

SURVEY OF ESTABLISHMENTS- OVERSEAS INVESTMENT**EXPLANATORY NOTES****REPORTING INSTRUCTIONS**

The following overseas investment should be reported:

- a. Overseas Associates and Subsidiaries (non-resident) in which your company owned AT LEAST 10%, directly or indirectly, of the total share capital as at end reference year.
- b. Joint ventures incorporated outside Singapore
- c. Overseas (non-resident) branches
- d. Unincorporated joint ventures and partnerships which your company has AT LEAST 10% equity interest.

Monetary values in Statement of Comprehensive Income (or Profit and Loss account) of affiliate should be converted to Singapore dollar using the average exchange rate for the period

Monetary values in the Statement of Financial Position (or Balance Sheet) of affiliate should be converted to Singapore dollar using the exchange rate on the closing financial position date

1. **Effective Interest** refers to percentage of share capital held by your company in your subsidiary/associate. The percentage should be computed based on total amount of shares directly held by your company.
2. **Total Equity** comprises share capital and reserves, which includes revenue reserves (i.e. accumulated profit/loss), capital reserves, general reserves and other reserves. Please exclude share premium.
For overseas branches, please consolidate the figures by country and indicate the total head office account under 'Total Equity'.
3. **Operating Revenue** refers to income earned by the entity from its business operations, which includes income from:
 - (a) Services rendered
 - (b) Sales of goods
 - (c) Commission fees
 - (d) Rental of premises, machinery and equipment
4. **Net Profit/Loss** refers to net profit/loss before extraordinary items.
Extraordinary items include:
 - Unrealised gains and losses from revaluation of fixed assets, investments and liabilities
 - Realised gains and losses from disposal of assets or liabilities
 - Gains and losses arising from valuation changes
 - Foreign exchange gains and losses
 - Goodwill amortised
 - Provisions for bad or doubtful debts