expense	**(397)**	(82)
Compensation in lieu of delivery of outstanding coal allocation	**–**	165
Recovery of reinstatement works in relation to a lease	**150**	–
Rental deposits received	**426**	–
Acquisition of non-controlling interests in subsidiaries and repayment of shareholder loans	**(6,126)**	–
Transactions with associates		
Management fee income	**–**	135
Transactions with Directors of the Company and their associates		
Option deposits received from sale of 3 property units	**–**	23
MTN interest expense	**(69)**	(60)
Transactions with key management personnel of the Group		
Sales of development properties	**–**	159
MTN interest expense	**(121)**	(91)

(a) In 2021, the Group is reliant on two related parties for the supply of 100% of its coal. In 2022, the Group did not purchase any coal from the related parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37 Significant related party transactions (cont'd)

At the end of the reporting year, the Group had commitments to lease certain commercial properties to the major shareholder. These non-cancellable operating leases have remaining lease terms of 32 months to 55 months (2021: 2 months to 67 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	
	2022	2021
	$'000	$'000
Commitment with major shareholder		
Operating leases:		
- Within one year	**2,624**	938
- Year 2	**2,637**	452
- Year 3	**1,911**	466
- Year 4	**447**	480
- Year 5	**265**	494
- After five years	**–**	293
	7,884	3,123

Remuneration of Directors and key management personnel

	Group	
	2022	2021
	$'000	$'000
Short-term benefits and fees	**5,109**	4,796
Post-employment benefits (defined contribution plan)	**76**	77
	5,185	4,873

38 Disposal of a subsidiary

On 6 November 2020, the 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. 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. The outstanding bank loans of $292,286,000 at the date of disposal was fully repaid and the net assets of disposed group were derecognised at $406,276,000.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

38 Disposal of a subsidiary (cont'd)

The cash flows and the net assets at the date of disposal are provided below:

	Group
	2021
	$'000
Non-current assets	
Investment property	405,000
Current assets	
Trade and other receivables	655
Cash and cash equivalents	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	406,276
Consideration	
Cash received	451,276
Deposit collected in prior year	50,000
Net cash inflow on disposal	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

39 Commitments

Capital commitments

	Group	
	2022	2021
	$'000	$'000
Development and investment properties expenditure contracted for but not provided in the financial statements	**62,672**	26,103
Share of commitments of equity-accounted investees		
- Capital expenditure contracted for but not provided in the financial statements	**18,694**	17,377

Operating lease commitments - where the Group is a lessor

The Group enters into commercial property leases on its investment property portfolio 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 62 months (2021: 1 month and 69 months).

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.

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39 Commitments (cont'd)

Operating lease commitments - where the Group is a lessor (cont'd)

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

	Group	
	2022	**2021**
	$'000	**$'000**
Year 1	**39,354**	34,177
Year 2	**30,264**	26,627
Year 3	**18,414**	19,124
Year 4	**2,708**	10,393
Year 5	**1,534**	829
Year 6 and onwards	**18**	358
Total	**92,292**	91,508

40 Contingent liabilities

	Company	
	2022	**2021**
	$'000	**$'000**
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	**808,965**	802,799

41 Financial instruments, financial risks and capital 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 and 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 41(a) and 41(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 41(a) and 41(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

Categories of financial instruments

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

	Group		Company	
	2022	2021	**2022**	2021
	$'000	$'000	**$'000**	$'000
Financial assets				
Financial assets at FVTOCI	**26,192**	29,639	**–**	–
Financial assets at amortised cost	**369,056**	495,876	**509,159**	592,059
	395,248	525,515	**509,159**	592,059
Financial liabilities				
Financial liabilities at amortised cost	**1,363,297**	1,429,763	**679,272**	769,430
Financial guarantee contracts	**4,998**	4,998	**11,033**	4,862
Lease liabilities	**72**	114	**212**	8,812
	1,368,367	1,434,875	**690,517**	783,104

(a) Foreign currency risk management

The Group's subsidiaries, associates and joint ventures operate mainly in Singapore, Australia, Indonesia, China and Malaysia. 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, Indonesia 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.

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	USD	AUD	Others
	$'000	**$'000**	**$'000**	**$'000**
Group				
31 December 2022				
Financial assets				
Cash and cash equivalents	**335**	**1,400**	**50,535**	**60**
Trade and other receivables	**–**	**281**	**383**	**–**
	335	**1,681**	**50,918**	**60**
Financial liabilities				
Trade and other payables	**(60)**	**(323)**	**(36)**	**(7)**
Net financial assets	**275**	**1,358**	**50,882**	**53**
Net currency exposure	**275**	**1,358**	**50,882**	**53**
31 December 2021				
Financial assets				
Cash and cash equivalents	2,330	51,026	13,947	653
Trade and other receivables	30	961	–	33
	2,360	51,987	13,947	686
Financial liabilities				
Trade and other payables	(293)	(35)	–	(81)
Net financial assets	2,067	51,952	13,947	605
Net currency exposure	2,067	51,952	13,947	605

NOTES TO THE FINANCIAL STATEMENTS

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41 Financial instruments, financial risks and capital management (cont'd)

(a) Foreign currency risk management (cont'd)

Currency risk exposure (cont'd)

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:

	USD $'000	AUD $'000	MYR $'000
Company			
At 31 December 2022			
Financial assets			
Cash and cash equivalents	**1,367**	**50,535**	**–**
Trade and other receivables	**180**	**383**	**–**
	1,547	**50,918**	**–**
Financial liabilities			
Trade and other payables	**(88)**	**(36)**	**–**
Net financial assets	**1,459**	**50,882**	**–**
Net currency exposure	**1,459**	**50,882**	**–**
At 31 December 2021			
Financial assets			
Cash and cash equivalents	50,317	13,947	–
Trade and other receivables	–	–	83
	50,317	13,947	83
Financial liabilities			
Trade and other payables	–	(36,331)	–
Net financial (liabilities)/assets	50,317	(22,384)	83
Net currency exposure	50,317	(22,384)	83

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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Group				
Profit or Loss	**(28)**	(207)	**(136)**	(5,195)
Company				
Profit or Loss	**–**	–	**(146)**	(5,032)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

(a) Foreign currency risk management (cont'd)

Sensitivity analysis for currency risk (cont'd)

	AUD		Others	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Group				
Profit or Loss	**(5,088)**	(1,395)	**(5)**	(61)
Company				
Profit or Loss	**(5,088)**	2,238	**(19)**	(8)

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 management

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 variable rate bank loans and borrowings based on Swap Offer Rate ("SOR") or Singapore Interbank Offered Rate ("SIBOR"). The Group aims to optimize 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 41(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.

The Group is closely monitoring the market and the updates from the various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by the Association of Banks in Singapore ("ABS"), the Singapore Foreign Exchange Market Committee ("SFEMC"), and the Steering Committee for SOR Transition to SORA (SC-STS) ("IBOR Committees"). The IBOR Committees have confirmed that the Singapore Swap Offer Rate will be discontinued by 30 June 2023 and the SIBOR on a phased basis by 31 December 2024 respectively, and replaced by the Singapore Overnight Rate Average ("SORA").

As at 31 December 2022, the Group has transitioned bank borrowings linked to SOR amounting to $1,134,025,000 to SORA. The Group is in the final stages of discussions with the counterparties for the remaining SIBOR and SOR-linked bank borrowings amounting to $841,000. The Group does not have any non-derivative financial assets and derivatives that are referenced to interest rate benchmark subject to interest rate benchmark reform.

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 before tax would decrease or increase by $10,616,000 (2021: $8,129,000) and the Company's profit before tax would decrease or increase by $1,421,000 (2021: $1,421,000).

(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 cash equivalents 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital 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 $'000	Loss allowance $'000	Net carrying amount $'000
Group						
31 December 2022						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	**5,889**	**(182)**	**5,707**
Amount due from related parties	22	(i)	Lifetime ECL (simplified approach)	**295**	**–**	**295**
Amount due from joint venture	16	Performing	12-month ECL	**8,000**	**–**	**8,000**
Other receivables	6	(ii)	12-month ECL	**23,739**	**–**	**23,739**
Other receivables	6	In default	Lifetime ECL - credit-impaired	**83**	**(83)**	**–**
Contract assets	7	(i)	Lifetime ECL (simplified approach)	**79,327**	**–**	**79,327**
					(265)	
31 December 2021						
Trade receivables	6	(i)	Lifetime ECL (simplified approach)	9,896	(346)	9,550
Amount due from related parties	22	(i)	Lifetime ECL (simplified approach)	8,468	(1,493)	6,975
Loan to a related party	22	Performing	12-month ECL	5,838	–	5,838
Other receivables	6	(ii)	12-month ECL	11,410	–	11,410
Other receivables	6	In default	Lifetime ECL - credit-impaired	125	(125)	–
Contract assets	7	(i)	Lifetime ECL (simplified approach)	57,059	–	57,059
					(1,964)	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital 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 2022						
Other receivables	6	(ii)	12-month ECL	**946**	**–**	**946**
Other receivables	6	In default	Lifetime ECL - credit-impaired	**72**	**(72)**	**–**
Amount due from subsidiaries	21	Performing	12-month ECL	**445,286**	**–**	**445,286**
Amount due from subsidiaries	21	In default	Lifetime ECL - credit-impaired	**39,982**	**(39,982)**	**–**
					(40,054)	
31 December 2021						
Other receivables	6	(ii)	12-month ECL	645	–	645
Other receivables	6	In default	Lifetime ECL - credit-impaired	72	(72)	–
Amount due from subsidiaries	21	Performing	12-month ECL	400,753	–	400,753
Amount due from subsidiaries	21	In default	Lifetime ECL - credit-impaired	29,830	(29,830)	–
					(29,902)	

(i) For trade receivables, contract assets and amount due from related parties, 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. Notes 6 and 7 include further details on the loss allowance for these receivables.

(ii) For other receivables, the Group monitors the credit risk of other receivables based on the past due information, as well as those quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, to assess if there has been any significant increase in credit risk since initial recognition of the financial assets. Accordingly, the other receivables are measured on 12-month ECL or lifetime ECL, depending on whether there has been significant increase in the credit risk. Note 6 includes further details on the loss allowance for these receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital 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, there were no trade receivables with outstanding balances individually exceeding 5% of the Group's trade and other receivables as at 31 December 2022. As at 31 December 2021, trade amounts due from related parties included an amount of $8,060,000 which comprised 2 major customers with outstanding balances individually exceeding 5% of the Group's trade and other receivables.

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

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

	Group	
	2022	**2021**
	$'000	**$'000**
By geographical area		
Singapore	**1,169**	4,451
Australia	**3,046**	4,507
China (Including Hong Kong)	**294**	269
Malaysia	**1,491**	2,006
Indonesia	**23**	5,235
United States of America (USA)	**–**	55
	6,023	16,523
By type of customers		
Related parties	**316**	6,973
Non-related parties	**5,707**	9,550
	6,023	16,523
By operating segments		
Real Estate Investment	**1,994**	5,412
Real Estate Development	**341**	11
Hospitality	**2,197**	2,468
Industrial Services	**1,491**	8,632
	6,023	16,523

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital 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.

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	On demand or less than 1 year	Within 1 to 2 years	Within 2 to 5 years	Adjustment	Total
	% p.a.	$'000	$'000	$'000	$'000	$'000
Group						
31 December 2022						
Non-interest bearing	**–**	**84,798**	**338**	**–**	**–**	**85,136**
Lease liabilities (Fixed rate)	**2.0 – 3.6**	**35**	**31**	**9**	**(3)**	**72**
Fixed interest rate instruments	**2.0 – 6.9**	**11,082**	**150,849**	**1,192**	**(19,828)**	**143,295**
Variable interest rate instruments	**3.3 – 4.6**	**367,972**	**435,548**	**406,351**	**(75,005)**	**1,134,866**
Financial guarantee contracts	**–**	**4,998**	**–**	**–**	**–**	**4,998**
		468,885	**586,766**	**407,552**	**(94,836)**	**1,368,367**
31 December 2021						
Non-interest bearing	–	76,635	400	–	–	77,035
Lease liabilities (Fixed rate)	2.0 – 3.6	57	48	15	(6)	114
Fixed interest rate instruments	2.0 – 6.9	321,268	15,039	213,448	(48,918)	500,837
Variable interest rate instruments	1.0 – 1.8	212,612	332,085	337,648	(30,454)	851,891
Financial guarantee contracts	–	4,998	–	–	–	4,998
		615,570	347,572	551,111	(79,378)	1,434,875
Company						
31 December 2022						
Non-interest bearing	**–**	**397,582**	**–**	**–**	**–**	**397,582**
Lease liabilities (Fixed rate)	**2.0 – 2.8**	**196**	**10**	**7**	**(1)**	**212**
Fixed interest rate instruments	**6.9**	**9,781**	**149,548**	**–**	**(19,719)**	**139,610**
Variable interest rate instruments	**4.0**	**147,807**	**–**	**–**	**(5,727)**	**142,080**
Financial guarantee contracts	**–**	**11,033**	**–**	**–**	**–**	**11,033**
		566,399	**149,558**	**7**	**(25,447)**	**690,517**
31 December 2021						
Non-interest bearing	–	430,171	–	–	–	430,171
Other provision (Fixed rate)	2.8	202	34	307	(32)	511
Lease liabilities (Fixed rate)	2.0 – 2.8	3,097	2,173	3,975	(433)	8,812
Fixed interest rate instruments	6.9	13,800	13,800	211,002	(41,934)	196,668
Variable interest rate instruments	1.8	144,617	–	–	(2,537)	142,080
Financial guarantee contracts	–	4,862	–	–	–	4,862
		596,749	16,007	215,284	(44,936)	783,104

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital 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 are claimed by the counterparties to the guarantees is $808,965,000 (2021: $802,799,000). 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 (2021: $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 % 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 2022							
Non-interest bearing	**–**	**161,293**	**–**	**8,010**	**–**	**–**	**169,303**
Variable interest rate instruments	**0.01 – 3.4**	**73,310**	**–**	**–**	**–**	**(36)**	**73,274**
Fixed interest rate instruments	**1.3 – 4.5**	**126,696**	**–**	**–**	**–**	**(217)**	**126,479**
		361,299	**–**	**8,010**	**–**	**(253)**	**369,056**
31 December 2021							
Non-interest bearing	–	212,503	–	–	–	–	212,503
Variable interest rate instruments	0.01 – 1.5	38,978	–	–	–	(34)	38,944
Fixed interest rate instruments	0.02 – 8.0	246,528	–	–	–	(2,099)	244,429
		498,009	–	–	–	(2,133)	495,876
Company							
31 December 2022							
Fixed interest rate instruments	**1.3**	**55,577**	**–**	**–**	**–**	**(160)**	**55,417**
Non-interest bearing	**–**	**453,742**	**–**	**–**	**–**	**–**	**453,742**
		509,319	**–**	**–**	**–**	**(160)**	**509,159**
31 December 2021							
Fixed interest rate instruments	0.4 – 7.5	292,144	–	–	–	(10,087)	282,057
Non-interest bearing	–	310,002	–	–	–	–	310,002
		602,146	–	–	–	(10,087)	592,059

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

(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.

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 period, the Group'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 period, the Group's FVTOCI was measured based on Level 3. The fair value of the investment as at 31 December 2022 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	
	2022	2021
	$'000	$'000
Balance at 1 January	**29,639**	29,343
Fair value (loss)/gain	**(3,447)**	296
Balance at 31 December	**26,192**	29,639

(f) Capital management policies and objectives

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 19, issued share capital and reserves as disclosed in Notes 24 and 26 to the financial statements respectively.

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 19, less cash and cash equivalents as disclosed in Note 5 to the financial statements.

	Group	
	2022	2021
	$'000	$'000
Total borrowings	**1,278,161**	1,352,728
Total equity	**1,224,827**	1,264,417
Gross gearing (times)	**1.04**	1.07
Net borrowings	**1,026,173**	947,684
Total equity	**1,224,827**	1,264,417
Net gearing (times)	**0.84**	0.75

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41 Financial instruments, financial risks and capital management (cont'd)

(g) Equity price risk management

The Group is exposed to equity risks arising from equity investment classified at FVTOCI. Equity investment measured at FVTOCI is held for strategic rather than trading purposes. The Group does not actively trade in 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 $2,619,000 (2021: $2,964,000).

42 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	
				2022	**2021**
				%	**%**
Significant subsidiaries directly held by the Company					
Calypso Construction Management Pte. Ltd.		Construction management	Singapore	**100**	100
Clerodendrum Land Pte. Ltd.		Property development	Singapore	**100**	100
Episcia Land Pte. Ltd.		Property development	Singapore	**100**	100
Gerbera Land Pte. Ltd.		Property investment	Singapore	**100**	100
Oxley Development Pte Ltd		Property investment	Singapore	**100**	100
Pemimpin Properties Pte Ltd		Property investment	Singapore	**100**	100
Superluck Properties Pte Ltd		Property investment	Singapore	**100**	100
Significant subsidiaries indirectly held by the Company					
GH Operations Pty Ltd	(i)	Operation of hotels	Australia	**100**	100
Grand Hotel Company Pty Limited	(i)	Investment holding	Australia	**100**	100
Grand Hotel Management Pty Limited	(i)	Trustee	Australia	**100**	100
Habitat Properties (Shanghai) Ltd.	(i)	Property development	China	**100**	100
Hainan Jiayuan Business Management Co., Ltd.	(ii)	Property investment	China	**100**	–
HR Operations Pty Ltd	(i)	Operation of hotels	Australia	**100**	100
TSRC Novena Pte. Ltd.		Property development	Singapore	**70**	70
PT Goodworth Investments	(i)	Property development	Indonesia	**100**	90
PT Titian Damai Mandiri	(i)	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.

43 Listing of significant associates and joint ventures

Associates are those in which the Group has significant influence, but not control in the operating and financial policy decisions. Joint ventures are those in which the Group has joint control of the arrangement and has equal rights to net assets of the joint arrangement.

Information relating to the significant associates and joint venture is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation	Effective equity interest and voting power held by the Group	
				2022	**2021**
				%	**%**
Gul Technologies Singapore Pte. Ltd. ("GulTech")	(i)	Investment holding	Singapore	**44.5**	44.5
Gultech (Jiangsu) Electronics Technologies Co., Ltd (held through GulTech)	(ii)	Manufacture of printed circuit boards	China	**36.7**	36.7
Sanya Summer Real Estate Co. Ltd	(iii),(iv)	Property development	China	**7.8**	7.8
PT Karawang Outlet Mall	(ii)	Property development and investment	Indonesia	**50.0**	50.0

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

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

(iii) Analytical review performed for purpose of consolidation.

(iv) The Group has significant influence via representation on the board of directors, and participation in policy-making processes.

44 Reclassification and comparative figures

For better presentation of the expenses by function, the Group has presented certain income/expenses previously classified under cost of sales and other net operating income to revenue, administrative expenses and distribution costs for the year ended 31 December 2022. Comparative figures have been reclassified accordingly and there is no impact to the profit for the year ended 31 December 2021.

	Group	
	2021	
	As reclassified	**As previously reported**
	$'000	**$'000**
Revenue	**248,714**	245,341
Cost of sales	**(178,591)**	(188,536)
Other net operating income	**92,831**	92,788
Distribution costs	**(12,268)**	(9,042)
Administrative expenses	**(49,861)**	(39,726)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

45 Adoption of new and revised standards

On 1 January 2022, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are mandatorily effective and 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.

46 Standards issued but not effective

At the date of authorisation of these financial statements, the Group and the Company have not applied the following SFRS(I) pronouncements that have been issued but are not yet effective:

Effective for annual periods beginning on or after 1 January 2023

- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective for annual periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*
- Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE FIRST HALF ENDED 30 JUNE 2023

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 2023 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 Half Year Ended 30 June 2023

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A. INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group First Half Ended 30.06.2023 $'000	Group First Half Ended 30.06.2022 $'000	Better/ (Worse) %
Revenue	6	**144,732**	113,949	27
Cost of sales		**(99,684)**	(67,920)	(47)
Gross profit		**45,048**	46,029	(2)
Other net operating income/(expenses)	8	**1,688**	(672)	nm
Distribution costs		**(7,390)**	(5,190)	(42)
Administrative expenses		**(22,520)**	(25,652)	12
Share of results of equity accounted investees		**12,886**	17,115	(25)
Interest income		**2,983**	1,478	102
Finance costs		**(32,482)**	(20,661)	(57)
Profit before tax and fair value adjustments		**213**	12,447	(98)
Fair value adjustments		**2,109**	(1,551)	nm
Profit before tax	8	**2,322**	10,896	(79)
Income tax credit/(expense)	9	**3,410**	(2,083)	nm
Profit for the period		**5,732**	8,813	(35)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties		**1,938**	-	nm
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**(3,758)**	(10,945)	66
Share of exchange differences on translation of equity accounted investees		**2,382**	2,244	6
Fair value gain arising on hedging instruments		**5,060**	-	nm
Income tax relating to components of other comprehensive income that may be reclassified subsequently		**(709)**	-	nm
		2,975	(8,701)	nm
Other comprehensive income/(loss) for the period, net of tax		**4,913**	(8,701)	nm
Total comprehensive income for the period		**10,645**	112	nm
Profit attributable to:				
Owners of the Company		**6,006**	9,702	(38)
Non-controlling interests		**(274)**	(889)	(69)
		5,732	8,813	(35)
Total comprehensive income attributable to:				
Owners of the Company		**10,919**	819	1,233
Non-controlling interests		**(274)**	(707)	(61)
		10,645	112	nm
Basic and diluted earnings per share (in cents)				
Including fair value adjustments	10	**0.5**	0.8	(38)
Excluding fair value adjustments	10	**0.3**	0.9	(67)

nm: not meaningful

B. INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group As at 30.06.2023 $'000	Group As at 31.12.2022 $'000	Company As at 30.06.2023 $'000	Company As at 31.12.2022 $'000
ASSETS					
Current assets					
Cash and cash equivalents		**236,160**	251,988	**85,197**	62,927
Trade and other receivables	12	**26,151**	26,216	**442,829**	447,061
Tax recoverable		**5,247**	2,061	**-**	-
Contract assets		**47,257**	79,327	**-**	-
Contract costs		**4,432**	3,045	**-**	-
Inventories		**2,102**	2,144	**-**	-
Development properties	13	**163,442**	209,739	**-**	-
		484,791	574,520	**528,026**	509,988
Assets classified as held for sale		**1,542**	1,542	**-**	-
Total current assets		**486,333**	576,062	**528,026**	509,988
Non-current assets					
Property, plant and equipment	14	**470,412**	473,774	**127**	849
Right-of-use assets		**169**	187	**19**	239
Investment properties	15	**1,407,629**	1,395,151	**763**	763
Investments in subsidiaries		**-**	-	**745,487**	763,829
Investments in equity accounted investees		**182,253**	166,196	**-**	-
Investment in financial asset		**26,192**	26,192	**-**	-
Deferred tax assets		**1,661**	1,566	**-**	-
Derivative financial instruments		**5,060**	-	**-**	-
Trade and other receivables	12	**16,621**	17,868	**-**	-
Total non-current assets		**2,109,997**	2,080,934	**746,396**	765,680
Total assets		**2,596,330**	2,656,996	**1,274,422**	1,275,668
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	16	**12,059**	332,133	**-**	-
Lease liabilities		**35**	34	**10**	195
Trade and other payables		**98,023**	99,874	**546,786**	550,695
Contract liabilities		**-**	1,317	**-**	-
Income tax payable		**2,217**	7,209	**-**	-
Total current liabilities		**112,334**	440,567	**546,796**	550,890
Non-current liabilities					
Loans and borrowings	16	**1,205,038**	946,028	**140,206**	139,610
Lease liabilities		**25**	38	**12**	17
Deferred tax liabilities	17	**45,588**	45,198	**-**	-
Other non-current liabilities		**340**	338	**-**	-
Total non-current liabilities		**1,250,991**	991,602	**140,218**	139,627

B. INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group		Company	
		As at 30.06.2023 $'000	As at 31.12.2022 $'000	As at 30.06.2023 $'000	As at 31.12.2022 $'000
Capital, reserves and non-controlling interests					
Share capital	18	**193,569**	187,625	**193,569**	187,625
Treasury shares	19	**(4,408)**	(4,369)	**(4,408)**	(4,369)
Reserves		**1,042,577**	1,040,030	**398,247**	401,895
Equity attributable to owners of the Company		**1,231,738**	1,223,286	**587,408**	585,151
Non-controlling interests		**1,267**	1,541	**-**	-
Total equity		**1,233,005**	1,224,827	**587,408**	585,151
Total liabilities and equity		**2,596,330**	2,656,996	**1,274,422**	1,275,668

C. INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group First Half Ended 30.06.2023 $'000	 First Half Ended 30.06.2022 $'000
Operating activities			
Profit before tax		**2,322**	10,896
Adjustments for:			
Fair value (gain)/loss		**(2,108)**	1,551
Share of results of equity accounted investees		**(12,886)**	(17,115)
Allowance for diminution in value for development properties, net		**15**	-
Depreciation of property, plant and equipment		**3,010**	3,304
Depreciation of right-of-use assets		**19**	16
Amortisation of contract costs		**3,828**	2,278
Write-back of allowance for doubtful trade and other receivables, net		**-**	(46)
Bad debts written off		**9**	80
Net loss on disposal of property, plant and equipment		**15**	-
Plant and equipment written off		**5**	-
Interest income		**(2,983)**	(1,478)
Finance costs		**32,482**	20,661
Unrealised foreign currency translation gain		**(54)**	(184)
Operating cash flows before movements in working capital		**23,674**	19,963
Development properties		**47,528**	15,956
Inventories		**(58)**	23
Trade and other receivables		**(272)**	1,861
Contract costs		**(5,199)**	(1,726)
Contract assets		**32,070**	(29,089)
Contract liabilities		**(1,317)**	(3,279)
Trade and other payables		**(1,222)**	3,901
Cash generated from operations		**95,204**	7,610
Interest received		**2,977**	1,168
Income tax paid		**(4,748)**	(1,119)
Net cash from operating activities		**93,433**	7,659
Investing activities			
Purchase of property, plant and equipment	14	**(2,102)**	(298)
Proceeds from disposal of property, plant and equipment		**55**	3
Additions to investment properties		**(10,697)**	(1,120)
Loan to an equity accounted investee		**-**	(4,000)
Net cash used in investing activities		**(12,744)**	(5,415)

C. INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Note	Group First Half Ended 30.06.2023 $'000	Group First Half Ended 30.06.2022 $'000
Financing activities			
Proceeds from loans and borrowings		**8,000**	-
Repayment of loans and borrowings		**(67,091)**	(10,926)
Repayment of lease liabilities		**(19)**	(28)
Interest paid		**(32,954)**	(19,087)
Bank deposits pledged as securities for bank facilities		**(185)**	1,676
Dividend paid to shareholders		**(2,582)**	(2,478)
Purchase of treasury shares		**(39)**	(183)
Net cash used in financing activities		**(94,870)**	(31,026)
Net decrease in cash and cash equivalents		**(14,181)**	(28,782)
Cash and cash equivalents at the beginning of the period		**248,075**	395,806
Foreign currency translation adjustments		**(1,845)**	(2,658)
Cash and cash equivalents at the end of the period		**232,049**	364,366

The consolidated cash and cash equivalents comprise the following:

	Group First Half Ended 30.06.2023 $'000	Group First Half Ended 30.06.2022 $'000
Cash and cash equivalents per consolidated statement of cash flows		
Cash and cash equivalents (as per statement of financial position)	**236,160**	371,955
Encumbered fixed deposits and bank balances	**(4,111)**	(7,589)
	232,049	364,366

D. INTERIM STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital	Treasury shares	Foreign currency translation account	Asset revaluation reserve	Investment revaluation reserve	Other capital reserves	Revenue reserve	Attributable to owners of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group											
At 1 January 2023		187,625	(4,369)	(79,843)	142,718	(4,724)	226,187	755,692	1,223,286	1,541	1,224,827
Total comprehensive income/(loss) for the period											
Profit for the period		-	-	-	-	-	-	6,006	6,006	(274)	5,732
Exchange differences on translation of foreign operations		-	-	(1,376)	-	-	-	-	(1,376)	-	(1,376)
Revaluation of properties		-	-	-	1,938	-	-	-	1,938	-	1,938
Fair value gain arising on hedging instruments		-	-	-	-	-	5,060	-	5,060	-	5,060
Income tax adjustments relating to other comprehensive income		-	-	-	-	-	(709)	-	(709)	-	(709)
Other comprehensive income/(loss) for the period, net of tax		-	-	(1,376)	1,938	-	4,351	-	4,913	-	4,913
Total		-	-	(1,376)	1,938	-	4,351	6,006	10,919	(274)	10,645
Transactions with owners, recognised directly in equity											
Transfer from other capital reserves to revenue reserve		-	-	-	-	-	(5,464)	5,464	-	-	-
Share of reserves of equity accounted investees		-	-	-	-	-	154	-	154	-	154
Non-controlling interests arising from additional capital contribution in a subsidiary		-	-	-	-	-	-	-	-	-	-
Issue of shares under the Scrip Dividend Scheme	18	5,944	-	-	-	-	-	-	5,944	-	5,944
Repurchase of shares	19	-	(39)	-	-	-	-	-	(39)	-	(39)
Dividend paid to shareholders	21										
- Cash		-	-	-	-	-	-	(2,582)	(2,582)	-	(2,582)
- Share		-	-	-	-	-	-	(5,944)	(5,944)	-	(5,944)
Total		5,944	(39)	-	-	-	(5,310)	(3,062)	(2,467)	-	(2,467)
At 30 June 2023		193,569	(4,408)	(81,219)	144,656	(4,724)	225,228	758,636	1,231,738	1,267	1,233,005

D. INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Note	Share capital	Treasury shares	Foreign currency translation account	Asset revaluation reserve	Investment revaluation reserve	Other capital reserves	Revenue reserve	Attributable to owners of the Company	Non-controlling interests	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group											
At 1 January 2022		181,695	(4,167)	(39,452)	127,916	(1,277)	234,362	751,123	1,250,200	14,217	1,264,417
Total comprehensive income/(loss) for the period											
Profit for the period		-	-	-	-	-	-	9,702	9,702	(889)	8,813
Exchange differences on translation of foreign operations		-	-	(8,883)	-	-	-	-	(8,883)	182	(8,701)
Other comprehensive income/(loss) for the period, net of tax		-	-	(8,883)	-	-	-	-	(8,883)	182	(8,701)
Total		-	-	(8,883)	-	-	-	9,702	819	(707)	112
Transactions with owners, recognised directly in equity											
Transfer from revenue reserve to other capital reserves		-	-	-	-	-	3,994	(3,994)	-	-	-
Share of reserves of equity accounted investees		-	-	-	-	-	(48)	-	(48)	-	(48)
Non-controlling interests arising from additional capital contribution in a subsidiary		-	-	-	-	-	-	-	-	2,400	2,400
Issue of shares under the Scrip Dividend Scheme	18	5,930	-	-	-	-	-	-	5,930	-	5,930
Repurchase of shares	19	-	(183)	-	-	-	-	-	(183)	-	(183)
Dividend paid to shareholders	21										
- Cash		-	-	-	-	-	-	(2,478)	(2,478)	-	(2,478)
- Share		-	-	-	-	-	-	(5,930)	(5,930)	-	(5,930)
Total		5,930	(183)	-	-	-	3,946	(12,402)	(2,709)	2,400	(309)
At 30 June 2022		187,625	(4,350)	(48,335)	127,916	(1,277)	238,308	748,423	1,248,310	15,910	1,264,220

D. INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Note	Share capital	Treasury shares	Other capital reserves	Revenue reserve	Total equity
		$'000	$'000	$'000	$'000	$'000
Company						
At 1 January 2023		**187,625**	**(4,369)**	**101,264**	**300,631**	**585,151**
Proft for the period, representing total comprehensive income for the period		**-**	**-**	**-**	**4,878**	**4,878**
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	18	**5,944**	**-**	**-**	**-**	**5,944**
Repurchase of shares	19	**-**	**(39)**	**-**	**-**	**(39)**
Dividend paid to shareholders	21					
- Cash		**-**	**-**	**-**	**(2,582)**	**(2,582)**
- Share		**-**	**-**	**-**	**(5,944)**	**(5,944)**
Total		**5,944**	**(39)**	**-**	**(8,526)**	**(2,621)**
At 30 June 2023		**193,569**	**(4,408)**	**101,264**	**296,983**	**587,408**
At 1 January 2022		181,695	(4,167)	101,264	308,868	587,660
Loss for the period, representing total comprehensive loss for the period		-	-	-	(12,889)	(12,889)
Transactions with owners, recognised directly in equity						
Issue of shares under the Scrip Dividend Scheme	18	5,930	-	-	-	5,930
Repurchase of shares	19	-	(183)	-	-	(183)
Dividend paid to shareholders	21					
- Cash		-	-	-	(2,478)	(2,478)
- Share		-	-	-	(5,930)	(5,930)
Total		5,930	(183)	-	(8,408)	(2,661)
At 30 June 2022		187,625	(4,350)	101,264	287,571	572,110

E. NOTES TO THE 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 2023 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 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 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("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 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and revised standards as set out in Note 2.1.

2.1 Adoption of new and revised standards

On 1 January 2023, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are mandatorily effective and 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 financial effect on the amounts reported for the current or prior years.

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 2022.

The 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 6 – Stage of completion for revenue recognition
- Note 12 – Loss allowance for receivables
- Note 13 – Allowance for diminution in value for development properties
- Note 14 and Note 15 – Fair value measurement and valuation processes
- Note 17 – Deferred tax liabilities arising from changes in the carrying amount of investment in Grand Hotel Group ("GHG")

4. Seasonal 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.

5. Segment and revenue information

For management purposes, the Group is organised into business segments based on their products and services. In the previous financial year, Industrial Services comprised trading and marketing of industrial commodities, as well as manufacturing of polypropylene woven bags in Malaysia. As the Group has ceased its trading and marketing of industrial commodities operations and Industrial Services is no longer a reportable segment, the manufacturing of polypropylene woven bags business in Malaysia is presented under Other Investments with effect from 1 January 2023.

The Group's reportable operating segments under SFRS(I) 8 are as follows:

Segment	**Principal activities**
Real Estate Investment	Property investments in Singapore, Australia, Indonesia 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
Other Investments	Investment in Gul Technologies Singapore Pte. Ltd. ("GulTech") and Pan-West (Private) Limited ("Pan-West"), as well as manufacturing of polypropylene woven bags in Malaysia. 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	Other Investments[1]	Corporate[2]	Inter-Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Half Year Ended 30 June 2023							
Revenue							
External revenue	**28,642**	**70,039**	**42,094**	**3,831**	**126**	**-**	**144,732**
Inter-segment revenue	**1,684**	**2,877**	**-**	**-**	**4,637**	**(9,198)**	**-**
	30,326	**72,916**	**42,094**	**3,831**	**4,763**	**(9,198)**	**144,732**
Adjusted EBIT*	**15,286**	**(537)**	**6,763**	**13,271**	**(5,123)**	**291**	**29,951**
Interest income							**2,983**
Finance costs							**(32,482)**
Net foreign exchange loss							**(224)**
Net loss on disposal of property, plant and equipment							**(15)**
Profit before tax and fair value adjustments							**213**
Fair value adjustments							**2,109**
Profit before tax							**2,322**
Income tax credit							**3,410**
Profit for the period							**5,732**

* 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 investments in joint venture/associate, and property, plant and equipment, (v) loss allowance on interest receivables and (vi) net foreign exchange gain or loss.

Note:
1. The revenue is derived from the manufacturing business of polypropylene woven bags in Malaysia (previously reported under Industrial Services for the half year ended 30 June 2022). No revenue is reported from GulTech as the Group's investment 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
Half Year Ended 30 June 2022								
Revenue								
External revenue	25,602	45,916	37,401	4,989	-	41	-	113,949
Inter-segment revenue	1,888	373	-	-	-	3,811	(6,072)	-
	27,490	46,289	37,401	4,989	-	3,852	(6,072)	113,949
Adjusted EBIT*	14,969	(130)	8,346	(645)	17,504	(8,688)	1,484	32,840
Interest income								1,478
Finance costs								(20,661)
Net foreign exchange loss								(1,210)
Profit before tax and fair value adjustments								12,447
Fair value adjustments								(1,551)
Profit before tax								10,896
Income tax expense								(2,083)
Profit for the period								8,813

* 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 investments in joint venture/associate, and property, plant and equipment, (v) loss allowance on interest receivables and (vi) net foreign exchange gain or loss.

Note:
1. No revenue is reported under "Other Investments" as the Group's investment 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 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 2023							
Assets							
Segment assets	**1,622,296**	**263,893**	**383,799**	**-**	**9,534**	**106,702**	**2,386,224**
Deferred tax assets	**-**	**105**	**1,334**	**-**	**-**	**222**	**1,661**
Investment in financial asset	**-**	**26,192**	**-**	**-**	**-**	**-**	**26,192**
Investments in equity accounted investees	**23,882**	**13,729**	**-**	**-**	**144,642**	**-**	**182,253**
Total assets	**1,646,178**	**303,919**	**385,133**	**-**	**154,176**	**106,924**	**2,596,330**
Liabilities							
Segment liabilities	**(33,269)**	**(41,385)**	**(14,816)**	**-**	**(5,635)**	**(3,318)**	**(98,423)**
Loans and borrowings	**(801,131)**	**(97,013)**	**(178,747)**	**-**	**-**	**(140,206)**	**(1,217,097)**
Income tax payable and deferred tax liabilities	**(4,945)**	**-**	**(174)**	**-**	**(162)**	**(42,524)**	**(47,805)**
Total liabilities	**(839,345)**	**(138,398)**	**(193,737)**	**-**	**(5,797)**	**(186,048)**	**(1,363,325)**
Net assets/(liabilities)	**806,833**	**165,521**	**191,396**	**-**	**148,379**	**(79,124)**	**1,233,005**
As at 31 December 2022							
Assets							
Segment assets	1,605,267	327,464	392,408	63,376	933	73,594	2,463,042
Deferred tax assets	-	-	1,343	-	-	223	1,566
Investment in financial asset	-	26,192	-	-	-	-	26,192
Investments in equity accounted investees	21,783	14,048	-	-	130,365	-	166,196
Total assets	1,627,050	367,704	393,751	63,376	131,298	73,817	2,656,996
Liabilities							
Segment liabilities	(31,825)	(36,326)	(16,536)	(1,165)	(5,000)	(10,749)	(101,601)
Loans and borrowings	(815,936)	(142,819)	(179,796)	-	-	(139,610)	(1,278,161)
Income tax payable and deferred tax liabilities	(5,452)	(1,060)	(175)	(324)	-	(45,396)	(52,407)
Total liabilities	(853,213)	(180,205)	(196,507)	(1,489)	(5,000)	(195,755)	(1,432,169)
Net assets/(liabilities)	773,837	187,499	197,244	61,887	126,298	(121,938)	1,224,827

Geographical Information

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

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, investment in financial asset, derivative financial instruments and trade and other receivables are based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	First Half Ended 30.06.2023 $'000	First Half Ended 30.06.2022 $'000	As at 30.06.2023 $'000	As at 31.12.2022 $'000
Singapore	**88,608**	60,429	**1,230,254**	1,226,498
Australia	**51,723**	47,953	**620,818**	616,495
China	**430**	366	**22,180**	21,660
Malaysia	**3,831**	4,989	**4,845**	4,340
Indonesia	**140**	212	**113**	119
	144,732	113,949	**1,878,210**	1,869,112

Other segment information

There were no customers that contributed individually 10% or more to the Group's revenue for the first half ended 30 June 2023 and 2022.

6. 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 5).

A disaggregation of the Group's revenue for the period is as follows:

	Group	
	First Half Ended 30.06.2023 $'000	First Half Ended 30.06.2022 $'000
Revenue from contracts with customers:		
Sale of products	**3,831**	4,989
Sale of development properties and services rendered	**70,039**	45,917
Hotel operations and related income	**42,094**	37,401
Services rendered	**126**	40
Others	**4,443**	4,146
	120,533	92,493
Rental income from investment properties	**24,199**	21,456
	144,732	113,949

	Group	
	First Half Ended 30.06.2023 $'000	**First Half Ended 30.06.2022 $'000**
At a point of time:		
Sale of products	**3,831**	4,989
Hotel operations – food and beverage	**10,878**	8,728
Over time:		
Sale of development properties under construction	**69,995**	45,873
Hotel operations – room sales and other income	**31,216**	28,673
Services rendered	**170**	84
Others	**4,443**	4,146
	120,533	92,493

7. Financial assets and financial liabilities

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

	Group		Company	
	As at 30.06.2023 $'000	**As at 31.12.2022 $'000**	**As at 30.06.2023 $'000**	**As at 31.12.2022 $'000**
Financial assets				
Financial assets at fair value through other comprehensive income ("FVTOCI")	**26,192**	26,192	**-**	-
Financial assets at amortised cost	**327,768**	369,056	**527,591**	509,159
	353,960	395,248	**527,591**	509,159
Financial liabilities				
Financial liabilities at amortised cost	**1,297,458**	1,363,297	**675,959**	679,272
Financial guarantee contracts	**4,998**	4,998	**11,033**	11,033
Lease liabilities	**60**	72	**22**	212
	1,302,516	1,368,367	**687,014**	690,517

8. Profit before tax

8.1 Other net operating (expenses)/income

	Group	
	First Half Ended 30.06.2023 $'000	**First Half Ended 30.06.2022 $'000**
Foreign exchange loss, net	**(224)**	(1,210)
Other income	**1,912**	538
	1,688	(672)

8.2 Fair value adjustments

	Group	
	First Half Ended 30.06.2023 $'000	**First Half Ended 30.06.2022 $'000**
Fair value gain/(loss) from:		
- Subsidiaries	**2,303**	-
- Share of equity accounted investees	**(194)**	(1,551)
	2,109	(1,551)
Represented by:		
Fair value adjustments in respect of:		
- investment properties	**2,303**	-
- financial instruments	**(194)**	(1,551)
	2,109	(1,551)

8.3 Significant items

Other than as disclosed elsewhere in these condensed interim financial statements, profit before tax has been arrived at after charging/(crediting) the following:

	Group	
	First Half Ended 30.06.2023 $'000	**First Half Ended 30.06.2022 $'000**
Depreciation of property, plant and equipment	**3,010**	3,304
Depreciation of right-of-use assets	**19**	16
Net loss on disposal of property, plant and equipment	**15**	-
Allowance for diminution in value for development properties, net	**15**	-
Write-back of allowance for doubtful trade and other receivables, net	**-**	(46)
Bad debts written off	**9**	80

9. Income tax (credit)/expense

	Group	
	First Half Ended 30.06.2023 $'000	**First Half Ended 30.06.2022 $'000**
Current income tax:		
- Current	**74**	130
- Overprovision in prior years	**-**	(85)
	74	45
Withholding tax credit	**(3,405)**	(365)
Deferred tax	**(79)**	2,403
	(3,410)	2,083

Singapore income tax is calculated at 17% (30 June 2022: 17%) of the estimated assessable income for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

10. 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 Ended 30.06.2023	**First Half Ended 30.06.2022**
Profit attributable to owners of the Company ($'000)		
Before fair value adjustments	**3,897**	11,253
Fair value adjustments	**2,109**	(1,551)
After fair value adjustments	**6,006**	9,702
Basic and diluted earnings per share (cents)		
Including fair value adjustments	**0.5**	0.8
Excluding fair value adjustments	**0.3**	0.9
Weighted average number of ordinary shares for the purpose of computation of basic and diluted earnings per share ('000)	**1,218,883**	1,202,009

For the first half year ended 30 June 2023 and 2022, the diluted earnings per ordinary share was the same as the basic earnings per ordinary share as there were no dilutive potential ordinary shares in issue.

11. Related party transactions

In addition to the related party transactions disclosed elsewhere in the condensed interim 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 30.06.2023 $'000	**First Half 30.06.2022 $'000**
Transactions with major shareholder		
Sale of products and services rendered	**44**	44
Rental income	**1,374**	823
Interest income	**-**	186
Purchase of products and services	**(17)**	(17)
MTN interest expense	**(197)**	(197)
Rental deposit received	**55**	554
Transactions with Directors of the Company and their associates		
Option deposits received from sale of 3 property units	**90**	-
MTN interest expense	**(34)**	(34)
Transactions with key management personnel of the Group		
MTN interest expense	**(43)**	(60)

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.

12. Trade and other receivables

	Group		Company	
	As at 30.06.2023 $'000	As at 31.12.2022 $'000	As at 30.06.2023 $'000	As at 31.12.2022 $'000
Trade				
Trade receivables	**10,122**	5,889		-
Less: Loss allowance	**-**	(182)	**-**	-
	10,122	5,707	**-**	-
Amounts due from:				
- related parties	**276**	295	**-**	-
- joint ventures	**32**	21	**-**	-
	308	316	**-**	-
Total trade receivables - current	**10,430**	6,023	**-**	-
Non-trade				
Deposits [(a)]	**17,401**	17,910	**1**	569
Prepayments	**3,481**	6,343	**435**	829
Interest receivables	**229**	442	**204**	388
Sundry debtors	**3,180**	4,460	**93**	34
	24,291	29,155	**733**	1,820
Less: Loss allowance	**-**	(72)	**-**	(72)
	24,291	29,083	**733**	1,748
Amounts due from:				
- subsidiaries	**-**	-	**482,014**	485,268
- related parties	**28**	-	**-**	-
- associates	**939**	951	**-**	18
- joint ventures	**7,095**	8,038	**64**	9
	8,062	8,989	**482,078**	485,295
Less: Loss allowance				
- subsidiaries	**-**	-	**(39,982)**	(39,982)
- joint ventures	**(11)**	(11)	**-**	-
	8,051	8,978	**442,096**	445,313
	32,342	38,061	**442,829**	447,061
Less: non-current portion	**(16,621)**	(17,868)	**-**	-
Total non-trade receivables - current	**15,721**	20,193	**442,829**	447,061
Total trade and other receivables - current	**26,151**	26,216	**442,829**	447,061
Total trade and other receivables - non-current	**16,621**	17,868	**-**	-

(a) Included in the deposits of the Group as at 30 June 2023 were deposits amounting to:

- $9,608,000 (31 December 2022: $9,863,000) paid for acquisition of 19 commercial units at Sanya Summer Plaza from Sanya Summer Real Estate Co., Ltd, as associate and related party of the Group. The deposit has been classified as non-current at the end of the reporting period; and

- $1,099,000 (31 December 2022: $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 deposits are placed with counterparties that are creditworthy, management has assessed that credit risks are low and the deposits are subject to immaterial credit loss.

Loss allowance for receivables is measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL is 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.

13. Development properties

	Group	
	30.06.2023	**31.12.2022**
	$'000	**$'000**
Properties in the course of development	**156,495**	202,616
Land held for future development	**6,660**	6,836
	163,155	209,452
Completed properties held for sale	**287**	287
	163,442	209,739
The above comprises:		
Properties in the course of development in Singapore	**83,087**	135,005
Properties in the course of development in Indonesia	**73,408**	67,611
Land held for future development in China	**6,660**	6,836
Completed properties held for sale in Singapore	**287**	287
	163,442	209,739

Allowance for diminution in value

The allowance for diminution in value for development properties was estimated after taking into account estimated selling prices and estimated total construction costs, where appropriate. The estimated selling prices are based on expected selling prices for the development project after taking into consideration the prevailing market conditions.

	Group	
	30.06.2023	**31.12.2022**
	$'000	**$'000**
Movements in allowance for diminution in value		
At 1 January	**7,286**	7,558
Exchange difference on consolidation	**(177)**	(722)
Allowance during the period/year	**15**	450
At the end of the period	**7,124**	7,286

14. Property, plant and equipment

During the half year ended 30 June 2023, the Group acquired assets amounting to $2,102,000 (31 December 2022: $2,009,000) and wrote off assets with a net book value of $5,000 (31 December 2022: $993,000).

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 as at 30 June 2023 and 31 December 2022 as a result of such assessment.

Fair value measurement of hotel, owner-managed and owner-occupied properties

The Group's hotel, owner-managed and owner-occupied 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 the appropriate qualification and recent experience in the fair value measurement of the properties in the relevant locations. The valuation conforms to International Valuation Standards.

Management reviewed the appropriateness of the valuation methodologies, inputs and assumptions adopted in the valuations as at 31 December 2022 and determined that the fair values reported in these interim statements of financial position have not changed significantly since 31 December 2022.

15. Investment properties

	Group		Company	
	30.06.2023	**31.12.2022**	**30.06.2023**	**31.12.2022**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	**1,395,151**	1,342,245	**763**	811
Exchange differences on consolidation	**(1,710)**	(16,341)	-	-
Additions	**10,697**	63,489	-	-
Net gain/(loss) from fair value adjustments	**2,303**	5,758	-	(48)
Properties transferred from property, plant equipment	**1,188**	-	-	-
At the end of the period	**1,407,629**	1,395,151	**763**	763

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 2023 and 31 December 2022, the fair value measurement of the Group's investment properties is classified within Level 3 of the fair value hierarchy.

Except for certain investment properties which were stated at fair value based on valuations carried out by independent professional valuers in June 2023, Management reviewed the appropriateness of the valuation methodologies, inputs and assumptions adopted in the valuations as at 31 December 2022 for the investment properties and determined that the fair values reported in these 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 2022.

16. Loans and borrowings

	Group		Company	
	30.06.2023	**31.12.2022**	**30.06.2023**	**31.12.2022**
	$'000	**$'000**	**$'000**	**$'000**
Security profile				
Secured borrowings				
Current	**10,807**	330,894	**-**	-
Non-current	**1,063,020**	803,972	**-**	-
	1,073,827	1,134,866	**-**	-
Unsecured borrowings				
Current	**1,252**	1,239	**-**	-
Non-current	**142,018**	142,056	**140,206**	139,610
	143,270	143,295	**140,206**	139,610
Total borrowings	**1,217,097**	1,278,161	**140,206**	139,610

Multicurrency Medium Term Note Programme

The Company has in place an unsecured S$900 million Multicurrency Medium Term Note ("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.

The Company issued S$200 million Series IV notes on 18 October 2021. The Series IV notes have a tenor of three years and bear a fixed interest rate of 6.90% per annum payable semi-annually in arrears. The Company purchased S$58.25 million of the notes on 18 November 2022 under a tender offer at 101% of the principal amounts.

The Group's secured borrowings are applied to the financing of certain development and investment properties and certain property, plant and equipment in Singapore and Australia.

Details of collateral

As at 30 June 2023, the net book value of assets pledged or mortgaged to financial institutions was $1,986.4 million (31 December 2022: $1,980.0 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 $31,906,000 (31 December 2022: $32,118,000) made by the Group in relation to 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			
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	Number of shares ('000)		$'000	$'000
Issued and paid up:				
At 1 January	**1,218,044**	1,201,565	**187,625**	181,695
Issued under Scrip Dividend Scheme	**20,147**	16,991	**5,944**	5,930
Shares bought back and held as treasury shares	**(115)**	(512)	**-**	-
At the end of the period	**1,238,076**	1,218,044	**193,569**	187,625

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 2022.

There were also no outstanding convertible securities for which shares might be issued as at 30 June 2023, 31 December 2022 and 30 June 2022.

19. Treasury shares

	Group and Company			
	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	Number of shares ('000)		$'000	$'000
At 1 January	**12,877**	12,365	**4,369**	4,167
Repurchased during the period	**115**	512	**39**	202
At the end of the period	**12,992**	12,877	**4,408**	4,369

There were no other transfers, disposal or cancellation of treasury shares during the financial period. As at 30 June 2023, the Company held 12,992,000 (31 December 2022: 12,877,000) treasury shares which represent 1.0% (31 December 2022: 1.1%) of the total number of issued shares (excluding treasury shares). As at 30 June 2022, the Company held 12,826,000 treasury shares which represent 1.1% of the total number of issued shares (excluding treasury shares).

20. Net asset value

	Group		Company	
	30.06.2023	**31.12.2022**	**30.06.2023**	**31.12.2022**
Net asset value per ordinary share (cents)	**99.5**	100.4	**47.5**	48.0
Total number of issued shares ('000)	**1,238,076**	1,218,044	**1,238,076**	1,218,044

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 2023 (30 June 2022: Nil) is recommended. It is the Company's policy to declare dividends, if any, after the release of year-end results.

22. Subsequent Events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The consolidated statement of financial position of Tuan Sing Holdings Limited and its subsidiaries as at 30 June 2023 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statement of cash flows for the first half 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 27% to $144.7 million in the first half ended 30 June 2023 ("1H2023"), largely due to higher revenue from Real Estate Development, Hospitality and Real Estate Investment. Higher revenue from Real Estate Development was attributable mainly to the progressive recognition of revenue from units sold in Peak Residence, partly offset by lower contribution from Mont Botanik Residence, which obtained temporary occupation permit ("TOP") in February this year. Higher revenue from Hospitality reflected the recovery of the Group's hotel operations in Melbourne following the easing of COVID-19 related restrictions last year. However, Perth's hotel operations recorded a lower revenue as the revenue from the previous corresponding period was boosted by guaranteed payments during the state requisition period, and the current operations were adversely affected by the on-going asset enhancement works at the Hyatt Regency Perth complex and construction works within the hotel. Revenue from Real Estate Investment was also higher due mainly to the stronger performance from the Group's investment properties in Singapore, namely 18 Robinson and Link@896.

Gross profit decreased by 2% to $45.0 million in 1H2023. The decrease in gross profit was mainly from Real Estate Development and Hospitality, partially offset by the increase in gross profit from Real Estate Investment. Real Estate Development recorded a lower gross profit despite higher revenue as margins were affected by higher construction costs. Gross profit from Hospitality was affected by the weaker performance from the hotel operations in Perth. The gross profit increase in Real Estate Investment was largely in-line with revenue increase.

The Group reported other net operating income of $1.7 million in 1H2023 whereas in the first half ended 30 June 2022 ("1H2022"), the Group reported other net operating expenses of $0.7 million. The positive variance was due mainly to lower foreign exchange losses and reversal of provisions which were no longer required.

Distribution costs increased by 42% to $7.4 million in 1H2023 due mainly to higher selling expenses in relation to the sale of residential properties in Singapore.

Administrative expenses decreased by 12% to $22.5 million in 1H2023 due mainly to lower manpower costs and lower management fees paid to Hyatt under the hotel management agreements as well as the non-recurrence of administrative expenses under the trading and marketing of industrial commodities operations which ceased this year.

Share of results of equity accounted investees decreased by 25% to $12.9 million. GulTech turned in a weaker performance in 1H2023 due mainly to the slow-down in demand for printed circuit boards, especially from the consumer and computing segments, coupled with foreign exchange losses recognised in 1H2023.

Interest income increased by 102% to $3.0 million in 1H2023 due mainly to higher interest income received from deposits placed with banks.

Finance costs increased by 57% to $32.5 million in 1H2023 due mainly to rising interest rates.

Fair value adjustments were a gain of $2.1 million in 1H2023 as compared to a loss of $1.6 million in 1H2022. The fair value gain of $2.1 million in 1H2023 was mainly from the revaluation of certain investment properties in Singapore, partially offset by fair value losses from financial instruments held by an associate. The fair value loss of $1.6 million in 1H2022 arose from the revaluation of financial instruments.

The Group reported an income tax credit of $3.4 million as compared to an income tax expense of $2.1 million in 1H2022 due mainly to the overprovision of withholding taxes in the previous year.

As a result of the above, the Group reported a lower profit of $5.7 million in 1H2023, a decrease of 35% compared to 1H2022. The net profit attributable to the owners of the Company decreased by 38% to $6.0 million in 1H2023.

(B) Review of Financial Performance by Business Segments

Real Estate Investment

Revenue increased by 10% to $30.3 million in 1H2023 due mainly to the stronger performance from the Group’s investment properties in Singapore, namely 18 Robinson and Link@896, with improved occupancies and average gross rental rates.

Correspondingly, Adjusted EBIT increased by 2% to $15.3 million in 1H2023.

Real Estate Development

Revenue increased by 58% to $72.9 million in 1H2023 due mainly to higher progressive revenue recognition of units sold in Peak Residence. The increase was partially offset by lower contribution from Mont Botanik Residence, which obtained temporary occupation permit (“TOP”) in February this year.

Despite higher revenue, Adjusted EBIT was a loss of $0.5 million in 1H2023 as compared to a loss of $0.1 million in 1H2022, as margins were affected by higher construction costs for residential projects in Singapore.

Hospitality

Revenue increased by 13% to $42.1 million in 1H2023, reflecting the recovery of the Group's hotel operations in Melbourne following the easing of COVID-19 related restrictions last year. However, Perth's hotel operations recorded a lower revenue as the revenue from the previous corresponding period was boosted by guaranteed payments during the state requisition period, and the current operations were adversely affected by the on-going asset enhancement works at the Hyatt Regency Perth complex and construction works within the hotel.

Despite higher revenue, Adjusted EBIT decreased by 19% to $6.8 million due mainly to the weaker performance from the hotel operations in Perth.

Other Investments

Other Investments comprise mainly the Group's 44.5% equity stake in GulTech, as well as the manufacturing of polypropylene woven bags in Malaysia, which was previously reported under Industrial Services.

In 1H2023, the Group reported revenue of $3.8 million from the manufacturing of polypropylene woven bags in Malaysia as compared to $5.0 million in 1H2022, a decrease of 23%, due mainly to weaker demand.

Adjusted EBIT decreased by 24% to $13.3 million in 1H2023 due mainly to a weaker performance from GulTech. Demand for printed circuit boards, especially from the consumer and computing segments, slowed down in 1H2023. Coupled with foreign exchange losses recognised, this led to a lower Adjusted EBIT in 1H2023.

(C) Financial Position and Working Capital of the Group

The Group's total assets as at 30 June 2023 decreased by 2% to $2,596.3 million. The decrease was due mainly to the decrease in development properties and contract assets with the sales of on-going residential projects and completion of Mont Botanik Residence early this year.

The Group's total liabilities as at 30 June 2023 decreased by 5% to $1,363.3 million due mainly to the repayment of bank loans.

Shareholders' equity as at 30 June 2023 increased by 1% to $1,231.7 million. The increase was due mainly to the issuance of new ordinary shares under the Scrip Dividend Scheme and fair value gain on interest rate swaps entered into by the Group to manage the interest rate movements on its bank loans.

As at 30 June 2023, the Group had a working capital of $374.0 million.

(D) Cash Flows

During 1H2023, net cash generated from operating activities of $93.4 million was mainly from the operating profits, sales of residential properties in Singapore and collection of progress billings upon completion of Mont Botanik Residence.

Net cash used in investing activities of $12.7 million was due mainly to asset enhancement works incurred at the Hyatt Regency Perth complex.

Net cash used in financing activities of $94.9 million was due mainly to the net repayment of bank loans of $59.1 million and interest payments of $33.0 million.

As a result, unencumbered cash and cash equivalents were $232.0 million as at 30 June 2023, representing an outflow of $16.0 million since 31 December 2022.

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 businesses. The Group has embarked on a business transformation to reposition itself from a niche developer to a strong regional real estate player.

With rising interest rates and slower global economic outlook, the Group is adopting a cautiously optimistic outlook for the real estate market. The global growth projection for 2023 is projected to be 2.8%, down slightly from 2.9% at the beginning of the year due to the tightening of monetary policy to curb continued inflationary pressure[1].

In Singapore, the Group's commercial properties, 18 Robinson and Link@896, continue to enjoy improving occupancies and contribute to the recurring income for the Group. Despite a more cautious office leasing environment, limited Grade A office supply has continued to sustain rental growth amidst a flight to quality. For the retail sector, more F&B outlets were opened but higher inflation, manpower shortages and recession concerns continue to weigh on the retail market despite signs of recovery.

Link@896 has also begun planning for an asset enhancement initiative which is expected to elevate its retail experience by improving the layout and tenant mix along with the addition of new amenities for shoppers.

On the residential front, Mont Botanik Residence obtained TOP in February 2023 and all units were handed over to the owners. Peak Residence was successfully sold out in June 2023 and is on schedule to complete construction in 2024.

The Group is closely monitoring the residential market, with cautious outlook over the higher interest rate and inflation environment.

[1] https://www.reuters.com/business/finance/imf-warns-deeper-financial-turmoil-would-slam-global-growth-2023-04-11/#:~:text=The%20IMF%20is%20now%20forecasting,due%20to%20tighter%20monetary%20policy.

In Australia, Grand Hyatt Melbourne continues to benefit from strong domestic and corporate demand. The Group expects this positive trend to continue for the rest of 2023. Demand from international visitors is showing signs of improvement, but is still lagging behind the 2019 level. The Group expects further growth with the continued recovery of air travel from Asia.

Hyatt Regency Perth's operations have been affected by ongoing asset enhancement works as well as construction works within the hotel. The conversion of 42 rooms to serviced apartments commenced in the second quarter of 2023 and is scheduled to complete by the end of the year. The serviced apartments will complement the existing business model by targeting the mid- and long-term stay segments. Upon completion, the Group expects occupancy to improve with the additional revenue channel.

Meanwhile, the stable and improving occupancies at the Group's Melbourne and Perth investment properties are expected to continue to contribute to the performance in 2023 and beyond. Asset enhancement works at Hyatt Regency Perth complex will result in an increase in leasable area that has attracted interest from key tenants.

In Indonesia, the Group opened the marketing gallery of Batam Opus Bay in May 2023, which was officiated by the Chief of BP Batam and Mayor of Batam. The 125-hectare integrated township will be developed in phases, with the construction of Balmoral Tower and Cluny Villas progressing on schedule.

The Group is also developing an international luxury outlet mall known as The Grand Outlet – East Jakarta at Karawang, Greater Jakarta. This project is a joint venture with a subsidiary of Mitsubishi Estate Asia. The mall is developed in two phases and Phase 1 of the outlet mall is expected to be completed and opened for business in the fourth quarter of 2023. About 60% of the outlet mall has been leased to numerous brand-name tenants with PT Mitra Adiperkasa Tbk ("MAP") as the anchor tenant, bringing in more than twenty well-known brands, including Starbucks and Skechers.

In China, the performance of GulTech, an associated company of the Company, has been impacted by weaker demand for printed circuit boards amidst a cautious global economic outlook. The Group has been informed that Gultech (Jiangsu) Electronics Co., Ltd ("Gultech Jiangsu"), an indirect wholly-owned subsidiary of GulTech (through Gultech China Pte Ltd ("Gultech China")), has recently decided that the potential listing plans of Gultech Jiangsu should be halted, in light of and taking into consideration the current geopolitical and economic conditions, and Gultech China and/or Gultech Jiangsu intends to buy back approximately 17.5% of the total shares in the issued share capital of Gultech Jiangsu from the external investors (Yonghua Capital, Wens Capital, investment arms of the local authority (Xishan Economic and Technology Development Zone)), and entities set up to administer an employee share option plan.

Meanwhile, construction for the Group's 7.8%-owned Sanya project is on track for completion in the second half of 2023. With its connectivity as a transportation hub to the Sanya High-Speed Railway Station, light monorail system and inter-city bus interchange, the development, comprising commercial, residential, retail and car parking components, is expected to yield a gross floor area of close to approximately 200,000 square metres for sale or lease.

The Group will continue to develop its asset portfolio, explore potential strategic partnerships and acquisitions to expand its footprints to seize growth opportunities in Singapore and in key cities in China, Indonesia and Australia where the Group has already a significant presence. The Group is also not averse to consider options and opportunities to divest, develop, streamline, restructure and/or reorganise its non-real estate investments 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 IPT mandate from the shareholders at the Extraordinary General Meeting held on 24 April 2019, which was renewed at the Annual General Meeting on 26 April 2023.

1H2023

		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)	
Name of interested persons	**Nature of relationship**	**First Half Ended 30.06.2023** $'000	**First Half Ended 30.06.2022** $'000	**First Half Ended 30.06.2023** $'000	**First Half Ended 30.06.2022** $'000
Nuri Holdings (S) Pte Ltd and associates Lease to an interested person	Nuri Holdings (S) Pte Ltd is the Company's major shareholder and controlling shareholder.	-	-	**659**	7,089
Michelle Liem Mei Fung and associates Rendering of consultancy services to an interested person	Michelle Liem Mei Fung is a deemed controller shareholder of the Company.	-	-	-	300
Aggregated interested person transactions		-	-	**659**	7,389

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 2023 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
11 August 2023