ANNUAL REPORT. 2016

TSH Corporation Limited

CONTENTS

TSH Corporation Limited

CHAIRMAN'S STATEMENT

*"It was an eventful year for TSH Corporation Limited (**"Company"**, together with its subsidiaries, the **"Group"**). At the beginning of the year, in view of the low share price, the Company conducted a strategic review with the aim of enhancing and unlocking shareholders' value. This led to the decision to divest all businesses, namely the Homeland Security Services business and the Consumer Electronic Products business."*

Mr. Wong Weng Foo John
Chairman

Dear shareholders,

On behalf of the board of directors of the Company (**"Board"**), allow me to present the annual report of the Group for the financial year ended 31 December 2016 (**"FY16"**).

FINANCIAL HIGHLIGHTS

During the year, the Group disposed of Explomo Technical Services Pte Ltd (**"ETS"**) and WoW Technologies (Singapore) Pte Ltd with its subsidiaries (**"WoW Group"**) (collectively, known as **"Discontinued Subsidiaries"**) separately for an aggregate cash considerations of S$6.20 million and recognised a net gain on the disposals of S$0.83 million.

The Group also disposed of its freehold land and industrial building (**"Property"**) for a cash consideration of S$16.10 million and recognised a gain on disposal of S$7.18 million during the year.

The gains above were moderated mainly by the impairment of goodwill and plant and equipment totaling S$2.11 million, the reversal of deferred tax assets of S$0.87 million recognised in previous year, the exchange loss of S$0.46 million suffered mainly from the bank balances denominated in Australian Dollar and payables denominated in United States Dollar, finance costs of S$0.22 million incurred mainly in relation to the Property sold, and fair value loss on held for trading financial assets of S$0.21 million which were marked to market value.

As a result of the above, the Group reported a profit after taxation of S$3.85 million and earnings per ordinary share (**"Share"**) of 1.60 Singapore Cents for FY16, and net assets value per Share of 2.58 Singapore Cents as at 31 December 2016.

OPERATIONS HIGHLIGHTS

The revenue and expenses of the Discontinued Subsidiaries for FY16, which represent the Homeland Security Services and Consumer Electronic Products businesses, were less than a full financial year and classified as discontinued operations, hence it is not meaningful to compare and analyse the different business segments with the results for the previous year.

In addition, the Group did not carry out any Property business subsequent to the sale of the properties held for development in the previous year.

Therefore, the Group ceased to have any business operations after the disposal of Discontinued Subsidiaries and is deemed to be a cash company under Rule 1017 of the Catalist Rules with effect from 31 August 2016.

Consequently, the Company has placed 90% of its cash balance as at 31 August 2016 in an escrow account in compliance with Rule 1017(1) of the Catalist Rules.

DIVIDENDS AND DISTRIBUTION

During the year, the Company has made a capital distribution (pursuant to a capital reduction) of S$0.1072 in cash for each Share and paid a special cash dividend of S$0.016 per Share as approved by the shareholders at the extraordinary general meeting of the Company convened on 21 October 2016. Therefore, the Company does not propose to pay further dividend in respect of FY16.

PROSPECTS

In February 2017, the Company entered into a sale and purchase agreement to sell its remaining asset held for sale, the equity investment in Unilink Development Limited, for an aggregate consideration of S$3.06 million. Subsequent to the completion of this disposal, the Company will be left with mainly cash and bank balances.

Going forward, the Board is committed to seek new potential business opportunities for the Company in order to maximize shareholders' value, and is considering and evaluating various new businesses for acquisition. Appropriate announcement will be made as and when there is any material update or development.

The Board wishes to remind shareholders that there is no assurance that the SGX-ST will not suspend the trading and listing of the Company's Shares or that the Company will be able to acquire a new business that meets the SGX-ST's requirements for new listing within the timeframe prescribed by the SGX-ST. Therefore, shareholders are advised to exercise caution when dealing in the Company's Shares, and they should consult their stockbrokers, solicitors, accountants or other professional advisers if they have any doubts.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to recognize and extend my deepest appreciation to Mr Lye Chee Fei Anthony and Mr Ng Kim Chew, who have stepped down as the executive management team of the Group, for their significant contributions to the Group. To the staff of the Group, all of whom had moved on to the Discontinued Subsidiaries, I would like to wish them well. Last but not least, I would also like to thank our valuable customers, business partners and shareholders for their confidence and continued supports for the past year.

Mr. Wong Weng Foo John
Chairman

On 1 August 2016, the Group completed the disposal of its wholly-owned subsidiary, Explomo Technical Services Pte Ltd, which was the only operating company of the Group's Homeland Security Services business. As a result, the Group has ceased its Homeland Security Services business.

On 31 August 2016, the Company completed the disposal of its wholly-owned subsidiaries, WoW Technologies (Singapore) Pte Ltd and its subsidiaries (the **"WoW Group"**), that were involved in the Group's Consumer Electronic Products business. As a result, the Group has ceased its Consumer Electronic Products business.

In addition, the Group did not carry out its Property business since the disposals of the properties purchased for redevelopment in 2015.

As a result of the above disposals, the Company had no operating business subsequent to the disposal of WoW Group and became a cash company under Rule 1017 of the Catalist Rules.

During the year, the Group has also terminated its unit trusts in Australia, namely 106 St Georges Road Unit Trust, 631 Orrong Road Unit Trust and Glyndefox Unit Trust, and deregistered its wholly-owned subsidiaries in Australia, namely 106 St Georges Road Pty Ltd, 631 Orrong Road Pty Ltd, Glyndefox Pty Ltd and TSH Development Australia Pty Ltd.

In February 2017, the Group struck off its remaining dormant subsidiaries in Singapore, namely Starmo International Pte Ltd, Explomo Magic Pte Ltd, TechnoPlus Pte Ltd and TSH Land Pte Ltd.

As at the date of this report, the Company has no subsidiary and is in the midst of considering and evaluating various businesses for acquisition. The Board will update its shareholders by making announcements in due course as and when there are any material updates or developments.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Lye Chee Fei Anthony
Executive Director

Mr. Wong Weng Foo John
Non-Executive Chairman
and Independent Director

Mr. Tan Dah Ching
Non-Executive Independent Director

Mr. Teo Kok Woon
Non-Executive Non-Independent Director

NOMINATING COMMITTEE

Mr. Tan Dah Ching
Chairman

Mr. Teo Kok Woon
Mr. Wong Weng Foo John

REMUNERATION COMMITTEE

Mr. Wong Weng Foo John
Chairman

Mr. Tan Dah Ching
Mr. Teo Kok Woon

AUDIT COMMITTEE

Mr. Wong Weng Foo John
Chairman

Mr. Tan Dah Ching
Mr. Teo Kok Woon

COMPANY SECRETARY

Ms. Chan Lai Yin (appointed on 9.2.2009)

REGISTERED OFFICE

51 Changi Business Park Central 2
The Signature #04-05
Singapore 486066
Tel : (65) 6701 8696
Email : contact@tshcorp.com.sg

COMPANY REGISTRATION NO.

200003865N

AUDITORS

Ernst & Young LLP
Engagement Partner: Gajendran Vyapuri (with effect from financial year ended 31 December 2013)

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
Singapore Land Tower #32-01
Singapore 048623

PRINCIPAL BANKERS

DBS Bank Ltd
United Overseas Bank Ltd

INCOME STATEMENT

The Group has ceased all its remaining business segments, namely Homeland Security Services business and Consumer Electronic Products business, in the financial year ended 31 December (**"FY"**) 2016, after the disposal of its wholly-owned subsidiaries, Explomo Technical Services Pte Ltd (**"ETS"**) and WoW Technologies (Singapore) Pte Ltd together with its subsidiaries (**"WoW Group"**) respectively (collectively known as **"Discontinued Subsidiaries"**). As a result, the revenue and expenses of the Discontinued Subsidiaries were presented separately under discontinued operations.

Therefore, no revenue and gross profit were reported from the continuing operations in FY2016. The revenue and gross profit in FY2015 were related to the Property business and Explomo Consulting Pte Ltd (**"ECPL"**), and all properties held for development and ECPL were disposed of in FY2015.

The loss before exceptional items and taxation from continuing operations increased significantly from S$0.20m in FY2015 to S$2.30m in FY2016 due mainly to the absence of gross profit, the change from other operating income of S$0.79m in FY2015 to other operating expenses of S$0.90m in FY2016, but moderated by lower general and administrative expenses and selling and marketing expenses.

The change from other operating income in FY2015 to other operating expenses in FY2016 was due mainly to the exchange loss of S$0.46m suffered mainly from the bank balances denominated in Australian Dollar and payables denominated in United States Dollar in FY2016, as compared to the exchange gain of S$1.09m recognised from receivables denominated in United States Dollar in FY2015.

The general and administrative expenses decreased by S$0.58m or 26.2% from S$2.20m in FY2015 to S$1.62m in FY2016 due mainly to the absence of expenses of ECPL.

The selling and marketing expenses decreased by S$0.53m or 84.2% from S$0.63m in FY2015 to S$0.10m in FY2016 due mainly to the absence of expenses of the Property business.

The Group reported a profit after taxation from continuing operations of S$4.02m despite the loss before exceptional items and taxation of S$2.30m due to the gain on disposal of the Company's freehold land and industrial building (**"Property"**) of S$7.18m recognised as an exceptional item. The exceptional items of S$6.86m in FY2015 were related mainly to:

(i) the fair value loss on a held for trading financial asset of S$4.58m which was marked to market value;

(ii) loss on disposal of a property held for development of S$1.95m which was sold without any development progress; and

(iii) impairment of S$0.48m of an available-for-sale financial asset (the equity investment (**"Unilink Investment"**) in Unilink Development Limited, a private company incorporated in Hong Kong) after marking down the carrying value to its possible recoverable value.

The loss after taxation from discontinued operations of S$0.16m for FY2016 comprised the impairment of goodwill and plant and equipment totaling S$2.11m, but was moderated by the net gain on disposal of the Discontinued Subsidiaries of S$0.83m, and their operating profits of S$1.12m recorded before their disposals. As the revenue and expenses of the Discontinued Subsidiaries for FY2016 were less than a full financial year, it is not meaningful to compare with the results for FY2015.

BALANCE SHEET

The decrease in Group assets and liabilities reflects the disposal of the Discontinued Subsidiaries and the Property, the capital distribution, and payment of dividends in FY2016. The assets of the Group comprised mainly cash and asset held for sale relating to the Unilink Investment as at 31 December 2016.

The Company has subsequent to 31 December 2016 entered into a sale and purchase agreement to sell the Unilink Investment for an aggregate consideration of S$3.06m.

STATEMENT OF CASH FLOWS

The cash flows used in operating activities of S$2.96m was attributed mainly to the decrease in trade and other payables, increase in trade and other receivables and increase in inventories, partially offset by decrease in gross amount due from/to customers for contract work-in-progress.

The cash flows generated from investing activities of S$21.39m was contributed mainly by the net proceeds from disposal of an asset held for sale (the Property), net cash inflow from disposal of the Discontinued Subsidiaries, and net proceeds from disposal of held for trading financial assets. This was partially offset by capital expenditure incurred on the purchase of plant and equipment.

The cash flows used in financing activities of S$45.18m was attributed mainly to the capital distribution, dividends paid, repayments of borrowings and placement of restricted deposit.

BOARD OF DIRECTORS

Mr. Wong Weng Foo John
Non-Executive Chairman and Independent Director

Mr. Lye Chee Fei Anthony
Executive Director

Mr. Tan Dah Ching
Non-Executive Independent Director

Mr. Teo Kok Woon
Non-Executive Non-Independent Director

BOARD OF DIRECTORS

Mr. Wong Weng Foo John
Non-Executive Chairman and Independent Director

Mr. Wong currently chairs the Audit and Remuneration Committees and is a member of the Nominating Committee.

He was a general partner at General Atlantic Partners, LLC, a worldwide private equity firm, and the Group Managing Director for Hong Leong Corporation. Previously, he was also the Vice Chairman of China Yuchai Ltd, Managing Director of IBM Singapore, Sri Lanka and Brunei, a Trustee of Singapore Management University, and a Director of the Singapore Institute of Management, Asia Dekor Holdings Limited, Asia Dekor Pte Ltd and Goodpack Limited.

Mr. Wong holds a MBA from Brunel University (UK) and completed the Advanced Management Programme at the University of Hawaii.

Mr. Lye Chee Fei Anthony
Executive Director

Mr. Lye was the Group CEO until he stepped down on 31 October 2016.

He has more than 20 years of entrepreneurial, operational and management experiences.

Mr. Lye holds a doctorate degree and is a graduate of University of Oxford and Imperial College London. He is also a member of the Institute of Singapore Chartered Accountants and an alumni of Keble College (Oxford).

Mr. Tan Dah Ching
Non-Executive Independent Director

Mr. Tan currently chairs the Nominating Committee and is a member of the Audit and Remuneration Committees.

He has over 10 years of experience in Corporate Finance. He was a Business Development Manager at Swissco Holdings Limited in charge of corporate finance activities. Prior to that, he worked as an Investment Manager at Kim Seng Holdings Pte Ltd and was an Issue Manager at Genesis Capital Pte Ltd.

Mr. Tan holds a Bachelor degree in Chemical Engineering from the National University of Singapore.

Mr. Teo Kok Woon
Non-Executive Non-Independent Director

Mr. Teo is a member of the Audit, Nominating and Remuneration Committees.

He is currently the Chairman of Cockpit International Pte Ltd and the Group Executive Director of Goodearth Realty Pte Ltd, which is his family business in the hotel and property investment.

Mr. Teo holds a Bachelor degree in Business Administration from the Royal Melbourne Institute of Technology University.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors (**"Board"** or **"Directors"**) of TSH Corporation Limited (**"Company"**) is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (**"Group"**). Good corporate governance establishes and maintains an ethical environment in the Group, which strives to enhance the interests of the shareholders of the Company (**"Shareholders"**).

The Company believes that the Code of Corporate Governance 2012 (**"Code"**), which forms part of the continuing obligations of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) (**"Catalist Rules"**), serves as a practical guide in defining duties and responsibilities of the Board. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the principles and guidelines set out in the Code, where appropriate.

A. BOARD MATTERS

Principle 1 : The Board's Conduct of Affairs

The Board recognises that it is collectively responsible for the success of the Company by setting strategic objectives and strives to protect and enhance long-term shareholders' value.

The Board's principal functions include:

(a) setting and approving broad policies, strategies and objectives of the Company;
(b) monitoring and reviewing the performance of the management (**"Management"**);
(c) overseeing and evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
(d) approving annual budgets, major funding proposals, investment and divestment proposals;
(e) assuming responsibility for the corporate governance framework of the Company as well as setting the Company's values and standards; and
(f) considering sustainability issues as part of its formulation of the Group's strategic directions.

All Directors exercise due diligence and independent judgement, and are obliged to act in good faith and consider at all times the interest of the Group.

Matters which are specifically reserved for the approval of the Board include, among others, any material acquisitions and disposals of assets and major undertakings (other than in the ordinary course of business), approval of financial results and interested person transactions.

Certain functions have been delegated to various board committees, namely, the Audit Committee (**"AC"**), the Nominating Committee (**"NC"**) and the Remuneration Committee (**"RC"**) (individually, the **"Board Committee"** and collectively, the **"Board Committees"**). Further information regarding the functions of the respective Board Committees is set out in the later part of this report.

The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

The Board conducts regular scheduled meetings. During the financial year ended 31 December 2016 (**"FY16"**), the Board conducted two (2) regular scheduled meetings. Ad-hoc meetings are convened as and when circumstances require and five (5) ad-hoc meetings were conducted in FY16. The Company's constitution (**"Constitution"**) allows Board meetings to be conducted by way of teleconferencing, provided that the requisite quorum of at least two (2) Directors are present. Minutes of all Board meetings and Board Committee meetings are circulated for review and confirmation, enabling the respective members to keep abreast of matters discussed at such meetings.

A. BOARD MATTERS - *continued*

Principle 1 : The Board's Conduct of Affairs - *continued*

The number of Board meetings and Board Committee meetings held in FY16 and the attendance of each Board member at those meetings are as follows:

Attendance Record of the Board and Board Committee Meetings

	Board		Audit Committee		Remuneration Committee		Nominating Committee	
Directors	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Lye Chee Fei Anthony*	7	7	3	3	2	2	1	1
Teo Kok Woon	7	6	3	2	2	2	1	1
Wong Weng Foo John	7	7	3	3	2	2	1	1
Tan Dah Ching	7	5	3	2	2	2	1	1

*Mr Lye Chee Fei Anthony was present at the Audit, Remuneration and Nominating Committees meetings by invitation.

A formal letter will be sent to newly-appointed Directors upon their appointment explaining their duties and obligations as director. New Directors, upon appointment, will also be briefed on the Company's business and governance practices. All Directors are provided with regular updates on changes in the relevant laws, regulations and commercial risks, to enable them to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected roles and responsibilities.

The Directors may also attend other trainings, conference and seminar that have a bearing on their duties and contribution to the Board, organised by professional bodies, regulatory institutions and corporations at his own or the Company's expense.

In FY16, the Directors were provided with updates on changes in the relevant laws, regulations and Singapore Financial Reporting Standards by the external auditors and the Company Secretary.

Principle 2 : Board Composition and Guidance

The Board comprises four (4) Directors. The key information of the Board members is set out under "Principle 4: Board Membership" of this report and the "Board of Directors" section in the annual report.

On 31 August 2016, the Company ceased to have any operating business and became a cash company under Rule 1017 of the Catalist Rules, and subsequent to that, the Director, Mr Lye Chee Fei Anthony (**"Mr Anthony Lye"**), relinquished his positions as the Group Chief Executive Officer (**"CEO"**) and Managing Director of the Company with effective from 31 October 2016. Mr Anthony Lye remains as the Executive Director of the Company.

As of the date of this report, the Board comprises one (1) Executive Director, two (2) Non-executive Independent Directors and one (1) Non-executive Non-independent Director, and the Board members are as follows:

Lye Chee Fei Anthony	(Executive Director)
Wong Weng Foo John	(Non-executive Chairman and Independent Director)
Tan Dah Ching	(Non-executive Independent Director)
Teo Kok Woon	(Non-executive Non-independent Director)

A. BOARD MATTERS - *continued*

Principle 2 : Board Composition and Guidance - *continued*

There is a strong and independent element on the Board with Independent Directors making up half of the Board composition. The requirement of the Code that at least one-third of the Board consists of independent directors is satisfied.

The current size of the Board is appropriate to facilitate effective decision making. Taking into consideration that the Company has become a cash company, the Board is of the opinion that the current board size of four (4) Directors is appropriate and provides sufficient diversity of expertise and knowledge in leading and governing the Company effectively. The Board will continue to review the size of the Board on an ongoing basis. As a team, the Board collectively provides core competencies in the areas of finance and business.

The Non-executive Directors constructively challenge and assist in the development of proposals on strategy, review the performance of the Management of the Company on a regular basis, and are encouraged to meet regularly without the Management's presence in order to facilitate a more effective check on the Management.

Principle 3 : Chairman and Chief Executive Officer

The roles of the Chairman of the Company and former Group CEO were separate and their responsibilities were clearly defined to ensure an appropriate balance of power and authority within the Company.

Mr Anthony Lye was the Group CEO prior to his resignation from the aforesaid position on 31 October 2016. As the Group CEO, Mr Anthony Lye was responsible for managing the businesses of the Group and implementing the Board's decisions. All major decisions made by Mr Anthony Lye as the Group CEO were reviewed by the AC.

The Chairman of the Company is Mr Wong Weng Foo John (**"Mr Wong"**). As the Chairman of the Company, Mr Wong is responsible for, among others, leading the Board to ensure its effectiveness on all aspects of its role, setting the agenda and ensuring that adequate time is available for discussion of all agenda items, promoting a culture of openness and debate at the Board, exercising control over the quality, quantity and timeliness of the flow of information between the Management and the Board, ensuring effective communication with Shareholders, encouraging constructive relations within the Board and between the Board and Management, facilitating the effective contribution of Non-executive Directors and promoting high standards of corporate governance.

Principle 4 : Board Membership

Recommendation for nominations of new Directors and retirement of Directors are made by the NC and considered by the Board as a whole.

As at the date of this report, the NC comprises the following members, majority of whom including the Chairman are Independent Directors:

Tan Dah Ching	(Chairman)
Wong Weng Foo John	(Member)
Teo Kok Woon	(Member)

A. BOARD MATTERS - *continued*

Principle 4 : Board Membership - *continued*

The principal functions of the NC stipulated in the terms of reference are summarised as follows:

(a) Reviews and makes recommendations to the Board on all Board appointment and re-appointment;

(b) Reviews the Board structure, size and composition and makes recommendations to the Board with regards to any adjustments that are deemed necessary;

(c) Reviews the Board's succession plans for Directors, in particular, the Chairman of the Company and the Group CEO;

(d) Determines the independence of the Board;

(e) Assesses the effectiveness of the Board and contribution of each Director; and

(f) Reviews training and professional development programmes for the Board.

For new appointments to the Board, the NC will consider the current size, composition and diversity of the Board, and decide if the candidate's background, expertise and knowledge will complement the skills and competencies of the existing Directors on the Board. The candidate must be a person of integrity and able to commit sufficient time and attention to the affairs of the Company, especially if he is serving on multiple Boards.

If a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director, the NC, in consultation with the Board, will determine the selection criteria taking into consideration the aforementioned and select the appropriate candidate for the position.

In its search and nomination process for new Director, other than through a formal search process via external search consultants, if required, the NC will also tap on to the resources of the Directors' personal contacts and their recommendations for potential candidates. The NC will shortlist and interview potential candidates with the appropriate profile to assess his/her suitability before nominating the most suitable candidate to the Board for approval and appointment as a Director.

There was no new director appointed in FY16.

In accordance with the provisions of the Constitution, one-third of the Directors (except the Managing Director) shall retire from office at every Annual General Meeting of the Company (**"AGM"**) and a retiring Director shall be eligible for re-election at the said AGM. All Directors shall retire from office at least once every three (3) years. As the Constitution provides for the Managing Director not to be subject to re-election, the Director who holds the office of Managing Director will not be subject to re-election. In addition, newly appointed Directors are required to submit themselves for re-nomination and re-election at the next AGM following his appointment.

Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance or re-nomination as a Director.

A. BOARD MATTERS - *continued*

Principle 4 : Board Membership - *continued*

The NC had recommended to the Board that Mr Anthony Lye and Mr Teo Kok Woon (**"Mr Teo"**) be nominated for re-appointment at the forthcoming AGM. In making their recommendations, the NC evaluates Mr Anthony Lye's and Mr Teo's contributions to the Group and their performance, including their attendance at meetings of the Board or Board Committees, where applicable, their participations, candour and special contributions. Further details of Mr Anthony Lye and Mr Teo can be found below and in the "Board of Directors" section of the annual report.

At the forthcoming AGM, Mr Anthony Lye and Mr Teo will be retiring pursuant to Article 107 of the Constitution. Mr Anthony Lye and Mr Teo, being eligible for re-election, have each offered himself for re-election. Please refer to the Notice of AGM for the resolutions put forth for their proposed re-elections.

The NC is responsible for determining annually whether a Director is independent, with reference to the guidelines set out in the Code. Each NC member does not take part in determining his own re-nomination or independence. Each Director is required to submit a return of independence to the Company Secretary as to his independence, who in turn submits the returns to the NC. The NC reviews the returns and determines the independence of each of the Directors and makes its recommendation to the Board. An Independent Director shall notify the NC immediately if, as a result of a change in circumstances, he no longer meets the criteria for independence. The NC shall review the change in circumstances, and make its recommendation to the Board.

The NC has assessed the independence of the Director, namely Mr Tan Dah Ching (**"Mr Tan"**) based on the criteria of independence defined in the Code. The NC is satisfied that there are no relationships or circumstances which were likely to interfere, or could appear to interfere, Mr Tan's independent business judgement with a view to the best interests of the Company or which would deem him not to be independent. Mr Tan had abstained from deliberations in respect of assessment of his own independence.

The Independent Director, Mr Wong, has served the Board beyond nine (9) years since his appointment and is subject to particularly rigorous review by the NC pursuant to the Code.

Mr Wong owns 3.23% shareholding interest in the capital of the Company. In addition, Mr Wong has a personal business relationship with Mr Anthony Lye, the Executive Director, and Mr Teo, a Non-executive Non-independent Director and substantial Shareholder of the Company, through his investment in JKF Capital Pte Ltd (**"JKF"**), a company of which Mr Wong, Mr Anthony Lye and Mr Teo are the directors and shareholders. JKF is a private company incorporated in Singapore to invest in shop houses in Penang, Malaysia. JKF has no business dealings with the Company or any of the Group's subsidiaries or transactions which falls under the description of interested person transactions under Chapter 9 of the Catalist Rules. Saved as disclosed, Mr Wong has no relationship (including immediate family relationships) with other Directors, the Company, its subsidiaries or other 10% (or more) Shareholders of the Company.

Due to Mr Wong's directorship which is more than nine (9) years and his investment in JKF, the NC had conducted a review on Mr Wong's independence and had taken into consideration the evaluation criteria such as (i) the independent expression of views and deliberations in relation to the Company's matters, particularly during Board and Board Committees meetings, (ii) objective and constructive challenge to assumptions and viewpoints by the Management, and (iii) valuable insights provided by Mr Wong to the Company due to his vast industry experience. The NC had also evaluated Mr Wong's involvement and contribution in the Board and Board Committees meetings, his investment in JKF in the context of his overall portfolio of investments, and his business relationship with Mr Anthony Lye and Mr Teo. The Board is of the opinion that Mr Wong had repetitiously demonstrated strong independent character and judgement over the years in discharging his duties as an Independent Director. The Board, with the concurrence of the NC, is satisfied that the existence of the abovementioned business relationship and circumstance do not affect

A. BOARD MATTERS - *continued*

Principle 4 : Board Membership - *continued*

the independence of Mr Wong as an Independent Director of the Company. The Board considered that Mr Wong's familiarity with the Company's business will continue to contribute positively to the deliberation at the Board and Board Committees meetings. Mr Wong had abstained from deliberations in respect of assessment of his own independence.

Please refer to the "Board of Directors" section in the annual report for the profile of the Directors. The shareholdings of the individual Directors of the Company are set out below.

The NC is of the opinion that the Board is able to exercise objective judgement on corporate affairs independently and no individual or small group of individuals dominates the Board's decision making process.

Although some of the Non-executive Directors hold directorships in other companies, the Board is of the view that such multiple board representations do not hinder them from carrying out their duties as Directors of the Company. The NC has determined that the maximum number of listed company board representations which any Director of the Company may hold should not be more than four (4). The NC is satisfied that sufficient time, attention, resources and expertise has been given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations as well as any other principal commitments.

Key information regarding the Directors of the Company are as follows:

Name of Director	**Mr Lye Chee Fei Anthony**
Shareholding in the Company (as at 15 Mar 2017)	13,082,400 (5.44%) (direct interest) 26,846,400 (11.17%) (deemed interest)
Board Committees served	None
Date of first appointment as Director	3 September 2003
Date of last re-election as Director	5 April 2004. Not required as the former Group CEO until 31 October 2016.
Present directorships in other listed companies	Nil
Past directorships in other listed companies (within the last 3 years)	Nil
Other principal commitments	Executive chairman and director of Explomo Technical Services Pte Ltd

Name of Director	**Mr Teo Kok Woon**
Shareholding in the Company (as at 15 Mar 2017)	68,250,728 (28.39%) (deemed interest)
Board Committees served	AC, NC & RC
Date of first appointment as Director	11 August 2006
Date of last re-election as Director	30 April 2014
Present directorships in other listed companies	Nil
Past directorships in other listed companies (within the last 3 years)	Nil
Other principal commitments	Chairman of Cockpit International Pte Ltd Group executive director of Goodearth Realty Pte Ltd

A. BOARD MATTERS - *continued*

Principle 4 : Board Membership - *continued*

Name of Director	Mr Wong Weng Foo John
Shareholding in the Company (as at 15 Mar 2017)	7,771,666 (3.23%) (deemed interest)
Board Committees served	AC, NC & RC
Date of first appointment as Director	6 September 2006
Date of last re-election as Director	30 April 2015
Present directorships in other listed companies	Nil
Past directorships in other listed companies (within the last 3 years)	Goodpack Limited
Other principal commitments	Nil

Name of Director	Mr Tan Dah Ching
Shareholding in the Company (as at 15 Mar 2017)	Nil
Board Committees served	AC, NC & RC
Date of first appointment as Director	7 April 2014
Date of last re-election as Director	29 April 2016
Present directorships in other listed companies	Nil
Past directorships in other listed companies (within the last 3 years)	Nil
Other principal commitments	Nil

Principle 5 : Board Performance

A formal assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director to the effectiveness of the Board is conducted annually by having the Directors complete a questionnaire. The findings are analysed and discussed with a view to implement certain recommendations to further enhance the effectiveness of the Board.

For FY16, the NC, in assessing the contribution of each Director, had considered the attendance and participation at Board meetings and Board Committee meetings, the qualifications, experience, expertise, the time and effort dedicated to the Group's business and affairs, including the Management's access to the Directors for guidance or exchange of views as and when necessary. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as Director. In assessing the effectiveness of the Board and Board Committees, the criteria including the size, composition, processes of the Board and Board Committees, Board's and Board Committees' access to information, strategic planning and accountability were taken into consideration.

The Board has not engaged any external consultant to conduct an assessment of the performance of the Board, Board Committees and each individual Director. Where relevant, the NC will consider such an engagement.

A. BOARD MATTERS - *continued*

Principle 6 : Access to Information

The Board is provided with timely, adequate and complete information. For other matters where the Board is required to make decisions, the Management provides the Board with sufficient background and explanatory information on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered. Any additional material or information requested by the Directors are promptly furnished.

The Directors are given free access to the Group's operational facilities and have direct access to the Management and Group Chief Financial Officer to have a better understanding of the Group's business operations.

The Directors have separate and independent access to the Company Secretary. The Company Secretary attends all Board meetings and Board Committee meetings. The Company Secretary is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Board as a whole is updated on risk management and the key changes in the relevant regulatory requirements and accounting standards. The appointment and removal of the Company Secretary are subject to the Board's approval.

For FY16, the Management provided the members of the Board with management accounts on a half-yearly basis, as well as relevant background information and documents relating to items of business to be discussed at a Board meeting before the scheduled meeting. The Management updates the Board on the business of the Company from time to time.

The Board (whether individually or as a group) has, in the furtherance of its duties, access to independent professional advice, if necessary, at the Company's expense.

B. REMUNERATION MATTERS

Principle 7 : Procedures for Developing Remuneration Policies

As at the date of this report, the members of the RC comprise the following Non-executive Directors, majority of whom including the Chairman are independent:

Wong Weng Foo John	(Chairman)
Tan Dah Ching	(Member)
Teo Kok Woon	(Member)

The Chairman of the RC, Mr Wong, has a good working knowledge of human resource and executive compensation from his many years of general management experience.

The functions of the RC contained in its written terms of reference include, among others, (i) the setting up of a framework of remuneration and implementation of formal and transparent processes by which the remuneration packages of all the Executive Directors (in the form of service agreements) and at least the key management personnel (in terms of aggregate remuneration) are formulated and endorsed by the Board; and (ii) to consider long-term incentives schemes for Executive Directors and key management personnel and review their eligibility for benefits under the schemes.

No RC member or any Director is involved in deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him, except for providing information and documents specifically requested by the RC to assist it in its deliberations.

B. REMUNERATION MATTERS - *continued*

Principle 7 : Procedures for Developing Remuneration Policies - *continued*

Directors' fees are recommended by the RC and submitted for endorsement by the Board. Directors' fees are subject to approval by Shareholders at the AGM.

In FY16, the RC met to discuss and review the service agreements, where applicable, and remuneration of the Executive Director for the FY16. No remuneration consultants were engaged by Company in FY16.

Principle 8 : Level and Mix of Remuneration

In setting the remuneration packages of the Executive Director and key management personnel, the RC ensures that remuneration packages of the Executive Director and key management personnel are comparable within the industry as well as with similar companies. The RC considers the Group's relative performance, the contributions and responsibilities of the individual Directors and key management personnel in its review and recommendation of their remuneration.

The RC also takes into consideration the criteria such as leadership, people development, commitment and teamwork in assessing the individual's performance. This is designed to align the remuneration package with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

The remuneration of the Executive Director includes, among others, a fixed salary and a variable performance bonus, and there are no onerous compensation commitments on the part of the Company in the event of an early termination of the service of the Executive Director.

In view that the Company is currently a cash company with no business operations, following the stepping down of Mr Anthony Lye as the Group CEO and Managing Director of the Company, Mr Anthony Lye has decided to forgo his remuneration package and benefits (effective from 1 November 2016) for his continuing services as the Executive Director of the Company.

The remuneration package of the key management personnel comprises a basic salary component and a variable component which is the annual bonus, based on the performance of the Group as a whole and their individual performance.

The Non-executive Directors (including Independent Directors) do not have any service agreements with the Company. Independent Directors are paid a basic fee for sitting on any of the Board Committees. Save for Directors' fees, which have to be approved by the Shareholders at every AGM, the Non-executive Directors do not receive any remuneration from the Company.

The Company has no share-based compensation scheme or any long-term scheme involving the offer of shares or option in place.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties. The RC would review such contractual provision as and when necessary.

B. REMUNERATION MATTERS - *continued*

Principle 9 : Disclosure on Remuneration

A breakdown of the level and mix of remuneration paid/payable to each Director in remuneration bands of S$250,000 for FY16 are as follows:

Remuneration bands	Fees %	Salary %	Bonus %	Other Benefits %	Total %
Below S$250,000					
Tan Dah Ching	100[1]	—	—	—	100
Teo Kok Woon	—	—	—	—	—
Wong Weng Foo John	100[1]	—	—	—	100
S$250,001 to S$500,000					
Lye Chee Fei Anthony[2]	—	88.6	—	11.4	100

1 The Director's fee is subject to approval by Shareholders at the forthcoming AGM.

2 Aggregate remuneration for Mr Anthony Lye as the Group CEO for the period from 1 January 2016 to 31 October 2016 amounted to approximately S$445,000.

The Company does not think it is in the interest of the Company to disclose the Directors' remuneration in dollar terms for commercial sensitivity reasons, and that the current disclosure on a named basis and in bands of S$250,000 including the provision of a breakdown in percentage terms is sufficient.

For FY16, the Group had 2 key management personnel (**"KMP"**). One of the KMP, Mr Lee Kim Chye James, CEO and Director of Explomo Technical Services Pte Ltd (**"ETS"**), ceased to be the KMP of the Group following the completion of the disposal of ETS in August 2016. The other KMP, Mr Ng Kim Chew, has ceased employment as Group Chief Financial Officer on 31 December 2016 as the Company ceased to have any operating business and has become a cash company. He has since then been engaged as the Advisor of the Company (the **"Advisor"**) to assist the Board with all matters concerning the Company.

In the past, having regard to the sensitivity and confidentiality of remuneration matters, the Company did not believe it to be in its interest to disclose the name and remuneration of its KMP or in bands of S$250,000. Similarly, no such information is disclosed for FY16. The annual aggregate remuneration paid to the 2 KMP (excluding Directors) of the Group for FY16 (up to the date of the cessation of their employment under the Group) was S$645,885, which was inclusive of termination benefit of S$224,400.

There are no termination, retirement and post-employment benefits that may be granted to the Directors.

None of the employees whose remuneration exceeds S$50,000 during FY16 are immediate family members of the Directors or substantial Shareholders.

C. ACCOUNTABILITY AND AUDIT

Principle 10 : Accountability

The Board accepts that it is accountable to the Shareholders while the Management is accountable to the Board. The Management provides all members of the Board with management accounts which present a balanced and understandable assessment of the Group's performance, position and prospects on a half-yearly basis, which has been assessed by the Board to be sufficient. The Board provides the Shareholders with a balanced and understandable assessment of the Group's performance, position and prospects on a half-yearly basis. Such responsibility is extended to the other price-sensitive public reports and reports to regulators (if required).

The Board takes adequate steps to ensure compliance with legislative and regulatory requirements.

Principle 11 : Risk Management and Internal Controls

The Company does not have a Risk Management Committee. However, the Board regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Company's outsourced internal auditors was tasked to regularly review all significant control policies and procedures and highlight all significant matters to the senior management, the AC and the Board prior to the Company became a cash company in August 2016. After which, the engagement of the outsourcing internal auditors was discontinued.

The Board is provided with management accounts and such explanation and information to safeguard the Company's utilisation of cash and make informed decisions on monthly basis. The Company provides a monthly valuation of its assets and utilisation of cash, and quarterly updates of the milestones in obtaining a new business, to the Shareholders via SGXNet pursuant to Rule 1017(1)(b) of the Catalist Rules.

For the financial year under review, the Executive Director and the Advisor have provided their confirmation and assurance to the Board on (i) the integrity of the Company's financial statements and that the financial records have been properly maintained and the financial statements gives a true and fair view of the Group's operations and finances, and (ii) the effectiveness of the Group's risk management and internal controls systems.

With the concurrence of the AC, the Board is of the opinion that the system of internal controls and risk management processes maintained by the Group's management throughout the financial year is adequate for the Group. The AC constantly reviews the effectiveness and adequacy of internal controls and the risk management processes adopted by the Group by considering reviews performed by the Management, and the assessment performed by the Independent Auditors. The Board, with the concurrence of the AC, is satisfied that the Group has a robust internal control system addressing financial, operational, compliance, information technology risks and risk management which is adequate and effective as at the date of this report to meet the needs of the Group in its current business environment.

C. ACCOUNTABILITY AND AUDIT - *continued*

Principle 12 : Audit Committee

The AC comprises three (3) Non-executive Directors, majority of whom including the Chairman are independent. Majority of the AC possess the appropriate accounting experience and/or related financial management expertise. The members of the AC as at the date of this report are as follows:-

Wong Weng Foo John	(Chairman)
Tan Dah Ching	(Member)
Teo Kok Woon	(Member)

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of, the Management and full discretion to invite any Director or senior management to attend its meetings. The AC has adequate resources to enable it to discharge its responsibilities properly.

The responsibilities of the AC contained in its written terms of reference include:

(a) reviewing the half-year and annual financial statements and results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, and compliance with accounting standards, the Catalist Rules and any other relevant statutory or regulatory requirements;

(b) reviewing the scope and results of the external audit and effectiveness of internal audit, and to evaluate, with the assistance of internal auditors, the adequacy and effectiveness of the systems of internal and accounting controls, risk management and compliance;

(c) reviewing the cost effectiveness of the external audit and, where the external auditors provide a substantial volume of non-audit services to the Company and/or the Group, to review the nature, extent and costs of such services so as to avoid an erosion of the independence and objectivity of the external auditors;

(d) recommending to the Board the nomination for appointment, re-appointment and removal of the external auditors and their level of audit fee; and

(e) reviewing the interested person transactions, and improper activities of the Company, if any.

In FY16, the AC met three (3) times. Details of the members' attendance at AC meetings in FY16 are provided under Principle 1 of this report.

The Company has put in place a whistle-blowing policy, endorsed by the AC, where employees of the Company and any other persons including members of the public may, in confidence, raise concerns about the possible corporate improprieties in matters of financial reporting or other matters. Employees and any other persons including members of the public may direct their concerns directly to the AC Chairman at email address whistleblow@tshcorp.com.sg. The AC's objectives are to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

C. ACCOUNTABILITY AND AUDIT - *continued*

Principle 12 : Audit Committee - *continued*

The AC performed the following functions in FY16:

(a) External Auditors

The AC reviewed together with the external auditors:

(i) the audit plan (including, among others, the nature and scope of the audit before the commencement of audit and the risk management issues of the Group);
(ii) the consideration of financial controls in areas which could have a material impact on the financial statements;
(iii) the audit report;
(iv) the assistance given to them by the Company's officers; and
(v) the financial statements of the Group.

The AC is kept abreast by the Management and the external auditors of changes to accounting standards, Catalist Rules and other regulations which could have an impact on the Group's business and financial statements.

The AC conducted a review of the nature and extent of non-audit services provided by the external auditors to satisfy itself that such services do not prejudice the independence and objectivity of the external auditors before confirming their re-nomination.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors.

The AC constantly bears in mind the need to maintain a balance between independence and objectivity of the external auditors and the work carried out by the external auditors based on value for money considerations. The aggregate amount of fees payable to the external auditors for audit and non-audit services for the financial year under review amounted to S$80,000 and S$4,800 respectively.

The AC shall continue to monitor the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors. For FY16, the AC also received the Audit Quality Indicators as presented by the external auditors. The AC gives its recommendations to the Board and the Company regarding the appointment, re-appointment or removal of the external auditors. The AC is satisfied that the Company's external auditors are able to meet the audit requirements and statutory obligation of the Company. The AC has recommended to the Board the re-appointment of Ernst & Young LLP as the Company's external auditors at the forthcoming AGM.

The AC met up once with the external auditors without the Management in FY16.

The Auditors, Ernst & Young LLP, are appointed to audit the Group's Singapore-incorporated subsidiaries except for audit exempted subsidiaries, and the Group has no overseas subsidiaries as at 31 December 2016. The AC is satisfied that the Company is in compliance with Rule 712 and Rule 715 of the Catalist Rules.

C. ACCOUNTABILITY AND AUDIT - *continued*

Principle 12 : Audit Committee - *continued*

(b) Review of financial statements

For FY16, the AC reviewed the half-year and full year financial statements of the Group, including announcements relating thereto, to Shareholders and the SGX-ST.

(c) Review of interested person transactions and material contracts

The Company does not have a general mandate for interested person transactions pursuant to Rule 920 of the Catalist Rules.

The aggregate values of the transactions conducted in FY16 are as follows:

Nature	Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$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 S$100,000)
		S$'000	S$'000
Disposal of subsidiary, ETS*	Lye Chee Fei Anthony	3,012	—
Sale of Company's motor vehicle	Lye Chee Fei Anthony	260	—

* The disposal was approved by the Shareholders at an Extraordinary General Meeting of the Company held on 28 July 2016.

Apart from the abovementioned, there were no material contracts entered into by the Company and its subsidiaries involving the interests of the Directors or controlling Shareholders either still subsisting as at 31 December 2016, or, if not then subsisting, entered into since 31 December 2015.

The Company monitors all its interested person transactions and ensures that all transactions with interested persons are reported in a timely manner for review by the AC and that the transactions are conducted on an arms' length basis.

C. ACCOUNTABILITY AND AUDIT - *continued*

Principle 13 : Internal Audit

The Board believes in the importance of maintaining a sound system of internal controls to safeguard the interests of the Shareholders and the Group's assets. The system of internal controls provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. The AC approves the hiring, removal, evaluation and compensation of the internal auditors.

For FY16 and prior to 31 August 2016, the Company outsourced its internal audit function to Foo Kon Tan LLP (**"Internal Auditor"**), a qualified professional firm which meets the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The role of the Internal Auditor was to support the AC in ensuring that the Group maintains a sound system of internal controls by monitoring and assessing the effectiveness of key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigations as directed by the AC. The internal audit report was submitted to the AC for review and copies were provided to the Management for follow-up actions. The Internal Auditor reported to the AC Chairman and met up once with the AC in FY16. The Internal Auditor had unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The Board, with the assistance of the AC, assesses the adequacy and effectiveness of the system of internal controls of the Group by considering reviews performed by the Management, and the assessment performed by the Internal Auditor.

The AC reviews the adequacy of the internal audit function (taking into account the staff strength and relevant qualifications and experience of the staff assigned by the Internal Auditor) on an annual basis to ensure that internal audits are conducted effectively and that Management provides the necessary co-operation and resources to enable the Internal Auditor to perform its function. The AC also reviews the Internal Auditor's reports and remedial actions implemented by Management to address any internal control inadequacies identified.

Subsequent to the discontinuance of the engagement of the Internal Auditors, the AC will review the adequacy and integrity of the Company's internal controls systems, going forward, and will report directly to the Board on material non-compliance and internal control weakness, if any, and recommend improvements where necessary. The AC will oversee and monitor the implementation of any improvements thereto.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14 : Shareholder Rights
Principle 15 : Communication with Shareholders
Principle 16 : Conduct of Shareholder Meetings

Information is communicated to Shareholders on a timely basis and in an accurate and comprehensive manner, through annual reports that are issued to all Shareholders within the mandatory period, half-year/ full year announcements, disclosures to the SGX-ST via SGXNet and other announcements, where required, under the provision of the Catalist Rules. The Company adopts the practice of regularly communicating major developments in its businesses and operations through SGXNet and, where appropriate, directly to Shareholders, other investors, analysts, the media, the public and its employees.

The Company may also, on an ad-hoc basis, hold media and analysts' briefings and publish press releases of its financial results.

The Company does not practise selective disclosure of material information. Material information is excluded from briefings with investors or analysts, unless it has been publicly released either before, or concurrently with, such meetings.

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES - *continued*

Principle 14 : Shareholder Rights - *continued*
Principle 15 : Communication with Shareholders - *continued*
Principle 16 : Conduct of Shareholder Meetings - *continued*

Shareholders are encouraged to attend the general meetings of the Company to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Notice of the AGM is despatched to Shareholders, together with explanatory notes or a circular (if necessary), at least fourteen (14) calendar days or twenty-one (21) calendar days (as the case may be) before the meeting. The Board welcomes questions from Shareholders who have an opportunity to raise issues either informally or formally before or at the general meetings of the Company. The Chairmen of the AC, RC and NC will be available at the meeting to respond to those questions relating to the functions of the Board Committees. The external auditors will also be present to address Shareholders' queries on the conduct of audit and the preparation and content of the auditor's report. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as "relevant intermediary" under Section 181(1C) of the Companies Act, Chapter 50, to attend and participate in general meetings without being constrained by the two (2)-proxy requirement. Relevant intermediary includes holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors. As a result, the relevant intermediaries are entitled to appoint more than two (2) proxies to attend, speak and vote at the Company's forthcoming annual general meetings. As the authentication of Shareholders' identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means. The Board will review its Constitution from time to time. Where amendment to its Constitution is required to align the relevant provisions with the requirements of the Catalist Rules, Shareholders' approval will be obtained. Minutes of general meetings include substantial and relevant queries or comments from Shareholders relating to the agenda of the meeting and responses from the Board and the Management would be available to Shareholders upon their request.

The Group does not have a concrete dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate.

The Company had on 21 October 2016 obtained its Shareholders' approval at an Extraordinary General Meeting of the Company for the following cash distribution and special dividend, which payment were made to the shareholders on 21 December 2016:-

(i) Cash distribution of S$0.1072 per share (related to capital reduction exercise); and
(ii) Special dividend of S$0.016 per share.

The Company ensures that there are separate resolutions at general meetings on each distinct issue.

To enhance Shareholder participation and in adherence of the Catalist Rules, resolutions put forth at the forthcoming AGM and at all future general meetings will be voted by poll. Voting results of all votes cast for and against each resolution and the respective percentages will be announced via the SGXNet.

E. DEALINGS IN SECURITIES

The Group has adopted and implemented policies in line with the SGX-ST's best practices in relation to the dealing of shares in the Company. The Group's policies on share dealings have been issued to all Directors and employees of the Group. The Company has informed its Directors and employees not to deal in the Company's shares on short term considerations or whilst they are in possession of unpublished material price sensitive information and during the period commencing one (1) month before the announcement of the Company's financial results and ending on the date of the announcement of such financial results. In addition, Directors and employees of the Group are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

F. NON-SPONSOR FEE

Non-sponsor fee of S$40,000 was paid by the Company to its Sponsor, SAC Capital Private Limited, for its advisory and involvement in the corporate exercises undertaken by the Group in FY16.

FINANCIAL SECTION

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of TSH Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 31 December 2016.

1. Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Lye Chee Fei Anthony
Tan Dah Ching
Teo Kok Woon
Wong Weng Foo John

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year had, according to the register of director's shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company as stated below:

	Direct interest			Deemed interest		
Name of director	**At 1.1.2016**	**At 31.12.2016**	**At 21.01.2017**	**At 1.1.2016**	**At 31.12.2016**	**At 21.01.2017**
The Company						
Ordinary shares						
Lye Chee Fei Anthony	13,082,400	13,082,400	13,082,400	26,846,400	26,846,400	26,846,400
Teo Kok Woon	–	–	–	68,250,728	68,250,728	68,250,728
Wong Weng Foo John	2,385,000	–	–	5,386,666	7,771,666	7,771,666

5. Options

The Company does not have any Share Option Schemes or Share Schemes. No options were issued by the Company or its subsidiaries during the financial year. As at financial year end, there were no options on the unissued shares of the Company or its subsidiaries which were outstanding.

6. Audit Committee ("AC")

The audit committee performed its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- Reviewed the half-year and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit; and
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

The AC convened three (3) meetings during the year with two (2) members absent from one (1) meeting each. The AC has also met with the external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

7. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Wong Weng Foo John
Director

Lye Chee Fei Anthony
Director

Singapore
22 March 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TSH CORPORATION LIMITED

Report on the audit of the financial statements

We have audited the financial statements of TSH Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 31 December 2016, consolidated statement of changes in equity, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) 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 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group 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 (ACRA) 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 period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Disposal of investments in subsidiaries and freehold land and building

During the year, the Group completed the disposal of its investments in certain subsidiaries and a freehold land and building as disclosed in Note 11 and Note 16 respectively. The results of these subsidiaries until their date of disposal have been consolidated and reported as part of discontinued operations. These disposals have significant financial implications. As such, we determined this to be a key audit matter.

As part of our audit procedures, we read the sale and purchase agreements to obtain an understanding of the key terms of these disposals. We obtained evidence of relevant approval for these disposals. We checked management's computation of the gain or loss on disposal against the key terms of the sale and purchase agreements. We traced the sale considerations received to bank statements. We evaluated the appropriateness of presenting the results of the disposed subsidiaries as discontinued operations.

Information regarding the gain or loss on disposal of investments in subsidiaries and freehold land and building, and the Group's results from discontinued operations is disclosed in Note 8 and Note 11 to the financial statements.

Key audit matters - *continued*

Impairment assessment of investment in Unilink Development Limited

The Group holds a 26.5% interest in Unilink Development Limited ("Unilink"). The investment is classified as held for sale and measured at cost less impairment of $2.98 million as at 31 December 2016. During the year, the Group recorded an impairment charge of $0.15 million to reduce the carrying value of the investment to its expected recoverable amount. The recoverable amount was estimated based on an offer received by management during the year. As the carrying amount of the investment is material to the balance sheet of the Group, we determined this to be a key audit matter.

In assessing the appropriateness of the carrying value, amongst others, we read the letter of offer to understand the key terms of the offer. We also discussed with management on their plans in respect of this investment, and enquired the status of their negotiations with the offeror and their assessment of the offer. Based on these information, we assessed the reasonableness of the impairment charge for the year and the carrying value as at year end, taking into consideration the key terms of the sales and purchase agreement signed subsequent to year-end. We also evaluated the appropriateness of the classification of the investment as an asset held for sale considering management's plan to realise the value of the investment.

Information regarding the Group's investment in Unilink is disclosed in Note 16 to the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 FRSs, 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:

- 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor's responsibilities for the audit of the financial statements - *continued*

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 period 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 Gajendran Vyapuri.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
22 March 2017

	Note	2016 $	2015 (Restated) $
<u>Continuing operations</u>			
Revenue	3	–	24,750,789
Cost of sales		–	(23,289,117)
Gross profit		–	1,461,672
Other income	4	**547,645**	537,757
General and administrative expenses		**(1,624,736)**	(2,201,266)
Selling and marketing expenses		**(98,983)**	(624,407)
Finance costs	5	**(221,709)**	(165,715)
Other operating (expenses)/income	6	**(899,686)**	791,996
Loss before exceptional items and taxation from continuing operations	7	**(2,297,469)**	(199,963)
Exceptional items	8	**7,184,468**	(6,864,100)
Profit/(Loss) before taxation from continuing operations		**4,886,999**	(7,064,063)
Taxation	10	**(868,000)**	726,346
Profit/(Loss) from continuing operations, net of tax		**4,018,999**	(6,337,717)
<u>Discontinued operations</u>			
(Loss)/Profit from discontinued operations, net of tax	11	**(163,802)**	38,703
Profit/(Loss) for the year		**3,855,197**	(6,299,014)
Other comprehensive income:			
<u>Item that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation		**(158,288)**	306,914
Realisation of translation reserve on disposal and strike off of subsidiaries		**(565,633)**	–
Other comprehensive income for the year, net of tax		**(723,921)**	306,914
Total comprehensive income for the year		**3,131,276**	(5,992,100)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

	Note	2016 $	2015 (Restated) $
Profit/(Loss) from continuing operations, net of tax		**4,018,999**	(6,337,717)
(Loss)/Profit from discontinued operations, net of tax		**(163,802)**	38,703
Profit/(Loss) for the year attributable to owners of the Company		**3,855,197**	(6,299,014)
Total comprehensive income from continuing operations		**4,019,113**	(6,342,378)
Total comprehensive income from discontinued operations		**(887,837)**	350,278
Total comprehensive income for the year attributable to owners of the Company		**3,131,276**	(5,992,100)
		Cents	Cents
Basic and diluted earnings per share			
- From continuing operations	12	**1.67**	(2.64)
- From discontinued operations	12	**(0.07)**	0.02
		1.60	(2.62)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group 2016 $	Group 2015 $	Company 2016 $	Company 2015 $
Non-current assets					
Plant and equipment	13	–	1,868,386	–	416,640
Investments in subsidiaries	14	–	–	–	9,515,215
Intangible assets	15	–	1,962,672	–	–
Deferred tax assets	24	–	876,625	–	868,000
		–	4,707,683	–	10,799,855
Current assets					
Assets held for sale	16	**2,977,000**	11,844,965	**2,977,000**	11,844,965
Inventories	17	–	238,829	–	–
Gross amount due from customers for contract work-in-progress	18	–	81,414	–	–
Trade and other receivables	19	**24,838**	4,629,667	**24,838**	18,459,047
Held for trading financial assets	20	–	1,925,665	–	1,925,665
Fixed deposits	21	–	13,057,968	–	2,645,378
Restricted deposit	28	**1,530,003**	–	**1,530,003**	–
Cash and bank balances	28	**2,057,459**	17,978,928	**2,057,459**	866,818
		6,589,300	49,757,436	**6,589,300**	35,741,873
Current liabilities					
Gross amount due to customers for contract work-in-progress	18	–	147,057	–	–
Trade and other payables	22	**385,957**	7,031,363	**385,957**	2,008,961
Borrowings	23	–	7,196,009	–	7,196,009
Provision for taxation		–	4,568	–	–
		385,957	14,378,997	**385,957**	9,204,970
Net current assets		**6,203,343**	35,378,439	**6,203,343**	26,536,903
Non-current liabilities					
Deferred tax liabilities	24	–	178,100	–	–
		–	178,100	–	–
Net assets		**6,203,343**	39,908,022	**6,203,343**	37,336,758
Equity attributable to owners of the Company					
Share capital	25	**258,805**	26,034,356	**258,805**	26,034,356
Translation reserve	26	–	723,921	–	–
Revenue reserve	27	**5,944,538**	13,149,745	**5,944,538**	11,302,402
Total equity		**6,203,343**	39,908,022	**6,203,343**	37,336,758

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2016

	Share capital $	Revenue reserve $	Translation reserve $	Total equity attributable to owners of the Company $
Balance at 1 January 2015	26,034,356	19,448,759	417,007	45,900,122
Loss for the year	–	(6,299,014)	–	(6,299,014)
Other comprehensive income				
- Foreign currency translation	–	–	306,914	306,914
Total comprehensive income for the year	–	(6,299,014)	306,914	(5,992,100)
Balance at 31 December 2015 and 1 January 2016	26,034,356	13,149,745	723,921	39,908,022
Profit for the year	–	**3,855,197**	–	**3,855,197**
Other comprehensive income				
- Foreign currency translation	–	–	**(158,288)**	**(158,288)**
- Disposal and strike off of subsidiaries	–	–	**(565,633)**	**(565,633)**
Total comprehensive income for the year	–	**3,855,197**	**(723,921)**	**3,131,276**
Distributions to owners				
- Capital reduction and distribution (Note 25)	**(25,775,551)**	–	–	**(25,775,551)**
- Dividends paid (Note 35)	–	**(11,060,404)**	–	**(11,060,404)**
Total distributions to and transactions with owners in their capacity as owners	**(25,775,551)**	**(11,060,404)**	–	**(36,835,955)**
Balance at 31 December 2016	**258,805**	**5,944,538**	–	**6,203,343**

The movements in the share capital and revenue reserve of the Company are shown in Notes 25 and 27 respectively.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	2016 $	2015 $
Cash flows from operating activities			
Profit/(Loss) before taxation from continuing operations		**4,886,999**	(7,064,063)
Loss before taxation from discontinued operations		**(67,406)**	(4,449)
Profit/(Loss) before taxation		**4,819,593**	(7,068,512)
Adjustments for:			
Amortisation of intangible assets	15	**26,655**	–
Depreciation of property, plant and equipment	13	**300,392**	595,744
Dividend income		**–**	(473)
Fair value loss on held for trading financial assets, net		**205,601**	4,648,537
Gain on disposal of an asset held for sale	8	**(7,184,468)**	–
Gain on disposal of plant and equipment, net		**–**	(24,518)
Gain on disposal of a subsidiary	8	**–**	(142,938)
Gain on disposal of subsidiaries classified as discontinued operations	11	**(830,253)**	–
Impairment of available-for-sale financial asset	8	**–**	478,000
Impairment of an asset held for sale	6	**150,000**	–
Impairment of goodwill	11	**1,760,434**	–
Impairment of inventories		**–**	212,569
Impairment of other receivables	19	**155,897**	–
Impairment of plant and equipment	13	**354,000**	–
Impairment of trade receivables	19	**–**	174,721
Intangible assets written off	15	**–**	206,085
Interest expense		**132,862**	165,784
Interest income		**(241,885)**	(37,290)
Inventories written off		**–**	5,111
Loss on strike-off of subsidiaries	6	**4,571**	–
Net effect of currency translation differences		**201,546**	(372,150)
Plant and equipment written off		**27,072**	1,605
Operating cash flows before changes in working capital		**(117,983)**	(1,157,725)
Changes in working capital			
Decrease in development properties		**–**	16,074,889
Decrease in gross amount due from/to customers for contract work-in-progress, net		**558,769**	1,407,224
Decrease in trade and other payables		**(1,693,372)**	(461,716)
Increase in inventories		**(581,703)**	(285,983)
Increase in trade and other receivables		**(1,217,953)**	(499,803)
Cash flows (used in)/from operations		**(3,052,242)**	15,076,886
Interest paid		**(132,862)**	(188,219)
Interest received		**241,885**	37,290
Taxes paid		**(11,141)**	(143,426)
Net cash flows (used in)/from operating activities		**(2,954,360)**	14,782,531

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

	Note	2016 $	2015 $
Cash flows from investing activities			
Additions to intangible assets	15	**(56,452)**	(237,940)
Dividend income received		–	473
Net cash inflow from disposal of a subsidiary (Note A)		–	252,347
Net cash inflow from disposal of subsidiaries classified as discontinued operations	11	**4,152,705**	–
Net proceed from disposal of an asset held for sale		**15,902,433**	–
Net proceeds from disposal/(Purchase) of held for trading financial assets		**1,720,064**	(6,361,262)
Proceeds from disposal of plant and equipment		**345,060**	55,390
Purchase of plant and equipment	13	**(671,350)**	(441,569)
Net cash flows from/(used in) investing activities		**21,392,460**	(6,732,561)
Cash flows from financing activities			
Capital reduction and distribution to shareholders	25	**(25,775,551)**	–
Dividends paid to shareholders	35	**(11,060,404)**	–
Placement of restricted deposit, net (Note B)		**(1,530,003)**	–
(Repayments of)/Proceeds from borrowings, net		**(7,196,009)**	2,068,068
Redemption of pledged bank balances and deposits		**383,272**	292,024
Net cash flows (used in)/from financing activities		**(45,178,695)**	2,360,092
Net (decrease)/increase in cash and cash equivalents		**(26,740,595)**	10,410,062
Effect of exchange rate changes on cash and cash equivalents		**(280,452)**	663,456
Cash and cash equivalents at 1 January		**29,078,506**	18,004,988
Cash and cash equivalents at 31 December	28	**2,057,459**	29,078,506

Note A

In December 2015, the Company disposed of the entire equity interest of its wholly-owned subsidiary, Explomo Consulting Pte Ltd. The value of the assets and liabilities disposed of and the cash flow effects of the disposal of the subsidiary were as follows:

	$
Plant and equipment	19,046
Deferred tax asset	56,000
Inventories	6,576
Gross amount due from customers for contract work-in-progress	6,784
Trade and other receivables	863,540
Cash and bank balances	397,653
Trade and other payables	(782,483)
Provision for taxation	(60,054)
Net assets disposed of	507,062
Gain on disposal of the subsidiary (Note 8)	142,938
Total consideration	650,000
Less: Cash and cash equivalents of the subsidiary	(397,653)
Net cash inflow from disposal of the subsidiary	252,347

Note B

This represents cash placed in escrow account in compliance with Rule 1017(1) of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

TSH Corporation Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist of Singapore Exchange Securities Trading Limited ("SGX-ST"). Under Rule 1017 of the Section B: Rules of Catalist of the Listing Manual of the SGX-ST ("Catalist Rules"), the Company was deemed to be a cash company on 31 August 2016 and will be delisted if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company.

The registered office and principal place of business of the Company is located at 51 Changi Business Park Central 2, The Signature #04-05, Singapore 486066.

The principal activities of the Company are that of an investment holding company, provision of consultancy services as well as trading. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements are presented in Singapore Dollars (SGD or $) and have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group will adopt the new financial reporting framework on 1 January 2018.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2016. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 7 Disclosure initiative	1 January 2017
Amendments to FRS 12 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
FRS 116 Leases	1 January 2019
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial adoption.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.4 Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each year. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

<u>Investment in Unilink Development Limited ("Unilink")</u>

The Group classified its investment in Unilink, a closely-held private company incorporated in Hong Kong with operating subsidiaries in the People's Republic of China, as assets held for sale which is to be measured at cost less impairment as the Group's investment is in unquoted securities whose fair value cannot be reliably determined either by reference to similar financial instruments or through valuation technique. The Group assesses at the end of each reporting period whether there is any objective evidence that the Group's investment is impaired.

The carrying amount of the investment is disclosed in Note 16 to the financial statements.

2.5 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the year. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.5 Basis of consolidation and business combinations - *continued*

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

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

2.7 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the year. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the year are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the year and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation on other assets is calculated on a straight-line basis over the estimated useful lives as follows:

Building	35 years
Office furniture and equipment	3 to 5 years
Renovation	2 to 5 years
Plant and equipment	3 to 20 years
Motor vehicles	5 years

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that they are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. They are adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less any impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.10 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development costs arising from development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during the development.

Following initial recognition of the development costs as an intangible asset, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development is complete and the asset is available for use. Development costs have a finite useful life and are amortised over the period of expected sales from the related project of two (2) years on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.12 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

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

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.12 Financial instruments - *continued*

(a) Financial assets - continued

(i) Financial assets at fair value through profit or loss - *continued*

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Group classifies the following financial assets as loans and receivables:

- Cash and short term deposits; and
- Trade and other receivables, including receivables from subsidiaries.

(iii) Available-for-sale financial asset

Available-for-sale financial asset includes equity and debt securities. Equity investments classified as available-for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial asset is subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset is recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised directly in other comprehensive income is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.12 Financial instruments - *continued*

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially recognised at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.13 Impairment of financial assets

The Group assesses at each year whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.13 Impairment of financial assets - *continued*

(a) Financial assets carried at amortised cost - continued

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial asset has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Available-for-sale financial asset

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.13 Impairment of financial assets - *continued*

(b) Available-for-sale financial asset - continued

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial asset carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.14 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for financial assets that are within the scope of FRS 39 Financial Instruments: Recognition and Measurement. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Property, plant and equipment once classified as held for sale are not depreciated or amortised.

A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

In the profit or loss of the current reporting period, and of the comparative period, all income and expenses of discontinued operation are reported separately from the income and expenses of continuing activities, down to the level of profit after taxes.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw material: purchase costs on a first-in first-out basis.

- Goods for sale and project use and work in progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs were assigned on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.16 Contract work-in-progress

The Group principally operates fixed price contracts. Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the year (the percentage of completion method), when the outcome of a contract work-in-progress can be estimated reliably.

When the outcome of a contract work-in-progress cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

An expected loss on the contract work-in-progress is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated costs to complete.

Contract revenue – corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they can be reliably measured.

Contract costs – Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract.

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.18 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 an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each year and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.19 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

2.20 Borrowing costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 Employee benefits

(a) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. An accrual is made for the estimated liability for leave as a result of services rendered by employees up to the end of the year.

2.22 Leases

(a) As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.22 Leases - *continued*

(a) As lessee - continued

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.23(f).

2.23 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer, which generally coincides with the delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, and it is stated after deduction of any trade discounts.

(b) Rendering of services

Revenue from the rendering of services is recognised when the service is rendered.

The accounting policy for revenue from contract work-in-progress is disclosed in Note 2.16.

(c) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(d) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(e) Management and consultancy fee

Management and consultancy fee is recognised as and when the service is rendered.

(f) Rental income

Rental income is recognised on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.23 Revenue - *continued*

(g) Sale of development properties

Revenue from the sale of properties held for development is recognised when the significant risks and rewards of ownership of the properties have been transferred to the purchaser, which generally coincides with the time the development property is delivered to the purchaser.

The revenue is stated after deduction of any trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of property sold.

Where the property held for development is sold without any development progress, the gain or loss is presented in profit or loss on a net basis.

2.24 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the year, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.24 Taxes - *continued*

(b) Deferred tax - continued

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each year and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each year.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.25 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.26 Exceptional items

Exceptional items are items of income or expense of such size, nature or incidence that their disclosures are relevant to explain the performance of the Group for the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *continued*

2.27 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. REVENUE

	Group	
	2016	2015 (Restated)
	$	$
Sale of development properties	–	22,030,087
Rendering of services	–	2,720,702
	–	24,750,789

4. OTHER INCOME

Other income includes:

	Group	
		2015
	2016	**(Restated)**
	$	**$**
Gain on disposal of plant and equipment	–	23,304
Grant income [(1)]	**24,086**	19,980
Interest income from fixed deposits and bank balances	**226,533**	24,527
Interest income from loans and receivables	**286**	578
Rental income	**259,177**	464,116

[(1)] Includes the Productivity and Innovation Credit Cash Bonus,Special Employment Credit, Temporary Employment Credit and Wage Credit introduced in the Singapore Budget.

5. FINANCE COSTS

	Group	
		2015
	2016	**(Restated)**
	$	**$**
Interest expense on borrowings	**132,862**	162,145
Bank charges	**88,847**	3,570
	221,709	165,715

6. OTHER OPERATING (EXPENSES)/INCOME

Other operating (expenses)/income include:

	Group	
	2016 $	2015 (Restated) $
Depreciation of property, plant and equipment	**(51,393)**	(229,107)
Fair value loss on held for trading financial assets	**(205,601)**	(65,520)
Foreign exchange (loss)/gain, net	**(463,775)**	1,092,283
Impairment of an asset held for sale - unquoted shares (Note 16)	**(150,000)**	–
Loss on strike-off of subsidiaries	**(4,571)**	–
Plant and equipment written off	**(24,346)**	(656)

7. LOSS BEFORE EXCEPTIONAL ITEMS AND TAXATION FROM CONTINUING OPERATIONS

The following items have been included in arriving at loss before exceptional items and taxation from continuing operations:

	Group	
	2016 $	2015 (Restated) $
Audit fees		
- Auditors of the Company	**83,500**	60,000
Non-audit fees		
- Auditors of the Company	**4,800**	4,800
Over provision of audit fees to other auditors	**(17,030)**	(16,427)
Operating lease expenses	**25,388**	–

8. EXCEPTIONAL ITEMS

	Group	
	2016 $	2015 $
Fair value loss on a held for trading financial asset	–	(4,583,017)
Gain on disposal of a subsidiary	–	142,938
Gain on disposal of an asset held for sale – freehold land and building (Note 16)	**7,184,468**	–
Impairment of available-for-sale financial asset – unquoted shares (Note 16)	–	(478,000)
Loss on disposal of a property held for development	–	(1,946,021)
	7,184,468	(6,864,100)

9. STAFF COSTS

The following staff costs (including directors) have been included in arriving at loss before exceptional items and taxation from continuing operations:

	Group	
	2016	2015 (Restated)
	$	$
Salaries, bonuses and other short-term benefits	**783,826**	1,391,180
Termination benefits (Note 29 (b))	**224,400**	–
Central Provident Fund contribution	**58,383**	129,087
	1,066,609	1,520,267

10. TAXATION

Major components of taxation

The major components of taxation for the years ended 31 December are as follows:

	Group	
	2016	2015 (Restated)
	$	$
Current income tax from continuing operations:		
- Current income taxation	–	60,054
- Over provision in respect of previous years	–	(400)
	–	59,654
Deferred income tax from continuing operations (Note 24):		
- Origination and reversal of temporary differences	**868,000**	(796,300)
- Under provision in respect of previous years	–	10,300
	868,000	(786,000)
Income tax attributable to continuing operations	**868,000**	(726,346)
Income tax attributable to discontinued operations (Note 11)	**96,396**	(43,152)
Taxation recognised in profit or loss	**964,396**	(769,498)

10. TAXATION - *continued*

Relationship between taxation and accounting profit/(loss)

The reconciliation between taxation and the product of accounting profit/(loss) multiplied by the applicable tax rate for the years ended 31 December are as follows:

	Group	
	2016	**2015**
	$	**$**
Profit/(Loss) before taxation from continuing operations	**4,886,999**	(7,064,063)
Loss before taxation from discontinued operations	**(67,406)**	(4,449)
Profit/(Loss) before taxation	**4,819,593**	(7,068,512)
Tax at the domestic rates applicable to profit/(loss) in the countries where the Group operates	**1,132,622**	(1,332,183)
Adjustments:		
Benefits from previously unrecognised tax losses	**(22,819)**	–
Income not subject to taxation	**(1,778,058)**	(294,008)
Non-deductible expenses	**701,871**	18,250
Under/(Over) provision in respect of previous years	**7,952**	(22,852)
Deferred tax assets not recognised	**60,180**	1,023,847
Reversal of deferred tax assets in respect of previous years	**868,000**	–
Effect of partial tax exemption and tax relief	**(5,491)**	(165,460)
Others	**139**	2,908
Taxation recognised in profit or loss	**964,396**	(769,498)

The reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

Tax effect of proposed dividend

There were no income tax consequences attached to the dividends to the shareholders proposed by the Company for the year ended 31 December 2015 but not recognised as a liability in the financial statements (Note 35).

11. DISCONTINUED OPERATIONS

In August 2016, the Group completed its disposal of Explomo Technical Services Pte Ltd (**"ETS"**) and WoW Technologies (Singapore) Pte Ltd and its subsidiaries (**"WoW Group"**) which were approved by the shareholders of the Company in an extraordinary general meeting on 28 July 2016. ETS and WoW Group were previously reported in the Homeland Security Services and Consumer Electronic Products segments respectively. As a result, the income and expenses of ETS and WoW Group are presented separately under discontinued operations as "(Loss)/Profit from discontinued operations, net of tax" for the years ended 31 December 2015 and 2016. The comparative results of ETS and WoW Group have been represented under the discontinued operations.

The summarised financial information of the discontinued operations are as follows:

	2016 $	2015 $
Revenue	**9,528,346**	14,738,791
Cost of sales	**(6,465,850)**	(10,344,280)
Gross profit	**3,062,496**	4,394,511
Other income	**149,063**	232,696
General and administrative expenses	**(975,174)**	(1,916,021)
Selling and marketing expenses	**(558,203)**	(1,695,659)
Finance costs	**(57,160)**	(80,908)
Other operating expenses	**(404,247)**	(939,068)
Profit/(Loss) before exceptional items and taxation	**1,216,775**	(4,449)
Exceptional items:		
Gain on disposal of subsidiaries	**830,253**	–
Impairment of goodwill (Note 15)	**(1,760,434)**	–
Impairment of plant and equipment (Note 13)	**(354,000)**	–
Loss before taxation	**(67,406)**	(4,449)
Taxation (Note 10)	**(96,396)**	43,152
(Loss)/Profit for the year from discontinued operations, net of tax	**(163,802)**	38,703

11. DISCONTINUED OPERATIONS - *continued*

The cash flows attributable to the discontinued operations are as follows:

	2016 $	2015 $
Operating	**(1,933,357)**	1,358,466
Investing	**(723,644)**	(278,299)
Financing	**383,272**	(901,175)
Net cash (outflows)/inflows	**(2,273,729)**	178,992

The effects of the disposals of the subsidiaries on cash flows of the Group are as follows:

	2016 $
Plant and equipment	**1,510,671**
Deferred tax assets	**8,320**
Intangible assets	**224,749**
Inventories	**820,532**
Gross amount due from customers for contract work-in-progress	**148,566**
Trade and other receivables	**5,666,885**
Cash and bank balances	**3,415,532**
Gross amount due to customers for contract work-in-progress	**(772,978)**
Trade and other payables	**(4,952,034)**
Provision for taxation	**(89,823)**
Deferred tax liabilities	**(178,100)**
Net assets disposed of	**5,802,320**
Realisation of translation reserve	**(570,204)**
Disposal transaction costs	**141,103**
Gain on disposal of the subsidiaries	**830,253**
Cash consideration	**6,203,472**
Cash consideration	**6,203,472**
Disposal transaction costs	**(141,103)**
Net cash received	**6,062,369**
Cash and cash equivalents of the subsidiaries disposed	**(1,909,664)**
Net cash inflow from disposal of the subsidiaries	**4,152,705**

12. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit/(loss) for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are the same as basic earnings per share as there are no dilutive potential ordinary shares.

The following reflects the profit/(loss) and share data used in the basic and diluted earnings per share computations for the years ended 31 December:

	Group	
	2016	2015
	$	$
Profit/(Loss) for the year attributable to owners of the Company	**3,855,197**	(6,299,014)
Add back: Loss/(Profit) from discontinued operations, net of tax, attributable to owners of the Company used in the computation of basic and diluted earnings per share	**163,802**	(38,703)
Profit/(Loss) from continuing operations, net of tax, attributable to owners of the Company used in the computation of basic and diluted earnings per share	**4,018,999**	(6,337,717)
	Number of shares	**Number of shares**
Weighted average number of ordinary shares used in the computation of basic and diluted earnings per share	**240,443,565**	240,443,565

13. PLANT AND EQUIPMENT

Group	Freehold land $	Building $	Office furniture and equipment $	Renovation $	Plant and equipment $	Motor vehicles $	Total $
Cost:							
Balance at 1 January 2015	6,912,469	2,166,595	594,983	270,008	11,349,142	527,706	21,820,903
Additions	–	–	67,569	13,450	16,239	344,311	441,569
Classified as assets held for sale*	(6,912,469)	(2,166,595)	–	–	–	–	(9,079,064)
Disposals	–	–	(4,474)	–	–	(198,591)	(203,065)
Write-offs	–	–	(55,697)	–	(2,475,000)	–	(2,530,697)
Disposal of a subsidiary	–	–	(96,263)	(82,691)	(188,339)	–	(367,293)
Exchange differences	–	–	1,975	1,393	–	188	3,556
Balance at 31 December 2015 and 1 January 2016	–	–	508,093	202,160	8,702,042	673,614	10,085,909
Additions	**–**	**–**	**68,323**	**2,216**	**490,811**	**110,000**	**671,350**
Disposals	**–**	**–**	**(12,691)**	**–**	**–**	**(648,500)**	**(661,191)**
Write-offs	**–**	**–**	**(232,630)**	**(131,166)**	**(10,667)**	**–**	**(374,463)**
Disposal of subsidiaries	**–**	**–**	**(330,165)**	**(72,544)**	**(9,180,310)**	**(133,626)**	**(9,716,645)**
Exchange differences	**–**	**–**	**(930)**	**(666)**	**(1,876)**	**(1,488)**	**(4,960)**
Balance at 31 December 2016	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Accumulated depreciation and impairment losses:							
Balance at 1 January 2015	–	299,196	506,308	219,742	9,621,909	383,738	11,030,893
Depreciation	–	61,903	79,146	45,744	336,961	71,990	595,744
Classified as assets held for sale*	–	(361,099)	–	–	–	–	(361,099)
Disposals	–	–	(2,221)	–	–	(169,972)	(172,193)
Write-offs	–	–	(54,092)	–	(2,475,000)	–	(2,529,092)
Disposal of a subsidiary	–	–	(88,703)	(78,771)	(180,773)	–	(348,247)
Exchange differences	–	–	916	603	–	(2)	1,517
Balance at 31 December 2015 and 1 January 2016	–	–	441,354	187,318	7,303,097	285,754	8,217,523

13. PLANT AND EQUIPMENT - *continued*

Group	Freehold land $	Building $	Office furniture and equipment $	Renovation $	Plant and equipment $	Motor vehicles $	Total $
Accumulated depreciation and impairment losses:							
Balance at 31 December 2015 and 1 January 2016	–	–	441,354	187,318	7,303,097	285,754	8,217,523
Depreciation	–	–	**24,981**	**5,994**	**220,066**	**49,351**	**300,392**
Disposals	–	–	**(6,634)**	–	–	**(309,497)**	**(316,131)**
Write-offs	–	–	**(213,818)**	**(122,908)**	**(10,665)**	–	**(347,391)**
Impairment (Notes 11 and 15)	–	–	–	–	**354,000**	–	**354,000**
Disposal of subsidiaries	–	–	**(245,264)**	**(69,918)**	**(7,866,300)**	**(24,492)**	**(8,205,974)**
Exchange differences	–	–	**(619)**	**(486)**	**(198)**	**(1,116)**	**(2,419)**
Balance at 31 December 2016	–	–	–	–	–	–	–
Net carrying amount:							
Balance at 31 December 2016	–	–	–	–	–	–	–
Balance at 31 December 2015	–	–	66,739	14,842	1,398,945	387,860	1,868,386

13. PLANT AND EQUIPMENT - *continued*

Company	Freehold land $	Building $	Office furniture and equipment $	Renovation $	Motor vehicles $	Total $
Cost:						
Balance at 1 January 2015	6,912,469	2,166,595	233,301	101,745	461,300	9,875,410
Additions	–	–	32,658	8,900	344,311	385,869
Classified as assets held for sale*	(6,912,469)	(2,166,595)	–	–	–	(9,079,064)
Disposals	–	–	–	–	(157,111)	(157,111)
Write-offs	–	_	(36,829)	–	–	(36,829)
Balance at 31 December 2015 and 1 January 2016	–	–	229,130	110,645	648,500	988,275
Additions	**–**	**–**	**2,880**	**–**	**–**	**2,880**
Disposals	**–**	**–**	**(8,852)**	**–**	**(648,500)**	**(657,352)**
Write-offs	**–**	**–**	**(223,158)**	**(110,645)**	**–**	**(333,803)**
Balance at 31 December 2016	**–**	**–**	**–**	**–**	**–**	**–**
Accumulated depreciation:						
Balance at 1 January 2015	–	299,196	210,929	91,103	331,002	932,230
Depreciation	–	61,903	26,011	11,800	66,466	166,180
Classified as assets held for sale*	–	(361,099)	–	–	–	(361,099)
Disposals	–	–	–	–	(129,297)	(129,297)
Write-offs	–	–	(36,379)	–	–	(36,379)
Balance at 31 December 2015 and 1 January 2016	–	–	200,561	102,903	268,171	571,635
Depreciation	**–**	**–**	**8,584**	**1,483**	**41,326**	**51,393**
Disposals	**–**	**–**	**(4,074)**	**–**	**(309,497)**	**(313,571)**
Write-offs	**–**	**–**	**(205,071)**	**(104,386)**	**–**	**(309,457)**
Balance at 31 December 2016	**–**	**–**	**–**	**–**	**–**	**–**
Net carrying amount:						
Balance at 31 December 2016	**–**	**–**	**–**	**–**	**–**	**–**
Balance at 31 December 2015	–	–	28,569	7,742	380,329	416,640

* Subsequent to the decision to dispose of the freehold land and building in 2015, the Company had followed up with a concrete plan to locate a buyer and was of the view that the sale was highly probable to be completed within a year. As a result, the net book value of $8,717,965 was classified as assets held for sale as at 31 December 2015 (Note 16).

14. INVESTMENTS IN SUBSIDIARIES

	Company 2016 $	Company 2015 $
Unquoted equity shares, at cost	**8,365,849**	10,365,849
Impairment losses	**(8,365,849)**	(850,634)
	–	9,515,215
Accumulated impairment:		
Balance at 1 January	**850,634**	850,634
Charge for the year	**7,515,215***	–
Balance at 31 December	**8,365,849**	850,634

* Following the commencement of voluntary liquidation process of Starmo International Pte Ltd and TSH Land Pte Ltd, and the disposal, liquidation or deregistration of their subsidiaries during the year, the Company performed an impairment assessment on their carrying values. The recoverable amounts were determined based on their fair values less cost to sell.

Name of subsidiaries (Country of incorporation and place of business)	Principal activities	Cost of investment by the Company 2016 $	Cost of investment by the Company 2015 $	Percentage of equity held by the Group 2016 %	Percentage of equity held by the Group 2015 %
Held by the Company					
Starmo International Pte Ltd [(1)] (Singapore)	Investment holding	**8,365,847**	8,365,847	**100.0**	100.0
WoW Technologies (Singapore) Pte Ltd [(3)] (Singapore)	Investment holding, and design and development of consumer electronic products	**–**	2,000,000	**–**	100.0
TSH Land Pte Ltd [(1)] (Singapore)	Investment holding	**2**	2	**100.0**	100.0
		8,365,849	10,365,849		

14. INVESTMENTS IN SUBSIDIARIES - *continued*

Name of subsidiaries (Country of incorporation and place of business)	Principal activities	Percentage of equity held by the Group	
		2016 %	2015 %
Held by Starmo International Pte Ltd			
Explomo Technical Services Pte Ltd [3] (Singapore)	Provision of defence related materials disposal and recycling, land remediation services, and supply and choreography of pyrotechnic and firework displays	–	100.0
Explomo Magic Pte Ltd [1] (Singapore)	Inactive	**100.0**	100.0
TechnoPlus Pte Ltd [1] (Singapore)	Inactive	**100.0**	100.0
Held by WoW Technologies (Singapore) Pte Ltd			
Tracker Shine Limited [3] (British Virgin Islands)	Investment holding	–	100.0
Aegis Acoustics, Inc [3] (United States of America)	Inactive	–	100.0
Held by Tracker Shine Limited			
Vigorhood Photoelectric Shenzhen Co., Ltd [3] (The People's Republic of China)	Original design and manufacture of consumer electronic products	–	100.0
Held by TSH Land Pte Ltd			
TSH Development Australia Pty Ltd [2] (Australia)	Investment holding	–	100.0
Held by TSH Development Australia Pty Ltd			
106 St Georges Road Pty Ltd [2] (Australia)	Trustee for 106 St Georges Road Unit Trust	–	100.0
631 Orrong Road Pty Ltd [2] (Australia)	Trustee for 631 Orrong Road Unit Trust	–	100.0
Glyndefox Pty Ltd [2] (Australia)	Trustee for Glyndefox Unit Trust	–	100.0
106 St Georges Road Unit Trust [2] (Australia)	Property development	–	100.0
631 Orrong Road Unit Trust [2] (Australia)	Property development	–	100.0
Glyndefox Unit Trust [2] (Australia)	Property development	–	100.0

(1) Placed under voluntary liquidation process in 2016 and struck off in February 2017

(2) Struck off in 2016

(3) Disposed in 2016

15. INTANGIBLE ASSETS

Group	Goodwill $	Development costs $	Total $
Cost:			
Balance at 1 January 2015	2,611,066	158,384	2,769,450
Additions	–	237,940	237,940
Write-off attributable to discontinued project	–	(206,085)	(206,085)
Exchange differences	–	11,999	11,999
Balance at 31 December 2015 and 1 January 2016	2,611,066	202,238	2,813,304
Additions	**–**	**56,452**	**56,452**
Disposal of subsidiaries	**(2,611,066)**	**(251,283)**	**(2,862,349)**
Exchange differences	**–**	**(7,407)**	**(7,407)**
Balance at 31 December 2016	**–**	**–**	**–**
Accumulated amortisation and impairment:			
Balance at 1 January 2015, 31 December 2015 and 1 January 2016	**850,632**	**–**	**850,632**
Amortisation	**–**	**26,655**	**26,655**
Impairment loss	**1,760,434**	**–**	**1,760,434**
Disposal of subsidiaries	**(2,611,066)**	**(26,534)**	**(2,637,600)**
Exchange differences	**–**	**(121)**	**(121)**
Balance at 31 December 2016	**–**	**–**	**–**
Net carrying amount:			
Balance at 31 December 2016	**–**	**–**	**–**
Balance at 31 December 2015	1,760,434	**202,238**	**1,962,672**

Goodwill

Impairment loss recognised

During the year, the Group performed an impairment assessment on the Homeland Security Services, an individual cash-generating unit (**"CGU"**), which was a reportable segment. As a result, impairment losses in relation to the goodwill and plant and equipment (Note 13) are recognised and included in "(Loss)/Profit from discontinued operations, net of tax" line item in the profit or loss (Note 11).

Impairment testing

Goodwill arising from business combinations was allocated to the CGU for impairment testing. The recoverable amount of the CGU was determined based on its sales consideration less cost to sell (Note 11) (2015:value-in-use calculation).

The value-in-use calculation used cash flow projections based on financial budgets approved by management covering a 3-year period. The key assumptions used for this calculation for the Homeland Security Services segment included terminal growth rate of 0% and pre-tax discount rate of 9%.

The terminal growth rate was determined after considering the past performance and it was within management's expectation of the long-term average growth rate of the industry relevant to the CGU. The pre-tax discount rate used reflected specific risks relating to the business segment.

15. INTANGIBLE ASSETS - *continued*

Development costs and amortisation expense

Development costs were related to audio product projects. There was no amortisation expense for the year ended 31 December 2015 as the projects were still in the development phase. Amortisation of development commenced during the year upon completion of the development.

The amortisation of development costs is included in the "(Loss)/Profit from discontinued operations, net of tax" line item in the profit or loss.

16. ASSETS HELD FOR SALE

	Group and Company	
	2016	**2015**
	$	**$**
The Group's assets held for sale comprise:		
Freehold land and building# (Note 13)	–	8,717,965
Unquoted shares*	**2,977,000**	3,127,000
	2,977,000	11,844,965

The freehold land and building ("**Property**") was classified as an asset held for sale in 2015 pursuant to the decision to dispose it. The Property was mortgaged and the future rental proceeds of the Property were assigned to secure the related borrowings (Note 23). It was measured at the lower of their carrying amount and fair value less cost to sell and was sold in 2016. The details of the Property were as follows:

Description and location	Existing use	Estimated site area (square metre)	Estimated gross floor area (square metre)
62 Burn Road Singapore 369976	Industrial building	987	2,140

* This is related to the 26.5% interest in Unilink ("**Unquoted Shares**") is carried at cost less impairment loss as the investment does not have a quoted price in an active market and its fair value cannot be reliably measured. Additionally, valuation technique would have resulted in a wide range of possible fair values and the probability of the various outcomes cannot be reliably estimated.

Following the plan in 2015 to dispose of the Unquoted Shares, the Company has followed up with a concrete plan to locate buyer and is of the view that the sale is highly probable to be completed within a year. Accordingly, the Unquoted Shares was classified from available-for-sale financial asset as assets held for sale as at 31 December 2015 in accordance with FRS 105, Non-current Assets Held for Sale and Discontinued Operations. An impairment charge of $150,000 (2015: $478,000) was recorded during the current year to reduce the carrying amount to its estimated recoverable amount. The recoverable value is determined based on the offer received by the Company. In February 2017, the Company entered into a sale and purchase agreement, pursuant to which Unilink has agreed to purchase the Unquoted Shares for an aggregate cash consideration of $3,060,000.

17. INVENTORIES

	Group	
	2016	2015
	$	$
Goods for sale and project use	–	238,829

18. GROSS AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK-IN-PROGRESS

	Group	
	2016	2015
	$	$
Project costs incurred and recognised profits to date	–	9,337,608
Less: Progress billings	–	(9,403,251)
Gross amount due to customers for contract work-in-progress, net	–	(65,643)
Presented as:		
Gross amount due from customers for contract work-in-progress	–	81,414
Gross amount due to customers for contract work-in-progress	–	(147,057)
	–	(65,643)

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Financial assets				
Trade receivables:				
- Trade receivables	–	3,023,821	–	–
- Accrued revenue	–	22,477	–	–
- Accrued revenue from subsidiaries	–	–	–	1,228,503
	–	3,046,298	–	1,228,503
Other receivables:				
- Deposits	**5,976**	121,120	**5,976**	7,020
- Project advances	–	46,899	–	–
- Receivables from subsidiaries	–	–	–	17,204,191
- Others	**1,998**	25	**1,998**	25
	7,974	168,044	**7,974**	17,211,236
Non-financial assets				
- Advances to suppliers	–	682,596	–	–
- Prepayments	**16,864**	732,729	**16,864**	19,308
	16,864	1,415,325	**16,864**	19,308
Total other receivables	**24,838**	1,583,369	**24,838**	17,230,544
Trade and other receivables	**24,838**	4,629,667	**24,838**	18,459,047
Loans and receivables				
Trade receivables	–	3,046,298	–	1,228,503
Other receivables	**7,974**	168,044	**7,974**	17,211,236
Fixed deposits (Note 28)	–	13,057,968	–	2,645,378
Restricted deposit (Note 28)	**1,530,003**	–	**1,530,003**	–
Cash and bank balances (Note 28)	**2,057,459**	17,978,928	**2,057,459**	866,818
Total loans and receivables	**3,595,436**	34,251,238	**3,595,436**	21,951,935

The trade and other receivables (classified as loans and receivables) denominated in foreign currencies as at 31 December are as follows:

Renminbi	–	52,920	–	–
Singapore Dollar	–	800	–	–
United States Dollar	–	–	–	16,778,255

19. TRADE AND OTHER RECEIVABLES - *continued*

Trade receivables were non-interest bearing. They were recognised at their original invoice amounts which represented their fair values on initial recognition.

The project advances were unsecured, non-interest bearing and repayable on demand in cash.

The receivables from subsidiaries were unsecured, repayable on demand, interest-free and to be settled in cash.

Trade receivables that were past due but not impaired

The Group had the following unsecured trade receivables that were past due but not impaired at the end of the year:

	Group	
	2016	**2015**
	$	**$**
Trade receivables past due:		
Less than 30 days	–	131,166
30 to 60 days	–	25,211
61 to 90 days	–	3,938
91 to 120 days	–	5,350
	–	165,665

Trade receivables that were impaired

The trade receivables that were impaired at the end of the year and the movement of the allowance account used to record the impairment are as follows:

	Group	
	2016	**2015**
	$	**$**
Trade receivables – nominal amounts	–	276,441
Less: Allowance for impairment	–	(276,441)
	–	–
Movement in allowance account:		
Balance at 1 January	**276,441**	97,810
Charge for the year	–	174,721
Disposal of subsidiaries	**(271,108)**	–
Exchange differences	**(5,333)**	3,910
Balance at 31 December	–	276,441

The trade receivables that were individually determined to be impaired as at 31 December 2015 were related to debtors that were in significant financial difficulties and/or had defaulted on payments. These receivables were not secured by any collateral or credit enhancements.

19. TRADE AND OTHER RECEIVABLES - *continued*

Other receivables that were impaired

The other receivables that were impaired at the end of the year and the movement of the allowance account used to record the impairment are as follows:

	Group		Company	
	2016	2015	2016	2015
	$	$	$	$
Other receivables – nominal amounts	–	–	–	21,648,633
Less: Allowance for impairment	–	–	–	(4,444,442)
	–	–	–	17,204,191
Movement in allowance account:				
Balance at 1 January	–	–	**4,444,442**	3,024,495
Charge for the year	**155,897**	–	**175,381**	2,479,147
Write-off	–	–	**(4,619,823)**	–
Write-back	–	–	–	(1,059,200)
Disposal of subsidiaries	**(155,190)**	–	–	–
Exchange differences	**(707)**	–	–	–
Balance at 31 December	–	–	–	4,444,442

The Company's other receivables that were individually determined to be impaired as at 31 December 2015 were related to amounts due from subsidiaries. These receivables were not secured by any collateral or credit enhancements.

20. HELD FOR TRADING FINANCIAL ASSETS

	Group and Company	
	2016	2015
	$	$
Quoted equity shares, at fair value	–	1,925,665

Held for trading financial assets denominated in foreign currencies as at 31 December are as follows:

	Group and Company	
	2016	2015
	$	$
Malaysian Ringgit	–	1,778,245

21. FIXED DEPOSITS

The fixed deposits of $1,958,390 were pledged as security for banking facilities as at 31 December 2015 (Note 28). The weighted average effective interest rate of the Group and Company as at 31 December 2015 was 2.32% per annum. The fixed deposits denominated in foreign currencies as at 31 December are as follows:

	Group and Company	
	2016	2015
	$	$
United States Dollar	–	2,645,378

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Financial liabilities				
Trade payables:				
- Trade payables	**787**	2,786,444	**787**	35,404
- Accrued contract costs and operating expenses	**263,229**	3,458,657	**263,229**	277,997
	264,016	6,245,101	**264,016**	313,401
Other payables:				
- Deposits received	–	99,212	–	78,852
- Payable to a third party	**121,742**	121,742	**121,742**	121,742
- Payables to subsidiaries	–	–	–	1,437,000
- Others	**199**	506,962	**199**	30,420
	121,941	727,916	**121,941**	1,668,014
Non-financial liabilities				
- Accrual for unconsumed leave	–	58,346	–	27,546
	–	58,346	–	27,546
Total other payables	**121,941**	786,262	**121,941**	1,695,560
Trade and other payables	**385,957**	7,031,363	**385,957**	2,008,961
Financial liabilities carried at amortised cost				
Trade payables	**264,016**	6,245,101	**264,016**	313,401
Other payables	**121,941**	727,916	**121,941**	1,668,014
Borrowings (Note 23)	–	7,196,009	–	7,196,009
Total financial liabilities carried at amortised cost	**385,957**	14,169,026	**385,957**	9,177,424

The trade and other payables (classified as financial liabilities carried at amortised cost) denominated in foreign currencies as at 31 December are as follows:

Renminbi	**54,080**	79,915	**54,080**	75,210
Singapore Dollar	–	47,897	–	–
Swiss Franc	–	1,850	–	–

The trade payables are non-interest bearing.

The payable to a third party is unsecured, non-interest bearing, repayable on demand and to be settled in cash.

The payables to subsidiaries were unsecured, non-interest bearing, repayable on demand and to be settled in cash.

23. BORROWINGS

	Effective interest rate		Maturity		Group and Company	
	2016	2015	2016	2015	2016	2015
	%	%			$	$
Loan A	–	2.4	–	2025	–	4,696,009
Loan B	–	2.7	–	2016	–	2,500,000
					–	7,196,009

Both Loan A and B were secured by first legal mortgage over the Property and the assignment of future rental proceeds of the Property (Note 16). They were fully repaid during the year.

24. DEFERRED TAX

	Group				Company	
	Balance sheet		Statement of comprehensive income		Balance sheet	
	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$
Deferred tax liabilities						
Differences in depreciation for tax purposes	–	(228,750)	–	–	–	–
Provisions	–	50,650	–	–	–	–
	–	(178,100)			–	–
Deferred tax assets						
Differences in depreciation for tax purposes	–	19,377	**11,600**	(2,500)	–	11,600
Fair value loss - Held for trading financial assets	–	799,700	**799,700**	(790,300)	–	799,700
Provisions	–	33,548	**32,700**	(900)	–	32,700
Unabsorbed tax losses	–	24,000	**24,000**	7,700	–	24,000
	–	876,625			–	868,000
Deferred income tax			**868,000**	(786,000)		

Unrecognised tax losses

As at 31 December 2016, the Group has unabsorbed tax losses of approximately $4,836,000 (2015: $8,857,000) that are available for set-off against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these unabsorbed tax losses is subject to agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

24. DEFERRED TAX - *continued*

Unrecognised temporary differences relating to investments in subsidiaries

As at 31 December 2016, no deferred tax liability (2015: $Nil) has been recognised for taxes that would be payable on the undistributed earnings of a subsidiary as the Group is in a position to control the dividend policy of the subsidiary and the Group has determined that undistributed earnings of the subsidiary will not be distributed in the foreseeable future. Such temporary differences for which no deferred tax liability is recognised amount to $Nil (2015: $543,000).

25. SHARE CAPITAL

	Group and Company			
	2016 No of ordinary shares	2015 No of ordinary shares	2016 $	2015 $
Issued and fully paid up:				
Balance at 1 January	**240,443,565**	240,443,565	**26,034,356**	26,034,356
Less: Capital reduction and distribution*	**–**	–	**(25,775,551)**	–
Balance at 31 December	**240,443,565**	240,443,565	**258,805**	26,034,356

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

* On 15 December 2016, pursuant to Section 78A read with Section 78C of the Companies Act, Chapter 50, a capital reduction of $0.1072 in cash for each ordinary share in the capital of the Company was effected, and the issued and paid up share capital was reduced by way of a cash distribution to shareholders on 21 December 2016.

26. TRANSLATION RESERVE

The translation reserve represents exchange differences arising from the translation of the financial statements of subsidiaries whose functional currencies are different from that of the Group's presentation currency.

27. REVENUE RESERVE

	Company	
	2016 $	2015 $
Balance at 1 January	**11,302,402**	10,790,969
Dividends paid (Note 35)	**(11,060,404)**	–
Profit for the year	**5,702,540**	511,433
Balance at 31 December	**5,944,538**	11,302,402

The movement in the revenue reserve of the Group is shown in the consolidated statement of changes in equity.

28. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 $	2015 $	2016 $	2015 $
Cash and bank balances	**2,057,459**	17,978,928	**2,057,459**	866,818
Fixed deposits	–	13,057,968	–	2,645,378
Restricted deposit	**1,530,003**	–	**1,530,003**	–
	3,587,462	31,036,896	**3,587,462**	3,512,196
Less:				
- Pledged fixed deposits (Note 21)	–	(1,958,390)		
- Restricted deposit	**(1,530,003)**	–		
Cash and cash equivalents for the consolidated cash flow statement	**2,057,459**	29,078,506		

Some of the bank balances earn interest at floating rates based on daily bank deposit rates.

The cash and bank balances denominated in foreign currencies as at 31 December are as follows:

Singapore Dollar	–	51,716	–	–
United States Dollar	–	3,015,987	–	2,673,224

29. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements between the Group and related parties, the following significant transactions took place at terms agreed between the parties.

(a) Sale of a subsidiary

In July 2016, the Group disposed of a subsidiary, ETS, to a director of the Company for a cash consideration of $3,012,000 (Note 11).

(b) Compensation of key management personnel

	Group	
	2016 $	2015 $
Salaries and other short-term employee benefits	**925,833**	1,231,144
Termination benefit	**224,400**	–
Central Provident Fund contributions	**40,800**	45,679
Total compensation to key management personnel	**1,191,033**	1,276,823

Included in the above is compensation to directors of the Company amounting to $545,148 (2015: $731,279).

29. RELATED PARTY TRANSACTIONS - *continued*

(c) Transactions with key management personnel

In September 2016, the Company sold its motor vehicles to its key management personnel at net book value of $339,003.

(d) Corporate guarantees

As at 31 December 2015, the Company issued corporate guarantees to banks for bank facilities of certain subsidiaries. These guarantees required the Company to reimburse the banks if the subsidiaries failed to make payments when due in accordance with the terms of the bank facilities. No liability was expected to arise from the issuance of these corporate guarantees. There was no such corporate guarantee as at 31 December 2016.

30. COMMITMENTS

(a) Operating lease commitments – as lessee

The Group has entered into commercial leases on office (2015: warehouses and vehicles) with renewal options included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

Future minimum lease rental payable under non-cancellable operating leases as at 31 December are as follows:

	Group	
	2016	**2015**
	$	**$**
Within 1 year	**24,651**	171,516
Within 2 to 5 years	–	145,307
	24,651	316,823

(b) Operating lease commitments – as lessor

The Group and the Company had entered into commercial property leases on its Property with renewal options included in the contracts.

Future minimum lease rental receivable under non-cancellable operating leases as at 31 December are as follows:

	Group and Company	
	2016	**2015**
	$	**$**
Within 1 year	–	246,038
Within 2 to 5 years	–	74,800
	–	320,838

31. SEGMENT INFORMATION

Following the disposal of the Group's subsidiaries (Note 11), the Group does not have any operating segments.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks as at 31 December 2016 include liquidity risk and credit risk. It is, and has been throughout the current and previous years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposures to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as and when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group reviews its working capital and investment requirements to assess the adequacy of cash and cash equivalents to finance the operations.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	Group and Company 2016			
	Less than 1 year $	2 to 5 years $	More than 5 years $	Total $
Financial assets:				
Loans and receivables	3,595,436	–	–	3,595,436
Total undiscounted financial assets	3,595,436	–	–	3,595,436
Financial liabilities:				
Trade and other payables	385,957	–	–	385,957
Total undiscounted financial liabilities	385,957	–	–	385,957
Total net undiscounted financial assets	3,209,479	–	–	3,209,479

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *continued*

(a) *Liquidity risk - continued*

	Group 2015			
	Less than 1 year $	2 to 5 years $	More than 5 years $	Total $
Financial assets:				
Loans and receivables	34,251,238	–	–	34,251,238
Held for trading financial assets	1,925,665	–	–	1,925,665
Total undiscounted financial assets	36,176,903	–	–	36,176,903
Financial liabilities:				
Trade and other payables	6,973,017	–	–	6,973,017
Borrowings	7,322,776	–	–	7,322,776
Total undiscounted financial liabilities	14,295,793	–	–	14,295,793
Total net undiscounted financial assets	21,881,110	–	–	21,881,110

	Company 2015			
	Less than 1 year $	2 to 5 years $	More than 5 years $	Total $
Financial assets:				
Loans and receivables	21,951,935	–	–	21,951,935
Held for trading financial assets	1,925,665	–	–	1,925,665
Total undiscounted financial assets	23,877,600	–	–	23,877,600
Financial liabilities:				
Trade and other payables	1,981,415	–	–	1,981,415
Borrowings	7,322,776	–	–	7,322,776
Total undiscounted financial liabilities	9,304,191	–	–	9,304,191
Total net undiscounted financial assets	14,573,409	–	–	14,573,409

(b) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from cash and bank balances as at 31 December 2016, and this is minimised by dealing with high credit rating parties.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - *continued*

(b) *Credit risk - continued*

Exposure to credit risk

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

The information regarding credit enhancements for trade and other receivables is disclosed in Note 19.

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	2016		2015	
Group	**$**	**% of total**	**$**	**% of total**
By country:				
Singapore	–	–	734,580	24.1
United States of America	–	–	2,309,810	75.8
Others	–	–	1,908	0.1
	–	–	3,046,298	100.0
By industry sectors:				
Homeland Security Services	–	–	733,780	24.1
Consumer Electronic Products	–	–	2,312,518	75.9
	–	–	3,046,298	100.0

At the balance sheet date, approximately nil% (2015: 76%) of the Group's trade receivables is due from nil (2015: one) major customer who is located overseas and nil% (2015: nil%) of the Group's trade receivables is due from nil (2015: nil) major customer who is located in Singapore.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents and quoted equity shares that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

33. FAIR VALUE OF ASSETS AND LIABILITIES

A. Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation input used as follows:

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

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the years ended 31 December 2016 and 2015.

B. Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the balance sheet date:

	Group and Company Quoted prices in active market for identical instruments (Level 1)	
	2016	**2015**
	$	**$**
Financial assets:		
Held for trading financial assets		
- Quoted equity shares (Note 20)	–	1,925,665

Determination of fair value

Fair value of the quoted equity shares was determined directly by reference to their published market price at the balance sheet date.

C. Fair value of the Unquoted Share

Included in assets held for sale (Note 16) are the Unquoted Shares amounting to $2,977,000 (2015: $3,127,000) as at 31 December 2016 which are carried at cost less impairment because they are not traded in an active market and their fair values could not be reliably determined.

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

As the Company is a cash company pursuant to Rule 1017 of the Catalist Rules, the Group regards its equity as capital.

The Group manages its capital structure and makes adjustments to it, by adjusting the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2016 and 2015.

35. DIVIDENDS

	Group and Company	
	2016	2015
	$	$
Declared and paid during the year:		
Dividends on ordinary shares		
- Final one-tier tax-exempt dividend for 2015:		
3.00 cents (2014: Nil cent) per share	**7,213,307**	–
- Special one-tier tax-exempt dividend for 2016:		
1.60 cents (2015: Nil cent) per share	**3,847,097**	–
	11,060,404	–
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at annual general meeting:		
- Final one-tier tax-exempt dividend for 2016: Nil cent		
(2015: 3.00 cents) per share	–	7,213,307

36. COMPARATIVE FIGURES

The following comparative figures have been represented to conform with current year's presentation of discontinued operations separately from the continuing operations:

	2015 As currently reported $	2015 As previous reported $
Revenue	24,750,789	39,489,580
Cost of sales	(23,289,117)	(33,633,397)
Gross profit	1,461,672	5,856,183
Other income	537,757	770,453
General and administrative expenses	(2,201,266)	(4,117,287)
Selling and marketing expenses	(624,407)	(2,320,066)
Finance costs	(165,715)	(246,623)
Other operating income/(expenses)	791,996	(147,072)
Loss before exceptional items and taxation	(199,963)	(204,412)
Exceptional items	(6,864,100)	(6,864,100)
Loss before taxation from continuing operations	(7,064,063)	(7,068,512)
Taxation	726,346	769,498
Loss from continuing operations, net of tax	(6,337,717)	(6,299,014)
Profit from discontinued operations, net of tax	38,703	–
Profit/(Loss) for the year	(6,299,014)	(6,299,014)

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on 22 March 2017.

SHARE CAPITAL

Total number of issued shares excluding treasury shares	:	240,443,565
Number of treasury shares held	:	NIL
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 - 99	11	1.18	302	0.00
100 - 1,000	72	7.72	49,290	0.02
1,001 - 10,000	187	20.04	1,257,852	0.52
10,001 - 1,000,000	644	69.02	49,866,226	20.74
1,000,001 AND ABOVE	19	2.04	189,269,895	78.72
TOTAL	933	100.00	240,443,565	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%
1	COCKPIT INTERNATIONAL PTE LTD	60,567,262	25.19
2	KHOO BEE LENG JOANNA (QIU MEILING, JOANNA)	26,846,400	11.17
3	UOB KAY HIAN PRIVATE LIMITED	23,410,466	9.74
4	MAYBANK KIM ENG SECURITIES PTE. LTD.	18,166,808	7.56
5	CIMB SECURITIES (SINGAPORE) PTE. LTD.	13,099,193	5.45
6	LYE CHEE FEI ANTHONY	13,082,400	5.44
7	KHO CHUAN THYE PATRICK	6,634,200	2.76
8	OCBC SECURITIES PRIVATE LIMITED	6,520,099	2.71
9	DBS NOMINEES (PRIVATE) LIMITED	3,920,600	1.63
10	LOH WAI LENG	3,600,000	1.50
11	CITIBANK NOMINEES SINGAPORE PTE LTD	1,968,000	0.82
12	LIM BOON LEE	1,685,100	0.70
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,682,067	0.70
14	PHILLIP SECURITIES PTE LTD	1,658,800	0.69
15	TAN KIAN CHUAN (CHEN JIANZHUAN)	1,500,000	0.62
16	QUEK KOK KWANG (GUO GUOGUANG)	1,288,800	0.54
17	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,237,600	0.51
18	RAFFLES NOMINEES (PTE) LIMITED	1,236,100	0.51
19	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	1,166,000	0.48
20	LEE SZE KIAN	1,000,000	0.42
	TOTAL	190,269,895	79.14

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 15 March 2017)

	Direct Interest		Deemed Interest		Total Interest	
Name	No. of shares	%	No. of shares	%	No. of shares	%
Teo Kok Woon	-	-	68,250,728[1]	28.39	68,250,728	28.39
Cockpit International Pte Ltd	60,567,262	25.19	-	-	60,567,262	25.19
Yeo Gek Lang Susie	-	-	60,567,262[2]	25.19	60,567,262	25.19
Goodearth Realty Pte Ltd	-	-	60,567,262[2]	25.19	60,567,262	25.19
Lye Chee Fei Anthony	13,082,400	5.44	26,846,400[3]	11.17	39,928,800	16.61
Khoo Bee Leng Joanna	26,846,400	11.17	13,082,400[4]	5.44	39,928,800	16.61

Notes :-

(1) Teo Kok Woon is deemed to be interested in 60,567,262 shares held by Cockpit International Pte Ltd and 7,683,466 shares held by UOB Kay Hian Private Limited as nominee of Teo Kok Woon.

(2) 60,567,262 shares were held in the name of Cockpit International Pte Ltd in which Yeo Gek Lang Susie and Goodearth Realty Pte Ltd are deemed to be interested.

(3) Lye Chee Fei Anthony is deemed to be interested in the 26,846,400 shares held by Khoo Bee Leng Joanna, the spouse of Lye Chee Fei Anthony.

(4) Khoo Bee Leng Joanna is deemed to be interested in the 13,082,400 shares held by Lye Chee Fei Anthony, the spouse of Khoo Bee Leng Joanna.

COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL SECTION B : RULES OF CATALIST (CATALIST RULE)

Based on information available and to the best knowledge of the Company as at 15 March 2017, approximately 51.78% of the ordinary shares of the Company are held by the public. Therefore, the Company is in compliance with Rule 723 of the Catalist Rule.

NOTICE IS HEREBY GIVEN that an Annual General Meeting of TSH Corporation Limited (the **"Company"**) will be held at 1 Irving Place, #08-10, The Commerze@Irving, Singapore 369546 on Tuesday, 25 April 2017 at 2.30 p.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2016 together with the Directors' Statement and the Auditors' Report thereon.
(Resolution 1)

2. To approve Directors' Fees of S$100,000 for the financial year ended 31 December 2016 (2015: S$100,000).
(Resolution 2)

3. To re-elect Mr Lye Chee Fei Anthony who is retiring in accordance with Article 107 of the Company's Constitution. *(See Explanatory Note 1)*
(Resolution 3)

4. To re-elect Mr Teo Kok Woon who is retiring in accordance with Article 107 of the Company's Constitution. *(See Explanatory Note 2)*
(Resolution 4)

5. To re-appoint Messrs Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration.
(Resolution 5)

6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolution as Ordinary Resolution, with or without modifications:

7. **Authority to issue shares**

"That, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the **"Act"**) and Rule 806 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) (**"Rules of Catalist"**), authority be and is hereby given to the Directors of the Company to:-

(a) (i) allot and issue shares in the capital of the Company (**"Shares"**) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, **"Instruments"**) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) notwithstanding the authority conferred by this Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent (100%) of the Company's total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the Company's total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below).

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares) is based on the Company's total number of issued Shares (excluding treasury shares) at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of convertible securities outstanding or subsisting at the time this Resolution is passed;

(ii) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be), were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Directors shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act, and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."
(See Explanatory Note 3)

(Resolution 6)

BY ORDER OF THE BOARD

Chan Lai Yin
Company Secretary

Singapore, 10 April 2017

Following are explanatory notes to the Notice of the Annual General Meeting

1. Mr Lye Chee Fei Anthony, if re-elected, will remain as the Executive Director of the Company.

2. Mr Teo Kok Woon, if re-elected, will remain as the Non-Executive Director of the Company, member of the Audit, Nominating and Remuneration Committees. Mr Teo is considered to be non-independent for the purpose of Rule 704(7) of the Rules of Catalist.

3. The Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors of the Company from the date of the above Annual General Meeting until the date of the next Annual General Meeting, to allot and issue Shares and/or Instruments in the Company. The aggregate number of Shares (including any Shares issued pursuant to Instruments made or granted) which the Directors may allot and issue under this Resolution, shall not exceed one hundred per cent (100%) of the Company's total number of issued Shares (excluding treasury shares). For issues of Shares other than on a pro-rata basis to all shareholders, the aggregate number of Shares to be issued shall not exceed fifty per cent (50%) of Company's total number of issued Shares (excluding treasury shares). This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any instruments made or granted under this authority.

Notes: -

(i) A proxy needs not be a member of the Company.

(ii) Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Act, a member entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead.

(iii) Where a member appoints more than one (1) proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no percentage is specified, the first named proxy shall be treated as representing one hundred per cent (100%) of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

(iv) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend and vote at this meeting, but each proxy must be appointed to exercise the rights attached to different shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

(v) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the meeting in order for the Depositor to be entitled to attend and vote at the Annual General Meeting.

(vi) The instrument appointing a proxy must be deposited at the registered office of the Company at 51 Changi Business Park Central 2, The Signature #04-05, Singapore 486066 not less than 48 hours before the time appointed for holding the meeting.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

TSH CORPORATION LIMITED

(Company Registration No. 200003865N)

IMPORTANT:
1. Pursuant to Section 181(1C) of the Act (as defined herein), Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF and SRS Investors (as defined herein), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

*I/We ______________________________ (Name) ____________________ (NRIC/Passport No.)

of ____ (Address)

being *a member/members of TSH Corporation Limited (the "**Company**"), hereby appoint

Name	NRIC/ Passport No.	Address	Proportion of shareholdings to be represented by proxy (%)

*and/or

Name	NRIC/ Passport No.	Address	Proportion of shareholdings to be represented by proxy (%)

of failing him/them the Chairman of the Annual General Meeting, as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 1 Irving Place, #08-10, The Commerze@Irving, Singapore 369546 on Tuesday, 25 April 2017 at 2.30 p.m. and at any adjournment thereof.

I/we direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion as he/they may on any other matters arising at the Annual General Meeting.

☐ Please tick here if more than two (2) proxies will be appointed (Please refer to note 4). This is only applicable for Relevant Intermediaries such as banks and capital markets services licence holders which provide custodial services.

No.	Ordinary Resolutions	For**	Against**
Ordinary Business			
1.	Adopt the Audited Financial Statements, Directors' Statement and Auditors' Report for the financial year ended 31 December 2016.		
2.	Approval of Directors' fees for the financial year ended 31 December 2016.		
3.	Re-election of Mr Lye Chee Fei Anthony as a Director of the Company.		
4.	Re-election of Mr Teo Kok Woon as a Director of the Company.		
5.	Re-appointment of Messrs Ernst & Young LLP as Auditors and to authorise the Directors of the Company to fix their remuneration.		
Special Business			
6.	Authority to allot and issue shares pursuant to the Share Issue Mandate.		

** Voting will be conducted by Poll. If you wish to exercise all your votes "For" or "Against", please indicate an "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ______________ day of ______________ 2017.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Member(s)/Common Seal

**Delete accordingly*

IMPORTANT. Please read notes overleaf

Notes:-

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore (the **"Act"**), a member entitled to attend and vote at the Annual General Meeting (the **"Meeting"**) is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy needs not be a member of the Company.
2. Where a member appoints more than one (1) proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
4. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting provided that each proxy is appointed to exercise the rights attached to different shares held by such member. In such event, the Relevant Intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
5. The instrument appointing proxy or proxies must be deposited at the registered office of the Company at 51 Changi Business Park Central 2, The Signature #04-05, Singapore 486066 not later than 48 hours before the time set for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member of the Company may, in accordance with Section 179 of the Act, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
10. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.
11. An investor who buys shares using CPF monies (**"CPF Investor"**) and/or SRS monies (**"SRS Investor"**) (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

1st fold here

Please affix postage stamp

The Company Secretary

TSH CORPORATION LIMITED

51 Changi Business Park Central 2

The Signature #04-05

Singapore 486066

2nd fold here

3rd fold here and seal

TSH Corporation Limited

51 Changi Business Park Central 2, The Signature #04-05, Singapore 486066

Company Registration No: 200003865N