Roxy-Pacific
Holdings Limited

STRIKING A BALANCE FOR SUSTAINABLE GROWTH

ANNUAL REPORT 2015

CORPORATE PROFILE

Roxy-Pacific Holdings Limited is an established property and hospitality group with an Asia-Pacific focus and a track record that extends back to May 1967.

Listed on the SGX Mainboard on 12 March 2008, the Group is principally engaged in the development and sale of residential and commercial properties ("Property Development") and the ownership of Grand Mercure Roxy Hotel and other investment properties ("Hotel Ownership and Property Investment").

In Property Development, Roxy-Pacific is an established brand name for small to medium size residential developments such as apartments and condominiums targeted at middle to upper middle income segments.

Between 2004 and 2015, the Group developed and launched 39 small to medium sized developments comprising a total of more than 3,400 residential and commercial units in Singapore.

The Group also owns the Grand Mercure Roxy Hotel, managed by international hotel operator, Accor Group. Strategically located in the East Coast area, the hotel is close to the CBD, the Changi airport and the Marina Bay Resort Casino. In 2015, the hotel enjoyed a high average occupancy rate ("AOR") of 89.6% and an average room rate ("ARR") of S$169.20. Beyond Singapore, the Group has opened its first upscale boutique hotel under the ***Noku Roxy*** brand name in Kyoto, Japan and acquired other land parcels intended for development into hotels in Phuket, Thailand, and Perth, Australia.

For Property Investment, the Group owns 52 retail shops at The Roxy Square Shopping Centre in Singapore. In Australia, Roxy-Pacific owns a 28-storey freehold commercial building at 59 Goulburn Street, Sydney, which is strategically located in the CBD area. Most recently, it has acquired a 14-storey, freehold, commercial building in Sydney's CBD.

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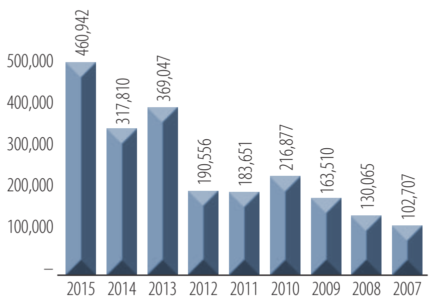
FINANCIAL HIGHLIGHTS

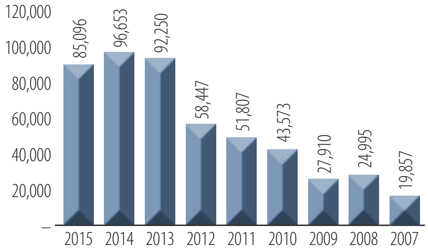
	FULL YEAR	FULL YEAR	FULL YEAR	FULL YEAR	FULL YEAR	FULL YEAR	FULL YEAR	FULL YEAR	FULL YEAR
PERIOD	**Dec-15**	**Dec-14**	**Dec-13**	**Dec-12**	**Dec-11**	**Dec-10**	**Dec-09**	**Dec-08**	**Dec-07**
PROFIT & LOSS (SGD '000)					(restated)[2]	(restated)[2]	(restated)[2]	(restated)[2]	(restated)[2]
Revenue	460,942	317,810	369,047	190,556	183,651	216,877	163,510	130,065	102,707
Finance Costs	(13,124)	(9,107)	(5,476)	(4,394)	(4,650)	(4,470)	(3,774)	(4,233)	(4,354)
Share Of Profit of Associates	11,134	54,857	9,944	3,974	288	55	–	–	–
Profit Before Tax	101,060	110,275	106,728	65,875	58,524	53,232	36,248	30,365	23,940
Total Comprehensive Income Attributable to Shareholders	85,096	96,653	92,250	58,447	51,807	43,573	27,910	24,995	19,857
BALANCE SHEET (SGD '000)									
No. of Ordinary Shares Issued ('000)	1,193,550	1,193,550	1,193,550	954,840	636,560	636,560	636,560	636,560	508,560
Share Capital	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	11,114
Fair Value Reserve	68	174	111	144	–	–	–	–	–
Translation Reserve	(8,083)	(3,168)	–	–	–	–	–	–	–
Retained Earnings	418,197	355,933	282,112	206,038	166,864	124,605	87,398	64,262	45,633
Equity Attributable to Owners of the Company	457,581	400,338	329,622	253,581	214,263	172,004	134,797	111,661	56,747
Non-Controlling Interests	629	515	347	199	–	–	–	–	–
Total Equity	458,210	400,853	329,969	253,780	214,263	172,004	134,797	111,661	56,747
Long Term Liabilities	344,114	300,931	133,129	89,657	100,820	97,507	90,243	80,841	81,412
Current Liabilities	606,457	731,535	835,846	580,697	433,522	332,115	200,489	217,704	170,474
Total Equity and Liabilities	1,408,781	1,433,319	1,298,944	924,134	748,605	601,626	425,529	410,206	308,633
Fixed Assets	129,680	120,309	81,942	76,147	73,928	70,421	64,515	65,958	65,597
Intangible Assets	86	–	–	1,672	1,672	1,672	1,672	1,672	2,040
Investments	240,228	244,668	84,713	68,084	47,105	80,402	56,138	32,428	30,640
Other Non-Current Assets	68,141	1,574	2,207	1,684	–	–	–	–	–
Current Assets	970,646	1,066,768	1,130,082	776,547	625,900	449,131	303,204	310,148	210,356
Total Assets	1,408,781	1,433,319	1,298,944	924,134	748,605	601,626	425,529	410,206	308,633
FINANCIAL RATIOS (SGD)									
Earning Per Share (cents)[1]	7.13	8.10	7.73	4.90	4.34	3.65	2.34	2.09	1.66
Net Asset Value Per Share (cents)[1]	38.34	33.54	27.62	21.25	17.95	14.41	11.29	9.36	4.75
Return On Asset (ROA)	6%	7%	7%	6%	7%	7%	7%	6%	6%
Return On Equity (ROE)	19%	24%	28%	23%	24%	25%	21%	22%	35%
Total Liabilities to Equity Ratio (times)	1.39	1.54	1.87	1.64	1.43	1.58	1.35	1.68	3.84
Net Assets Value (S$m)	457.58	400.34	329.62	253.58	214.26	172.00	134.80	111.66	56.75
Revaluation surplus (S$m)[3]	463.42	460.35	441.47	384.53	344.14	257.10	169.00	214.18	246.44
Adjusted Net Assets Value (S$m)	921.00	860.69	771.09	638.11	558.40	429.10	303.80	325.84	303.19
Adjusted Net Assets Value per share[1]	77.16	72.11	64.60	53.46	46.78	35.95	25.45	27.30	25.40
Net Debt to ANAV (times)	0.54	0.58	0.68	0.56	0.45	0.51	0.47	0.48	0.64
Total Debt to ANAV (times)	0.88	1.07	1.14	0.96	0.86	0.88	0.82	0.82	0.75
Gross Dividend Per Share (cents)[1]	1.91	1.91	1.91	1.28	1.33	1.00	0.67	0.50	0.53

(1) Adjusted based on total issue of 1,193,549,994 ordinary shares.
(2) The figures have been restated to take into account of the retrospective effect of adoption of Amendments to FRS 12.
(3) Refers to the revaluation surplus of the Grand Mercure Roxy Hotel, Noku Hotel in Kyoto, hotel in Phuket and office premises.

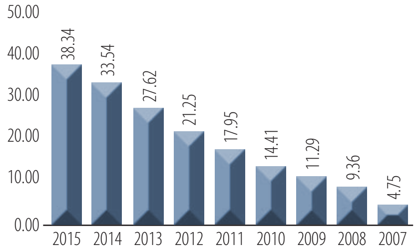
REVENUES (S$'000)



TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS (S$'000)



NET ASSET VALUE PER SHARE (cents)[1]



CALENDAR OF EVENTS

JANUARY

Acquisition of land at 609 Wellington Street, Perth Australia. The Land is freehold in tenure and located in the central business district of Perth.

Centropod@Changi obtained its Temporary Occupation Permit on 6 January 2015.

MARCH

Acquisition of properties at 64 Peel Street and 9 Cordelia Street, South Brisbane, Australia. The Properties are freehold in tenure with an aggregate land area of approximately 2,571 square metres.

Acquisition of properties at 54 and 85 Bracks Street, North Fremantle, Western Australia. The Properties have an aggregate land area of approximately 45,456 square metres.

APRIL

Payment of final dividend of S$0.01297 per ordinary share for financial year ended 2014.

MAY

Space@Kovan obtained its Temporary Occupation Permit on 22 May 2015.

JUNE

Establishment of a Multi-currency Debt Issuance Programme totalling S$500,000,000.

Acquisition of Land at Jalan Kramat Raya No. 110, Jakarta, Indonesia.

JULY

Under the S$500,000,000 Multi-currency Debt Issuance Programme, issued S$60,000,000 in 4.50 per cent Notes due in 2018.

AUGUST

Payment of interim dividend of S$0.00616 per ordinary share for financial year ended 2015.

SEPTEMBER

Natura@Hillview obtained its Temporary Occupation Permit on 22 September 2015.

Acquisition of freehold residential site at 26 Sea Avenue, Singapore. The site has a total land area of 1,809 square metres.

NOVEMBER

Noku Roxy Brand launch and Official opening of the first Noku Roxy Hotel in Kyoto, Japan.

Acquisition of properties at 6A and 8 Buckingham Road, Killara, Sydney, Australia. The Properties are freehold in tenure with a combined land area of approximately 3,792 square metres.

Acquisition of freehold residential property at 178 & 180A Jalan Eunos, Singapore. The sites have an aggregate total land area of 1,601 square metres.

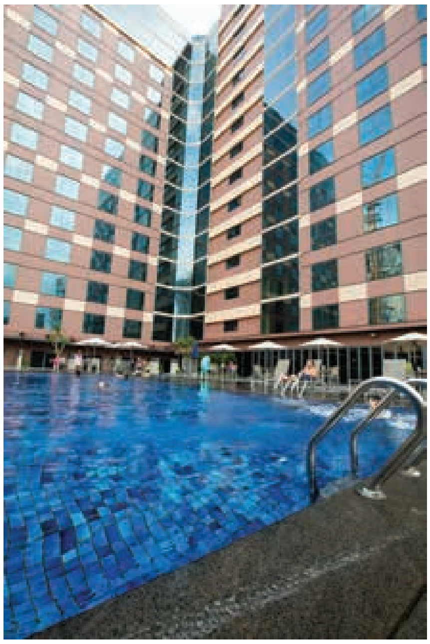
DECEMBER

Acquisition of a freehold property at 117 Clarence Street, Sydney, Australia. The Property is a 14 storey commercial building with net lettable area of approximately 12,571 square metres, set on a total site area of approximately 1,190 square metres.

Acquisition of properties at 14 Cowper St & 8 Elger Street, Glebe, Australia. The city fringe properties are set for residential development and comprise an aggregate land area of approximately 7,125 square metres.

Acquisition of development property at 37-41 Bayswater Road, Potts Point, Sydney, Australia. The site has a total land area of 930 square metres.

OUR AWARDS



HOTEL OWNERSHIP

- **Best Employee of The Year – Year 2015**
  An award given by Singapore Hotel Association to recognise best employees in Singapore.

- **Excellent Service Award 2015 – 2 Star, 20 Gold and 12 Silver**
  A national award given by Singapore Hotel Association to recognise individuals who have delivered quality service in Singapore.

- **Service Gold – National Kindness Award 2015**
  The award is to recognise hotel staffs who have displayed service excellence, gracious and kind acts at the workplace by Singapore Hotel Association.

- **SHA Honesty Award 2015 – Certificate of Commendation**
  The award is to recognise staffs who have displayed honesty acts at workplace by Singapore Hotel Association.

- **Hotel Security Excellence Award 2015**
  The award is to recognise hotel for ensuring a high standard of security by the Singapore Hotel Association, Singapore Police Force and the National Crime Prevention Council.

CHAIRMAN'S STATEMENT

STRIKING A BALANCE FOR SUSTAINABLE GROWTH

TEO HONG LIM
Executive Chairman and Chief Executive Officer

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, it is my great pleasure to present to you the Annual Report for the full year ended 31 December 2015 ("FY2015").

Resilience Amidst Macro Turbulence

The year under review has been challenging for industry players, brought on by both global uncertainties and domestic concerns. At the global level, the world was shaken by issues from the collapse in oil prices from oversupply, the Greek impasse, and the hike in interest rates by the US Federal Reserve, a first in almost a decade. In Asia, the stock market problem in China and subsequent depreciation of the Renminbi further roiled financial markets globally.

In Singapore, GDP grew 2% for the whole of 2015, the slowest rate of growth since 2009[1]. For 2016, the Ministry of Trade and Industry expects the economy to grow at a modest pace of 1.0% to 3.0% for 2016[1]. Singapore's residential market remains challenging, as can be seen in the dip in private home prices for the whole of 2015, with the authorities maintaining that it may be too premature to lift the cooling measures.

We have remained resilient and grown our revenue despite macro headwinds, achieving a 45% increase in revenue to S$460.9 million for the FY2015, from S$317.8 million a year ago ("FY2014"). Our topline was lifted mainly by a healthy growth in both our Property Development and Property Investment segments. Our Property Development segment saw a rise in revenue mainly on the completion of our commercial project, Centropod@Changi, which obtained TOP in January 2015. In line with our concerted efforts to boost recurring income from the Property Investment segment, turnover from this division rose 85%, mostly from office rental income earned from the Goulburn Street office building in Australia. Together, revenue contributions from both these segments more than offset a marginal decline from our Hotel Ownership division.

Net profit however declined by 12% to S$85.2 million from S$96.8 million over the same period. Whilst our other operating income in FY2015 jumped 92% mainly due to higher interest income and net fair value gains on investment property, we took some impact from share of results from associates, which decreased 80% during the period. This is due to an absence of profit recognised from our successful sale of 21 strata retail floors at the 8 Russell Street building in Hong Kong.

In FY2015, our NAV per share grew by 14.3% from the previous corresponding year to 38.34 SGD cents, and our ANAV per share grew by 7.0% to 77.16 SGD cents over the same period.

With a strong cash position, low gearing, coupled with good headroom from our S$500 million Multicurrency Debt Issuance programme, of which S$60 million has been issued to date, we have a good 'war chest' for potential investments in both property and hotel segments in Singapore and around the region.

Striking a Balance for Sustainable Growth

Our guiding principle for expansion is premised on achieving a good portfolio balance between our three main arms – Property Development, Property Investment and Hotel Ownership. We will continue to strike a balance in our strategy, both geographically and in terms of our asset portfolio, for better risk management and greater recurring income.

For 2016, we will be focused on the smooth execution and launches of our property and hotel developments. For Property, we have always launched our projects soon after acquisitions and this

Artist's Impression

Artist's Impression

business strategy remains a key focus. Where feasible, we aim to launch our newly acquired development land plots within nine months to a year of acquisition, subject to development approval.

As for the Hotel segment, we have officially opened our first upscale boutique hotel Noku Kyoto in Kyoto, Japan and are focused on the opening of another upscale resort in Phuket, Thailand, under the ***Noku Roxy*** brand name; as well as hotels and resorts in Perth, Australia and the Maldives.

Property Development

According to the latest statistics released by the Urban Redevelopment Authority, the overall private residential property index fell 0.7 points to 141.6 points in 4Q2015 from 142.3 points in 3Q2015, representing a decline of 0.5% in 4Q2015. For the whole of 2015, the index fell 3.7% compared to 4.0% in 2014. At the same time, the authorities have maintained that it may be too premature to lift the cooling measures, and that the government will continue to monitor factors such as interest rates and economic growth to make adjustments when necessary[2].

Whilst the residential market remains tepid with property prices expected to moderate further in 2016, we remain confident of our ability to uncover opportunities in Singapore, our key market, where we have strong expertise and track record. As at 15 February 2016, we have a total of S$384.6 million in revenue to be progressively recognised from 1Q2016 to the financial year ending 31 December 2020 based on the units sold from 9 ongoing development projects.

In light of the softer property market in Singapore, we will be even more selective – focusing on developing well-located, freehold properties which offer a strong and unique selling proposition. Freehold developments in choice locations will be high on our priority list and we will prudently acquire suitable land banks.

The eastern region of Singapore is where we have deep knowledge and familiarity and we have recently acquired freehold residential sites at Sea Avenue and Jalan Eunos. We plan to develop a total of 57 exclusive residential units at these locations.

In Australia, taking into consideration favourable demand and supply dynamics, we have actively built-up our development land banks mainly in Sydney and other key Australian Cities which will be progressively launched for sale in 2016 and 2017. In Brisbane, we have obtained development approval for our project comprising 429 residential cum commercial units at 64 Peel Street and 9 Cordelia Street in South Brisbane which was acquired through our 40% JV with Australia-based superannuation fund, Hostplus.

In North Fremantle, Perth, our second joint venture with Hostplus which covers a 4.4-hectare land parcel, is in a process of rezoning for residential and commercial use. The conversion of this development is well in progress and a decision to onsell or redevelop the land will be made by the joint venture upon successful rezoning of the property.

Sydney is another market that we have given a greater focus on during the year under review. We have made several acquisitions in this vibrant city, three of which are slated for residential development. One of the sites at No. 14 Cowper Street and No. 8 Elger Street, Glebe, is for the proposed development of 248 residential units with an aggregate

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land area of approximately 7,125 sqm. The second 930 sqm site is located at 37-41 Bayswater Road, Potts Point, is intended for development into 46 residential units and one retail unit. The third site is a 3,792 sqm freehold land at 6A and 8 Buckingham Road, Killara, is to be developed into two residential flat buildings comprising 43 apartments.

We will continue to build on our presence in Australia and the region through our own internal expertise and resources, where feasible.

Property Investment

For this segment, we are focused on well-located and tenanted commercial buildings which will provide us with a springboard to further deepen our recurring income stream.

We are pleased that our very first investment in Sydney, Australia – the 59 Goulburn Street office building, has continued to contribute strong recurring rental income to our Property Investment segment. Occupancy remains high at 97%, with a good tenant profile. To potentially raise its yield, we are reviewing plans to redevelop it into a hotel/residential/commercial building.

To further increase our source of recurring rental income, our 50% owned joint venture in Australia has acquired a 14-storey freehold commercial building at 117 Clarence Street in Sydney's CBD.

For Property Investment, we will remain focused on commercial sites which are strategically located and offer good upside potential for rental appreciation.

Hotel Ownership

Latest statistics released from the Singapore Tourism Board ("STB") demonstrated a 0.4% year-on-year growth in international visitor arrivals for the period between January to November, receiving a total of 13.8 million visitors for the 11-month period, with indications that visitor arrivals are "on target" to achieve zero to 3.0% growth forecast or a total of 15.1 million to 15.5 million tourists for 2015[3]. Notably, Changi Airport handled a record 55.4 million passengers during the year, a 2.5% increase year-on-year[4].

For the mid to long-term, we do see good growth prospects for the hospitality sector locally, buoyed by the government's various initiatives to draw tourists to Singapore, such as the S$20 million global marketing campaign by the STB[5] and a S$20 million partnership with Singapore Airlines and Changi Airport Group to strengthen Singapore's appeal to leisure, business and MICE audiences[6].

Regionally, we are extending our reach of our Hotel Ownership segment with Hotels in Japan, Thailand, Maldives and Australia. Our overriding strategy for this segment is to self-manage our hospitality assets where possible for better control of our yield and hotel branding.

Over one year in the making, we are pleased to have unveiled our very first upscale boutique hotel brand name – ***Noku Roxy*** – in November 2015. Noku Kyoto, which officially opened in Kyoto, Japan on 11 November 2015, has since received a warm reception.

The unique selling proposition of this newly refurbished 6-storey, 81-room hotel that's adjacent to the Kyoto Imperial Palace, is its offer of an authentic experience, through retention of a strong artisanal culture native to Kyoto, as well as personalised services and attention to details. Kyoto, with its prominence as the world's No. 1 top city for two consecutive

CHAIRMAN'S STATEMENT

years[7], was a natural choice for us to 'plant' our first regional hotel. Since its opening, guest reservation requests have been encouraging, signaling healthy demand.

We have plans to grow the ***Noku Roxy*** brand in Phuket. We look forward to the launch of our luxury resort under the ***Noku Roxy*** brand in Chalong Phuket, Thailand in 2018.

We intend to self-manage hotel assets where possible, whilst at the same time, working with international hotel operators in managing city hotels like our first Marriott-branded hotel in Perth. Centrally located at 609 Wellington Street, in the heart of Perth's CBD, the Marriott Courtyard hotel will be managed by Marriott International Management Company B.V. under the *Courtyard* brand name. It is in close proximity to tourist attractions, cultural sites, retail centres and sporting precincts.

Looking ahead, we plan to deepening our footprint in existing markets while expanding into new geographies to build up our yield-accretive property and hospitality asset base.

We have most recently entered into an agreement to acquire the Kudafunafaru island in the Maldives, which consists of a 5-star resort comprising 50 villas, four food and beverage outlets, a full-service spa, an oceanfront pool, a diving centre and a fitness centre. We will keep all shareholders updated on further developments in due course.

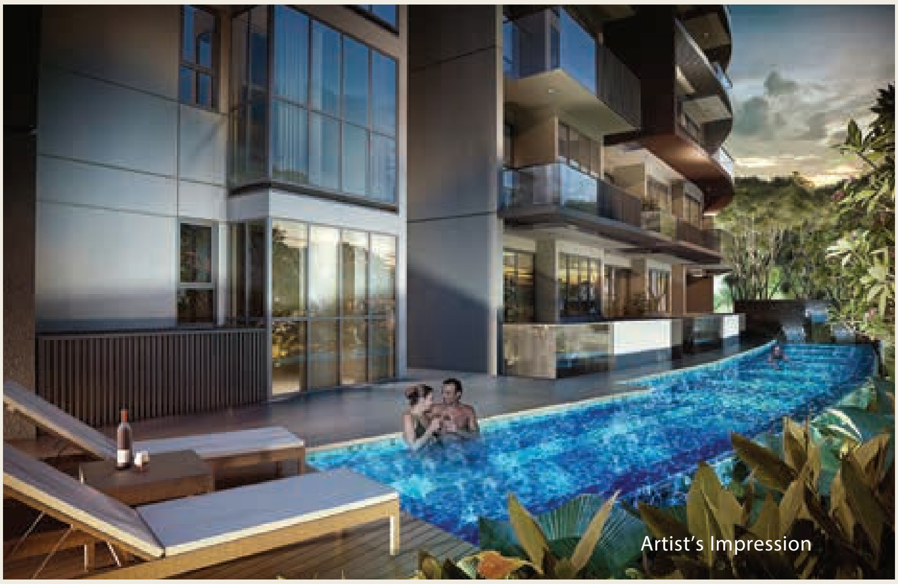
Proposed Dividend and Word of Appreciation

To thank all loyal shareholders for their continued support, the Board has proposed a final dividend (one-tier tax exempt) of 1.297 SGD cents per ordinary share, bringing total dividends for FY2015 to 1.913 SGD cents per ordinary share and is equivalent to a dividend payout ratio of approximately 27% of the Group's net profit for FY2015.

In closing, I would like to thank our Board of Directors for their guidance and wise counsel in the last financial year. We would also like to thank the management and staff for their immeasurable contribution towards Roxy-Pacific Holdings Limited. Last but not least, to our clients, consultants, suppliers, partners and business associates, we would like to convey our sincere appreciation for your strong support. We look forward to growing with all of you in the years to come as we expand our presence both locally and in the Asia-Pacific region.

Teo Hong Lim
Executive Chairman
and Chief Executive Officer

Sources:
1 *The Straits Times, 24 February 2016*
2 *The Straits Times, 31 December 2015*
3 *TODAY, 18 September 2015*
4 *TODAY, 27 January 2016*
5 *Channel NewsAsia, 7 April 2015*
6 *Channel NewsAsia, 30 June 2015*
7 *World's Top 10 Cities, Travel and Leisure, 6 July 2015*



Artist's Impression

FINANCIAL & OPERATIONS REVIEW

TURNOVER REVIEW

Lifted by stronger performance in the Property Development business segment, the Group has achieved record turnover since FY2007 with a 45% surge in revenue for the FY2015 to S$460.9 million from S$317.8 million in FY2014.

PROPERTY DEVELOPMENT

The Property Development segment, which contributed 88% of the Group's turnover in FY2015, achieved a 54% rise in revenue to S$404.2 million in FY2015 from S$263.3 million a year ago. This was largely attributable to higher revenue recognition on the completion of Centropod@Changi, a commercial development project that was awarded TOP in January 2015.

As at 15 February 2016, the Group has a total of S$384.6 million of revenue to be progressively recognised from 1Q2016 till 2020. Amidst Singapore's cooling property market in FY2015, the Group continued to prudently keep a look out for opportunities to replenish its land bank in Singapore, hence acquiring two freehold sites at 26 Sea Avenue and 178 and 180A Jalan Eunos. The Group plans to develop 25 exclusive residential units at Sea Avenue and 32 residential units at the Jalan Eunos sites. The Sea Avenue and Jalan Eunos projects are expected to be launched in FY2016.

The Group was also focused on broadening its property portfolio beyond its Singapore core market into other markets that present excellent opportunity for healthy returns, to diversify the Group's risks and to ensure long-term sustainable growth.

Towards this end, the Group acquired five development sites in Australia during the financial year – three residential sites in Sydney, an industrial site to be rezoned into a commercial/residential mixed-use site in North Fremantle, Perth, and a residential/commercial mixed-use development site in South Brisbane.

HOTEL OWNERSHIP

Revenue from the Hotel Ownership segment contributed 10% to the Group's FY2015 turnover, slipped 7% to S$44.5 million from S$47.9 million in FY2014 amidst a weakening tourism outlook in Singapore.

The Group's flagship Grand Mercure Roxy Hotel achieved average occupancy rate ("AOR") of 89.6%, average room rate ("ARR") of S$169.2 and revenue per available room ("RevPar") of S$151.6 in FY2015 (FY2014 – AOR: 91.2%; ARR: S$184.5; RevPar: S$168.2).

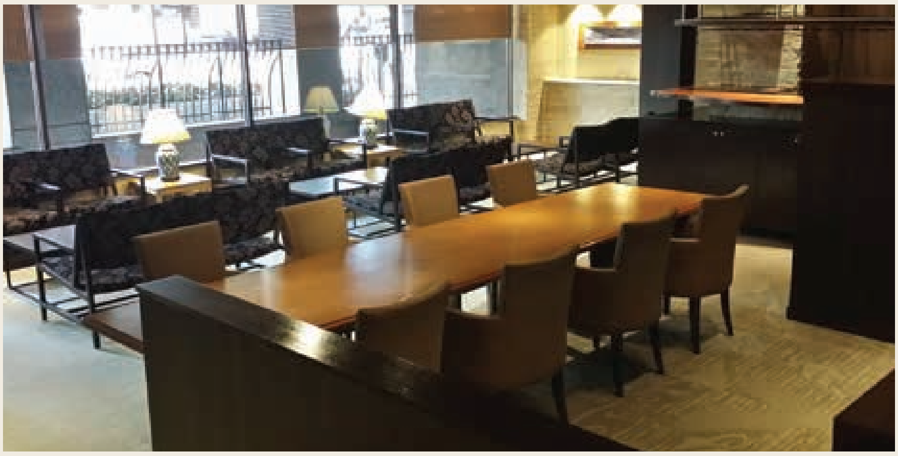
In line with the Group's strategy to strengthen this business segment, upscale boutique hotel Noku Kyoto in Kyoto, Japan, was officially launched in November 2015 under the new ***Noku Roxy*** hospitality brand. Noku Kyoto has received warm reception so far, and the Group plans to grow the ***Noku Roxy*** brand and self-manage hotel assets, wherever possible, to develop its hotel management expertise. The Group looks forward to the launch of a luxury resort under the ***Noku Roxy*** brand in Chalong Sub-District, Mueang, Phuket, Thailand in 2018.

Subsequent to the financial year, the Group has entered into an agreement to acquire the Kudafunafaru island in the Maldives, which consists of a 5-star resort comprising 50 villas, four food and beverage outlets, a full-service spa, an oceanfront pool, a diving centre and a fitness centre.

PROPERTY INVESTMENT

The Group's Property Investment segment contributed the balance of 2% of its FY2015 turnover, reporting an 85% rise in segment revenue to S$12.2 million from S$6.6 million a year ago. Healthy recurring income from the Goulburn Street office building in Australia acquired in July 2014 lifted the segment's performance in FY2015.

To strengthen its source of recurring rental income, the Group also acquired 50% interest in a 14-storey freehold commercial building, 117 Clarence Street, in the heart of Sydney's CBD.




Artist's Impression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GROSS PROFIT

FY2015 gross profit rose 33% to S$129.7 million from S$97.2 million in FY2014, of which 72% was contributed by the Property Development segment, and the balance of 28% by the Hotel Ownership and Property Investment segments.

The gross profit margin for the Property Development segment remained consistent at 23% for both FY2015 and FY2014, while that of the Property Investment segment increased 2 percentage points to 71% in FY2015 from 69% in FY2014. Gross profit margin of the Hotel Ownership segment decreased 4 percentage points to 62% in FY2015 due to lower ARR, compared to 66% a year ago.

Ongoing Development Projects

No.	Project Name	Type of Development	Group's Stake	Total units in project	Unit sold	Attributable total sale value(1)	Attributable revenue recognised up to 31 Dec 2015	Balance attributable progress billings to be recognised from 1Q2016
			%	Units	%	S$'m	S$'m	S$'m
1	Millage	Residential	48%	70	100%	23.5	21.9	1.6
		Shop	48%	86	100%	28.7	26.7	2.0
2	Eon Shenton	Office	20%	98	100%	60.1	21.1	39.0
		Residential	20%	132	95%	38.1	13.4	24.7
		Shop	20%	23	100%	4.8	1.7	3.1
3	Jade Residences	Residential	100%	171	100%	216.7	159.6	57.1
		Shop	100%	2	100%	1.7	1.3	0.4
4	Whitehaven	Residential	100%	120	95%	142.8	115.3	27.5
		Shop	100%	1	100%	1.2	1.0	0.2
5	LIV on Sophia	Residential	90%	64	100%	78.5	34.3	44.2
6	LIV on Wilkie	Residential	90%	81	83%	86.1	27.2	58.9
7	Sunnyvale Residences	Residential	100%	30	57%	26.5	5.9	20.6
8	Trilive	Residential	85%	222	45%	93.8	5.1	88.7
		Shop	85%	2	50%	0.7	–	0.7
9	Wisma Infinitum	Residential	47%	423(2)	22%	15.9	–	15.9
	Total			**1,525**		**819.1**	**434.5**	**384.6**

(1) Based on Option to purchase granted up to 15 February 2016
(2) Represents the sales launch of 423 residential units of Block A of the development. The remaining 300 residential units in Block B & 31 commercial units have not been launched.

FINANCIAL & OPERATIONS REVIEW

Land Bank

No.	Location/Description	Type	Approximate Land Area (sq m)	Approximate Gross Floor Area (sq m)	Group's stake	Approximate Attributable Gross Floor Area (sq m)	Approximate Attributable Land Cost (S$)	Approximate Attributable Land Cost (foreign currency)
	Singapore							
1	26 Sea Avenue	25 units of Residential Development	1,809	2,533	100%	2,533	S$21.5m	NA
2	178 and 180A Janlan Eunos	32 units of Residential Development	1,601	2,242	100%	2,242	S$14.2m	NA
	Overseas							
1	64 Peel Street and 9 Cordelia Street, Brisbane, Australia	426 units of Residential, 3 units of Commercial Development	2,571	30,869	40%	12,348	S$14.3m	AUD13.4m
2	54 and 85 Bracks Street, North Fremantle, Australia(1)	Industrial land; to be rezoned for commercial and residential use	45,456	TBC	20.2%	TBC	S$12.8m	AUD11.9m
3	6A and 8 Buckingham Road, Killara Sydney, Australia	43 units of Residential Development	3,792	4,402	100%	4,402	S$16.2m	AUD15.65m
4	37-41 Bayswater Road, Ports Point, Sydney, Australia	46 units of Residential, 1 unit of Commercial Development	930	3,581	100%	TBC	S$28.5m	AUD27.5m
5	No. 14 Cowper Street and No. 8 Elger Street, Glebe, Australia	248 units of Residential Development	7,125	18,960	100%	18,960	S$69.7m	AUD67.38m
	Total		**63,284**				**S$177.2m**	

(1) The properties are currently zoned as "Industrial" by the relevant Australian authorities. A decision to onsell or redevelop the land will be made by the joint venture upon successful rezoning of the property for commercial and residential use

The Group's overall gross profit margin decreased 3 percentage points to 28% in FY2015 mainly due to higher percentage of contribution of revenue from the Property Development segment, which achieved a lower profit margin compared to the other two business segments.

NET PROFIT

The Group's other operating income surged 92% to S$12.3 million in FY2015 from S$6.4 million a year ago due to higher interest income earned and net fair value gains on investment property.

However, share of results of associates declined 80% in FY2015 to S$11.1 million from S$54.8 million due to the absence of profit recognition from the sale of strata retail floors at 8 Russell Street, Hong Kong, and Nottinghill Suites that obtained TOP in 2014. In FY2015, the Group's share of results of associates were mainly driven by its share of profits from the Eon Shenton and Millage projects.

As a result of the above, the Group achieved profit after tax of S$85.2 million in FY2015, a 12% decline from S$96.8 million in FY2014.

BALANCE SHEET

As at 31 December 2015, the Group's balance sheet remained healthy with cash and cash equivalents amounting to S$313.0 million and a comfortable net debt-to-ANAV ratio of 0.54 time.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Teo Hong Lim
Executive Chairman and Chief Executive Officer

Chris Teo Hong Yeow
Executive Director and Managing Director

Michael Teo Hong Wee
Executive Director

Koh Seng Geok
Executive Director and Chief Financial Officer

Hew Koon Chan
Lead Independent Director

Winston Tan Tien Hin
Independent Director

Tay Kah Poh
Independent Director

COMPANY SECRETARY

Koh Seng Geok
CA

REGISTERED OFFICE

50 East Coast Road #B1-18
Roxy Square
Singapore 428769
Tel: (65) 6440 9878
Fax: (65) 6440 9123

COMPANY REGISTRATION NUMBER

196700135Z

INVESTOR RELATIONS

Dolores Phua
Citigate Dewe Rogerson, i.MAGE
55 Market Street #02-01/02
Singapore 048941
Tel: (65) 6534 5122
Fax: (65) 6534 4171

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

KCK CorpServe Pte. Ltd.
333 North Bridge Road #08-00
KH KEA Building
Singapore 188721

AUDIT RISK MANAGEMENT COMMITTEE

Hew Koon Chan (Chairman)
Tay Kah Poh
Winston Tan Tien Hin

NOMINATING COMMITTEE

Tay Kah Poh (Chairman)
Hew Koon Chan
Winston Tan Tien Hin

REMUNERATION COMMITTEE

Tay Kah Poh (Chairman)
Hew Koon Chan
Winston Tan Tien Hin

AUDITOR

Foo Kon Tan LLP
Chartered Accountants
47 Hill Street #05-01
Singapore Chinese Chamber of Commerce
& Industry Building
Singapore 179365
Audit Partner-in-charge
Toh Kim Teck, CA
(appointed from the financial year ended
31 December 2011)

PRINCIPAL BANKERS

DBS Bank Limited
Hong Leong Finance Limited
Malayan Banking Berhad
Overseas-Chinese Banking Corporation
Limited
Standard Chartered Bank
United Overseas Bank Limited

PROJECTS TOP IN 2015

Centropod@Changi

Centropod@Changi

Natura@Hillview

Natura@Hillview

Space@Kovan

Space@Kovan

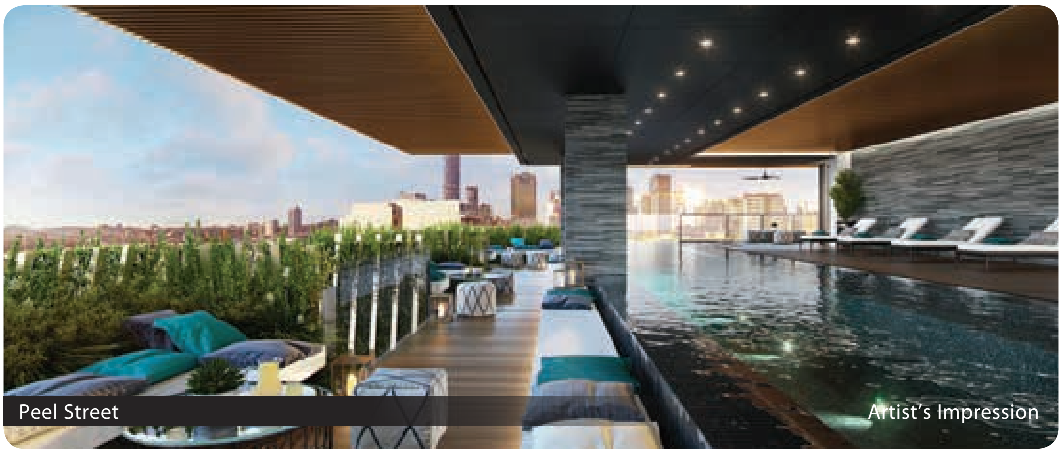
ASSETS ACQUIRED IN 2015


Octavia Killara Artist's Impression


ACH Perth Artist's Impression


Bracks Street


Peel Street Artist's Impression


Peel Street Artist's Impression

BOARD OF DIRECTORS

FROM LEFT TO RIGHT

SEATED:
CHRIS TEO HONG YEOW
TEO HONG LIM
KOH SENG GEOK

STANDING:
WINSTON TAN TIEN HIN
MICHAEL TEO HONG WEE
HEW KOON CHAN
TAY KAH POH

TEO HONG LIM

Teo Hong Lim, our Executive Chairman and Chief Executive Officer and a Director since 20 May 1993. Mr Teo sets out our Group's strategies and leads overall management. He was last re-elected as Director on 27 March 2015. Mr Teo graduated from the National University of Singapore with an honours degree in Accountancy. He worked for DBS Bank Ltd as assistant treasurer before joining our Company.

CHRIS TEO HONG YEOW

Chris Teo Hong Yeow joined our Group in 1993 and his main task is in the planning and facilities design of Grand Mercure Roxy Hotel. He has been an Executive Director since 4 January 1999 and was appointed as our Managing Director on 16 July 2001. He was last re-elected as Director on 28 March 2013. Mr Teo is primarily responsible for all aspects of our Hotel Ownership business, including ongoing evaluation, investment and improvement of the hotel segment. Mr Teo graduated from Michigan State University with a Bachelor of Arts degree in Hotel, Restaurant and Institutional Management. Mr Teo has more than 20 years of experience in the hospitality industry. He has previously held managerial appointments at several international hotels in Asia, such as the Oriental Hotel in Singapore, the Amanpuri in Phuket, Thailand and the Amandari in Bali, Indonesia.

MICHAEL TEO HONG WEE

Michael Teo Hong Wee has been our Executive Director since 14 November 1991 and was last re-elected as Director on 27 March 2015. He holds an important role in the architectural conceptualisation, design and planning of all of our development projects. In particular, he was heavily involved in the development of the second phase of Roxy Square and the Grand Mercure Roxy Hotel, from their respective pre-construction stage to completion. Currently, he heads our Property Development arm and oversees the progress of all our development projects. Mr Teo graduated from the University of Southern California with a Bachelor of Architecture degree.

KOH SENG GEOK

Koh Seng Geok has been the Executive Director of our Company since 1 September 2001 and was last re-elected as Director on 28 March 2014. He is also our Chief Financial Officer and Company Secretary. Mr Koh is primarily responsible for the financial, banking and accounting aspects of our Group. He also oversees our Group's corporate secretarial and legal matters. Mr Koh joined our Group in February 2000 as the Financial Controller of Grand Mercure Roxy Hotel. He graduated from the National University of Singapore with a Bachelor of Accountancy degree and he is a non-practising member of the Institute of Singapore Chartered Accountants. He also holds a Master in Business Administration from the University of Leicester. Prior to joining our Group, Mr Koh worked as an auditor in Deloitte and Touche and Haw Par Brothers International Limited, and held appointments as the Finance Manager of Goldtron Electronics Pte Ltd and Equant Integration Services Pte Ltd.

HEW KOON CHAN

Hew Koon Chan was appointed as our Company's Lead Independent Director on 17 December 2007 and was last re-elected as Director on 28 March 2013. He is Chairman of Roxy-Pacific Holdings Limited's Audit Risk Management Committee and a Member of Nominating Committee and Remuneration Committee. Mr Hew is an Independent Director of DeClout Limited, Far East Group Limited and Nordic Group Limited. He is also currently the Managing Director of Integer Capital Pte Ltd, a company which is in business advisory and consultancy services. Mr Hew's previous appointments include that as an investment director in Seavi Venture Services Pte Ltd which is a private equity firm. He was also previously an Independent Director of Action Asia Limited and a process engineer in Texas Instruments Singapore (Pte) Ltd. Mr Hew graduated from the National University of Singapore with a Bachelor of Engineering (Mechanical) degree and he also holds a Certified Diploma in Accounting and Finance conferred by the Association of Chartered Certified Accountants.

TAY KAH POH

Tay Kah Poh was appointed as an Independent Director of our Company on 17 December 2007 and was last re-elected as Director on 28 March 2014. He is Chairman of Roxy-Pacific Holdings Limited's Nominating Committee and Remuneration Committee and a Member of Audit Risk Management Committee. He is currently Executive Director, Agency Services at Knight Frank Pte Ltd, Singapore. He was previously an Associate Professor at the National University of Singapore Department of Real Estate, Executive Vice President at the Pacific Star Group, and an Executive Director of Reyfein Real Estate Consultancy Pte Ltd. Mr Tay holds a Master of Arts in Business Administration from the University of Georgia (Athens), United States of America and a Bachelor of Science (Honours) degree in Estate Management from the National University of Singapore.

WINSTON TAN TIEN HIN

Winston Tan Tien Hin has been a Non-Executive Director of our Company since 14 December 2006. Mr Tan was re-designated from the position of Non-Executive and Non Independent Director to Independent Director on 12 January 2012 and was last re-elected as Director on 27 March 2015. He is a Member of Roxy-Pacific Holdings Limited's Audit Risk Management Committee, Nominating Committee and Remuneration Committee. Mr Tan is a Non-Executive Director of Plastoform Holdings Limited, Serrano Limited and serves on the Board of Singapore Technologies Kinetics Limited. He is currently the Managing Director for Winmark Investments Pte. Ltd., Corporate Brokers International Pte. Ltd. and ZhenXing Commercial Consultancy (Shanghai) Co. Ltd. Amongst others, his previous appointments include that as an Independent Non-Executive Director of Pteris Global Limited and Singapore Technologies Engineering Ltd.; Director of Ascendas Pte. Ltd. and AETOS Security Management Pte Ltd; General Manager of Deutsche Bank AG (Singapore Branch) and Vice-President at Citibank N.A. Mr Tan graduated from the University of Singapore with a Bachelor of Science (Physics) degree.

SENIOR EXECUTIVE OFFICERS

LEFT TO RIGHT:
FOO YONG KIT STEVE
SHERMIN CHAN POH CHOO
KLAUS GOTTSCHALK
ANGELA KHOO YING HUI
TEO HONG HEE
BENJAMIN HOPKINS
MELVIN POON TUCK MENG

TEO HONG HEE

Teo Hong Hee is the Senior Human Resource and Administration Director of the Company. He joined the Group in 1988 and was an Executive Director from 30 August 1989 to 30 September 2014. He currently heads our human resource and administration department of the Group. Mr Teo graduated with a Bachelor of Science degree in Business Administration from the University of Southern California.

FOO YONG KIT STEVE

Foo Yong Kit Steve is the Director – Developments, of the Group's Property Development business. Mr Foo oversees all aspects of our development projects from review of development designs, evaluation of tender and administration of construction and maintenance programmes. He also heads the Contract, Project Management and Property Management division to ensure successful completion and handover of the developments projects. He also supports the Group overseas Hospitality development projects. Mr Foo has more than 30 years of experience in the field of construction and property management. Prior to joining our Group, Mr Foo was employed by Keppel Club as Manager overseeing the Club maintenance and development of a new MasterPlan project. Mr Foo holds a certificate in Architectural Draughtsmanship and a Diploma in Building from the Singapore Polytechnic and also holds a certificate in Common Examination for Housing Agents from the Singapore Institute of Surveyors and Valuers (SISV). He is also a certified Fire Safety Manager awarded by the Singapore Civil Defence Force (SCDF).

SHERMIN CHAN POH CHOO

Shermin Chan Poh Choo is the Assistant Director of Finance for the Group. She joined the Group in May 2007 as Assistant Finance Manager. Her duties and responsibilities include management of the Group's financial and accounting functions, as well as corporate reporting, secretarial and banking matters. Ms Chan was trained and started her career as an auditor for a mid-tier Singapore public accounting firm for 10 years. Prior to joining our Group, she worked for Xpress Print Pte Ltd in the accounting and finance department. Ms Chan obtained her professional qualification in accountancy from The Association of Chartered Certified Accountants and is a non-practising member of the Institute of Singapore Chartered Accountants.

ANGELA KHOO YING HUI

Angela Khoo Ying Hui is the Assistant Director of Sales & Marketing and Assistant Director of Human Resource and Administration department. She joined the Group in 2010 as Manager of Sales and Marketing. Her responsibilities for Sales & Marketing include preparing and launch of projects, management of the sales and marketing team and overseeing the Groups leasing and investment properties segment. As Assistant Director for Human Resource and Administration, she works closely with the Senior Human Resource and Administration Director in planning for personnel and human resource needs of the Company, leading the Groups corporate and social responsibility initiatives, and collaborating to achieve the Groups strategies. Prior to joining our Group, Ms Khoo was with Knight Frank Pte Ltd as Residential Tenancy & Leasing Manager with a large portfolio of multinational clients. Ms Khoo holds a Bachelor's of Science degree with honours in Business and Management from the University of Bradford (UK) and a Diploma in Building and Real Estate Management from Ngee Ann Polytechnic.

KLAUS GOTTSCHALK

Klaus Gottschalk joined the Group in April 2014 as General Manager of Grand Mercure Roxy Hotel, responsible for the overall operations of our Singapore hotel. Mr Klaus has more than 35 years of experience in the Hospitality Industry. Having started his career in Germany, he has since worked in senior management positions in Europe, the Middle East, Australia, New Zealand, China, Indonesia and Malaysia. He joined Accor in 1994 as Deputy General Manager for the Novotel Twin Waters Resort in Australia's Sunshine Coast and thereafter also held positions as Hotel Manager in Ibis Slipi Jakarta and later as General Manager for Ibis Jakarta Mangga Dua. In 2000 Klaus returned to Australia as General Manager for the Novotel Pacific Bay Resort before transferring to New Zealand in 2005. Based at the Novotel & Ibis properties in Rotorua, he was Area General Manager for the Central North Island, New Zealand. Mr Klaus graduated from Hotel Management School, D. Speiser Tegernsee in Germany.

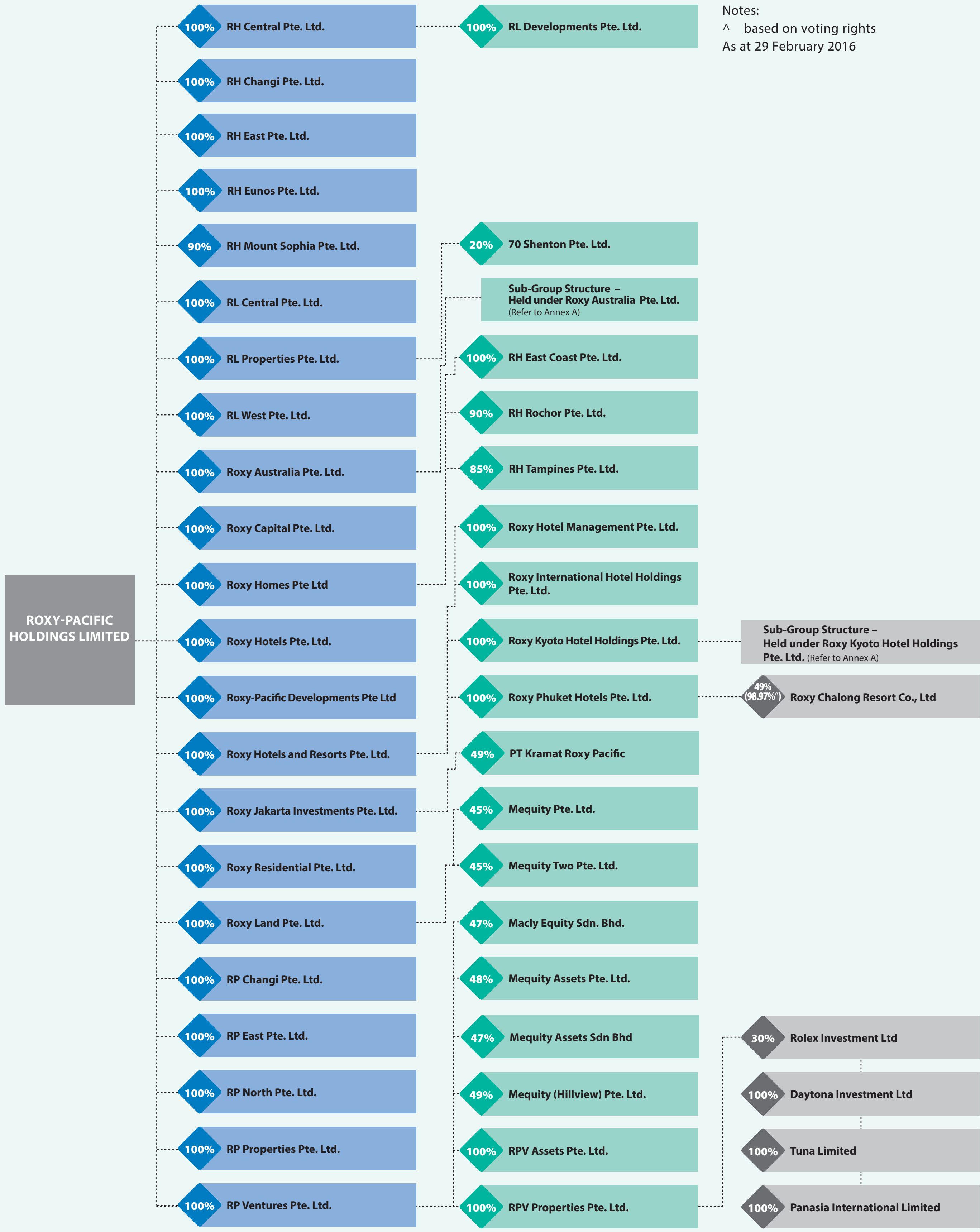
MELVIN POON TUCK MENG

Melvin Poon Tuck Meng is the Director of Hotel Operations, and is responsible for the overall business and operational matter of the Group's hotels. Mr Poon joined our hotel in 2002 as a Financial Controller and was subsequently promoted to Finance and Administration Director. Mr Poon has more than 20 years of experience in hotel financial management and administration. Prior to joining our Group, he was the Executive Assistant Manager of Yuda Palace Hotel in Zhengzhou, China. Previously, he held appointments as the Financial and Accounts Controller of other hotels in Singapore, namely Golden Landmark Hotel, Boulevard Hotel and Orchard Parade Hotel. Mr Poon holds two Master degrees; a Master of International Business degree from the University of Wollongong, Australia and a Master of Business in Accounting degree from Victoria University of Technology, Melbourne, Australia.

BENJAMIN HOPKINS

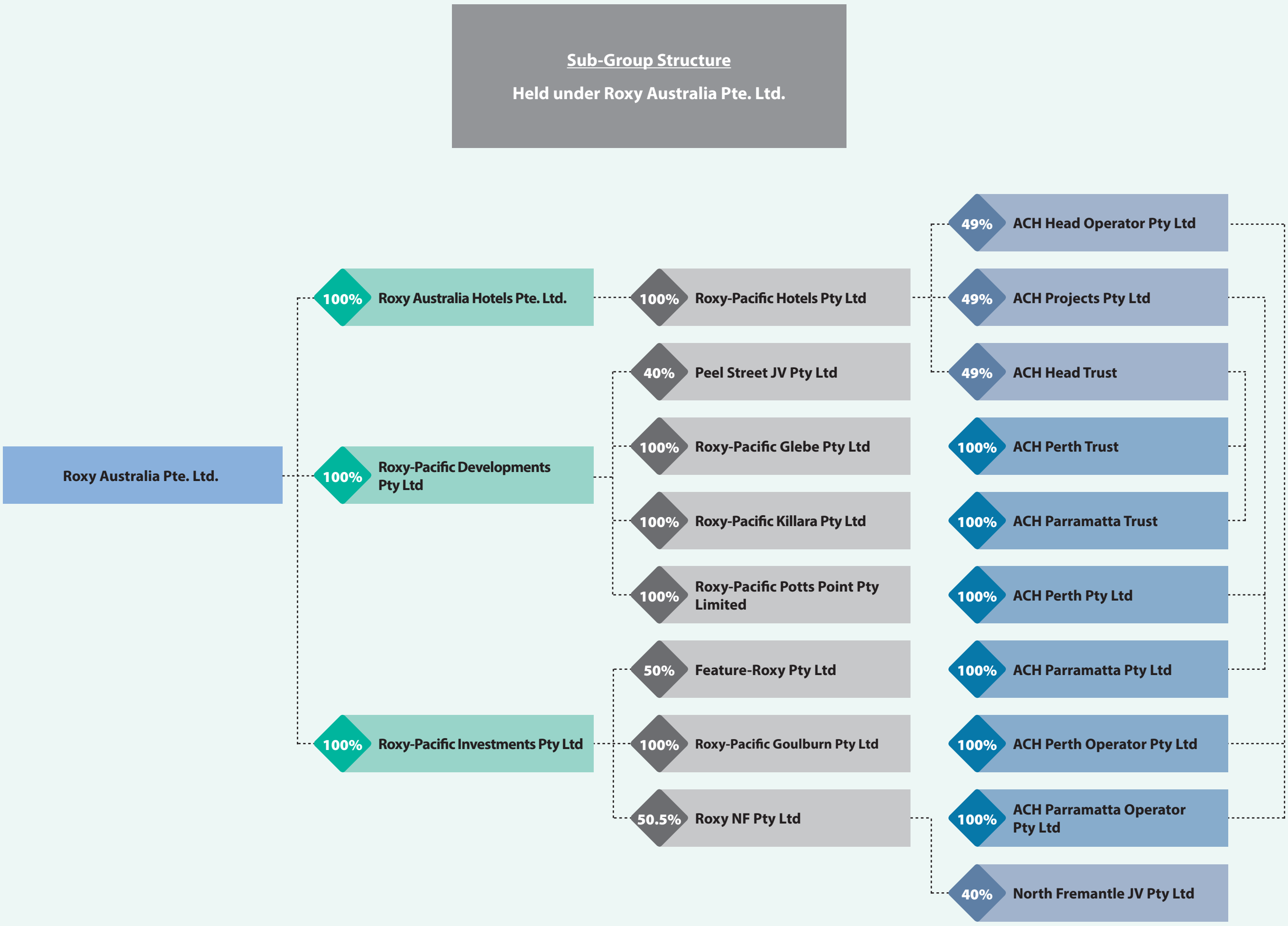
Benjamin Hopkins joined the Group in January 2015 as the Director of the Group's operations in Australia. Mr Hopkins was previously employed at Savills plc, where he spent 10 years working in the Asia-Pacific region. From 2011, he was based in Singapore as the Director of the Development and Project Management Division for Southeast Asia. Mr Hopkins has been involved in development projects in Singapore, Philippines, Papua New Guinea, India, Malaysia, Myanmar, Japan, Australia and New Zealand. Mr Hopkins holds a Bachelor of Engineering Honours (Civil) from the University of Sydney and a Diploma in Property Investment and Finance certificate by the Property Council of Australia. He is also a Green Star Accredited Professional by the Green Building Council of Australia.

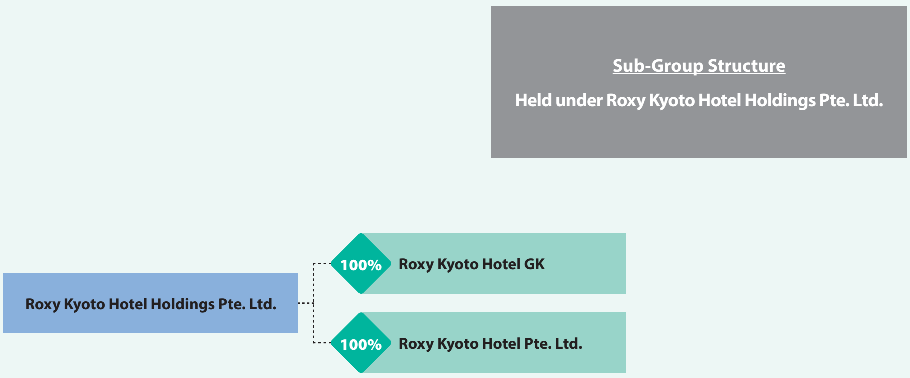
GROUP STRUCTURE



Notes:
^ based on voting rights
As at 29 February 2016

Annex A





Note:
As at 29 February 2016

SUSTAINABILITY

Our Group believes that to grow sustainably as a forward-looking corporate entity, we have to regularly reach out to all stakeholders, from our employees to the community, and to be responsible stewards of our natural environment. It is this productive, dynamic and on-going process that will enable us to secure holistic growth in the long run.

STAKEHOLDER ENGAGEMENT

OUR INVESTORS

To maintain profitability and maximise shareholder returns through strong fundamentals and prudent strategies.

OUR CUSTOMERS

To deliver an affordable, quality and innovative product and service that meets our customers requirements.

OUR EMPLOYEES

Care for our staff personal well-being and career development.

OUR BUSINESS PARTNERS

To treat our business partners fairly and to build on each other's competencies.

OUR COMMUNITY

To act as a responsible corporate citizen by contributing to the communities in which we operate.

We believe that the measurement of our success lies beyond our financial performance. While we aim to maintain profitability and maximise shareholder returns, we also recognise that to ensure business is sustainable; we have to strike a balance between our business needs and the need of our society and the environment. We are committed to creating value to our stakeholders and at the same time being beneficial to the community at large.

RISK MANAGEMENT

Risk assessment and management is an integral part of the strategic and operational decision-making process at all levels of the Group. Since FY2012, the Group has in place an Enterprise Risk Management (ERM) Framework, which governs the risk management process in the Group. Through this Framework, risk capabilities and competencies are continuously enhanced. The Group also has in place a risk management process that requires business units to perform regular assessment of the effectiveness of their internal controls. For more information regarding risk management in the Group, please refer to page 43 of this Annual Report.

INVESTOR RELATIONS

The Group continued to engage and maintain positive relationships with its shareholders and the investment community. We are committed to delivery of timely and transparent communication with our shareholders.

INVESTOR RELATIONS

TIMELY AND FAIR DISCLOSURES

The Group is committed to high standards of corporate transparency and disclosure, and providing timely and consistent releases of quarterly financial results, results presentations, annual reports, regulatory and other announcements pertaining to changes in the Group's business, which could have a material impact on the Company's share price. Information is shared on both the Singapore Exchange and our corporate website.

DEDICATED INVESTOR RELATIONS SECTION

Our corporate website has a dedicated investor relations section where stakeholders can access relevant information easily. Investors can also sign up for investor alerts on the website to receive updates on announcements.

ENCOURAGE PARTICIPATION

The Company's AGMs are the principal forums for dialogue with our shareholders. Our Group encourages full participation of shareholders and open dialogue with our Board of Directors at the Annual General Meeting ("AGM").

Throughout the year, our Group maintained communication with analysts, reporters and potential investors through half yearly results briefing, one-on-one meetings, telephone calls and emails.

Our AGM this year will be held on 4 April 2016 at our Grand Mercure Roxy Hotel, Frankel Room, 3rd Floor. Our directors and external auditors will be present to address shareholders' queries on all business issues during the meeting as well as after the meeting to allow informal interactions.

INVESTOR
RELATIONS

SHARE PRICE PERFORMANCE

Quotes Delayed 10 Minutes
Updated: 07/03/2016 15:13

Stock Quote: Roxy-Pacific

SGX Symbol:	E8Z	Currency:	SGD
Last Done:	0.490	Volume ('000):	1.2
Change:	-	% Change:	-
Day's Range:	0.470 - 0.490	52 Weeks' Range:	0.445 - 0.540

Chart Type ◉ Line ○ Candlestick ○ OHLC

News On Chart ☐ Corporate Actions(C) ☐ Insider Trades(I) ☑ News(N)

Zoom 1m 3m 6m YTD 1y 5y   1 Day From: Jan 1, 2015 To: Mar 2, 2016

**Source from http://ir.listedcompany.com/stocks_factsheet.pl/c/sg/id/E8Z*

2015 INVESTOR RELATIONS CALENDAR

1ST QUARTER

- Release of 4Q2014 and FY2014 financial results and results briefing to media and analyst
- Annual General Meeting

2ND QUARTER

- Release of 1Q2015 financial results

3RD QUARTER

- Release of 2Q2015 and 1H2015 financial results and results briefing to media and analyst
- Payment of 2015 interim dividends

4TH QUARTER

- Release of 3Q2015 and 9M2015 financial results

CORPORATE SOCIAL RESPONSIBILITY

Roxy-Pacific Holdings Limited recognises its responsibility to be good corporate citizens in its professional community and beyond. As such, each year we seek to achieve continual improvements in our Corporate Social endeavours and bring the wider community closer together in our common quest for a better tomorrow. This year, we are delighted to be part of several community initiatives which made a positive difference to the lives of our various beneficiaries and employees.

OUR CAUSES

CHILDREN

"Our greatest national resource is the minds of our children."
~ Walt Disney Company

ELDERLY

"The best classroom in the world is at the feet of an elderly person."
~ Andy Rooney (Correspondent, 60 Minutes, CBS)

OTHERS

"People rise to the challenge when it is their challenge."
~ Ralph Stayer & James Belasco (Flight of the Buffalo (1994))

CORPORATE SOCIAL RESPONSIBILITY

Children Are Our Hope For The Future 2015 Car Wash

Children Are Our Hope For The Future – Presentation of Financial Assistance to Primary & Secondary school students

Jamiyah Children Home – Teo Hong Lim, Executive Chairman and CEO, Roxy-Pacific Holdings Limited presenting a donation

LAUNCH OF ROXY FOUNDATION

Since 2007, we have been reaching out to children from low-income families under the "Children Are Our Hope For The Future" framework.

To further enhance our outreach to the children, Roxy-Pacific Holdings Limited has specially formed the Roxy Foundation, which is administered by the "Community Foundation of Singapore".

With the introduction of this foundation, underprivileged children from primary, secondary and tertiary institutions will be able to receive financial assistance from the funds raised. Roxy-Pacific Holdings Limited is also pleased to announce that we will also be supporting and funding the Children programmes run by schools and NGOs in Singapore.

The Roxy Foundation was officially launched by Emeritus Senior Minister Goh Chok Tong on 27 February 2015 during the annual Chinese New Year Lunch hosted by Roxy-Pacific Holdings Limited.

CHILDREN ARE OUR HOPE FOR THE FUTURE

2015 also marks the 8th year of our flagship programme, "Children Are Our Hope For The Future". Launched in 2007 to help the underprivileged children receive support and to improve their quality of life, the programme aims to engage the community and to foster closer ties as a responsible corporate citizen.

Under the Children Are Our Hope For The Future framework of Roxy Foundation, this year's event was jointly organised by Roxy-Pacific Holdings Limited, Grand Mercure Singapore Roxy and the Marine Parade Citizens Consultative Committee and co-organised by Novotel Singapore Clarke Quay, Ibis Singapore on Bencoolen, Ibis Singapore on Novena, Sofitel So and Accor Asia Pacific Singapore.

The "Children Are Our Hope For The Future" programme continued to touch the lives of many, including the less privileged and those around the various partnering organisations. In May 2015, the Directors of Roxy-Pacific Holdings Limited and the general managers of Accor Singapore ran a fund raising car wash at the hotel's driveway, where they washed the car of the highest donor as well as 112 other cars with Mr Lim Biow Chuan, Member of Parliament for Mountbatten SMC in attendance. S$155,000 was raised through this activity with the generous support of our business associates and other members of the public. Roxy-Pacific Holdings Limited contributed S$60,000 to the annual car wash event.

Parts of the raised funds were disbursed as financial assistance to 116 children from low-income families living in the community, with each of them receiving S$300. The beneficiaries were students from Haig Girls School, CHIJ Katong Convent, Ngee Ann Primary, Tao Nan School and Tanjong Katong Secondary School who had been identified as eligible recipients by their schools.

The Roxy Foundation Grants for Students also saw 15 teenagers who are currently pursuing their education at Nanyang Polytechnic being selected to receive education grants of S$1,000 each to offset part of their tertiary education school fees.

A total of S$30,000 was topped up this year for the Roxy Children's Fund. This fund, which is managed by the Southeast CDC, is a lifeline to low-income families who are beneficiaries of the family service centres in the Southeast district. The funds go a long way in helping seven family service centres that run programmes for low-income families in Singapore, namely PAVE, Marine Parade Family Service Centre, Serangoon Moral, Thye Hua Kwan Macpherson, PPIS Family Service Centre, Trans Family Services and Viriya Family Service Centre.

With the availability of this fund, these families can tap into the fund to help cover expenses for their children from birth to 16 years of age. The fund also covers daily necessities such as milk powder and

Children Are Our Hope For The Future – Presentation of Education grant to Nanyang Polytechnic students

vaccinations not fully subsidised by the government; assistive and supportive sundry items like baby bath tubs, basic sundries, blankets and towels among many others.

An Iftar (Breaking of Fast) event was also organised for the beneficiaries of the Jamiyah Children Home in the month of Ramadan on 2 July 2015, where we broke fast and ate dinner with kids from the home. The children were presented with a Zakat of S$10 each, while the home was presented with a donation of S$5,000.

Our second Iftar event on 10 July 2015 was for the beneficiaries of the AIN Society. The main focus of AIN Society (an affiliation to National Council of Social Service) is helping families with cancer-stricken members. A total of 240 beneficiaries were invited for dinner, where they enjoyed a delicious meal, interacted with our staff, and received a Zakat of S$10 each.

Roxy-Pacific Holdings Limited also brought much cheer to the children under the care of Monfort Care and St. Hilda's Community Services during the September school holidays when they were treated to a movie outing in the 247-seat theatre at I12 Katong on 10 September 2015. This movie outing proved to be an enjoyable and successful holiday activity for the children as the animated movie we chose, "Inside Out", was an extremely popular movie among young movie-goers. Our Executive Chairman and CEO, Mr Teo Hong Lim graced the event and also had a good time interacting with the children.

This year also marks our fourth year hosting a Christmas party for the clients of Monfort Care. A total of 220 people turned up consisting of families and individuals that were hosted by our Executive Chairman and CEO, Mr Teo Hong Lim. The guests of honour were Emeritus Senior Minister Goh Chok Tong and his wife, Mrs Goh.

This year's theme was 'Magical Christmas Wonderland' and everyone enjoyed themselves immensely from the good food and non-stop entertainment by Monfort Care members. Moreover, families were given a hamper worth S$90 and the senior citizens living alone also received a hamper worth S$50 each. Transportation was also provided for them allowing easy travel to and from the event.

OUTREACH TO THE ELDERLY

As Singapore kicked off a series of initiatives to celebrate its Golden Jubilee, we too continued to work with our various partners to create meaningful ways in which we could reach out to the elderly in our immediate community.

"A Celebration of Overflowing Blessings"

To celebrate Chinese Lunar New Year, we kicked off the festive season on 27 February 2015 with a Chinese New Year Lunch held at the Grand Mercure Singapore Roxy for 320 senior citizens from St. Hilda's Community Services. Not only did our staff at the hotel cook up a sumptuous lunch, our directors from Roxy-Pacific Holdings Limited also ferried some of the seniors who were frail and had mobility problems to and from the hotel in their personal cars. The joyous occasion was made more memorable when the seniors were presented with an Ang Bao each. The delightful atmosphere was heightened with the appearance of our VIP guest, Emeritus Senior Minister Goh Chok Tong.

SG 50 EVENTS

In addition to these initiatives, we also work to identify and develop new relationships with charities and organisations such as the WeCare@MarineParade administered by Marine Parade Leadership Foundation.

WeCare@MarineParade is an initiative to help needy residents in Marine Parade and the Joo Chiat division of Marine Parade GRC to overcome their vulnerabilities and lead fulfilling lives with support from volunteers and community organisations.

This initiative is in line with both our community focus and our long-term Corporate Social Responsibility targets of reaching out to the elderly and addressing their needs. To support this meaningful initiative, a fund raising event was organised to meet this objective.

50,000 "Scratch & Win" tickets were printed and sold at S$0.50 each to hotel guests and our staff. Our fund raising efforts paid off as we sold off all the tickets and raised a total of S$25,000. To encourage employee and public engagement with charitable causes, Roxy-Pacific Holdings Limited also went the extra mile by contributing dollar-for-dollar every dollar raised with an additional S$25,000.

All proceeds raised from the sale of the "Scratch & Win" tickets were donated to the WeCare@MarineParade fund. The S$50,000 raised was presented to WeCare@MarineParade during the Marine Parade National Day dinner.

OTHERS

Roxy-Pacific Holdings Limited also recognises the importance of contributing to corporate social responsibilities causes beyond the shores of peaceful and prosperous Singapore. To broaden our

CORPORATE SOCIAL RESPONSIBILITY

outreach, our staff volunteers embarked on a 4-day trip to Medan for an overseas refurbishing project from 20 – 23 July 2015 whereby we donated S$15,000 worth of furniture and other necessities to Salvation Army – Evangeline Booth (Medan).

During the 4-day trip, our staff volunteers had a fun time browsing and selecting furniture and necessities for the Medan refurbishing project. Our beneficiaries' excitement was uncontainable as new cleaning equipment, cupboards, chairs, bed frames and mattresses started arriving at the facility. All the girls had new bed frames and mattresses as well as personal drawers beside their bed for the first time.

All the rooms, toilets and common areas were thoroughly cleaned with new cleaning equipment and chemicals, and refurbished with new furniture such as chairs, fridge, and washing machine. Blown light bulbs in the dining and chapel areas were also swiftly replaced. Throughout the facility, a new ground water pump was installed along with brand new water taps, a drinking water filtration system, stove, gas rice cooker, LCD TV, DVD players and utensils.

Despite working hard for the whole day, our beneficiaries' faces were gleaming with joy. To reward them for their hard work, our staff volunteers ordered lunch for everyone from Garuda Restaurant as well as pizza, spaghetti and ice cream for the farewell dinner.

An especially touching moment came when all the girls requested to skip school on the first day of school reopening in order to spend the rest of the day with our staff volunteers before they returned to Singapore the following day. This outreach project also marked the conclusion of 2015's overseas corporate social responsibility missions as we prepare to welcome a fresh new year ahead.

Overseas outreach to Salvation Army – Evangeline Booth (Medan)

SG50 – "Scratch & Win" fund raising event for WeCare@MarineParade

SG50 – Presentation of cheque to WeCare@MarineParade during Marine Parade National Day Dinner

HUMAN RESOURCE

The nature of our business often calls on us to rely on the capabilities of our employees to ensure optimal results. Therefore at Roxy-Pacific Holdings Limited, we place a very heavy emphasis on nurturing future leaders.

Learning priorities are collectively established and implemented, and then continually reviewed and refined to help our employees realise their full potential in the organisation as well as to create a culture that is attractive for both existing and potential staff.

INVESTING IN TALENT

At Roxy-Pacific Holdings Limited, we believe strongly in investing in talent for sustained growth. We consider investing in employee training to be a critical aspect of the company's current and future success and view talent development as a key element of our value proposition for clients.

Our employees are strongly encouraged to participate in training programmes and workshops to enhance their skills and productivity. To help employees take up training courses with greater ease, the Group has allocated resources to either subsidise or to sponsor employees for their training programmes. Each department within the Group is also encouraged to replicate real-life conditions in its learning, create training schedules and promote job sharing with its team members.

ENGAGING TALENT

A lateral and fluid structure within the organisation promotes more authentic communication between staff and management. Not only have we found this to improve efficiency within Roxy-Pacific Holdings Limited, it also encourages innovation from our staff.

More formal channels of communications are also available to our employees. Notice boards are now placed at our office pantries so that our fellow staff can keep abreast of the company's on-going activities and future plans.

Our managers have also readjusted their communication approach with an open door policy to foster more open communication between staff and management. This structure has proven invaluable, not only in ensuring alignment with our business strategy, but also in facilitating powerful communication as our staff are now more willing to welcome casual updates and highlights from them.

MOTIVATING TALENT

We believed that it is absolutely critical to ensure employees engage in work-life balance so that they can achieve tip-top performance. Other than semi-annual company-wide lunches, annual off-site trips and festive celebrations, our welfare committee also regularly organises team building and recreational activities and collaborate with external event organisers. This is to create informal occasions and opportunities for employees from different departments to foster closer working relationships and get to know one another better.

The well-being of our staff is also extremely important to us. As such, the human resources department strongly encourages the staff to cultivate healthy habits. One of the HR initiatives is a bi-monthly healthy eating day, where fruits and other healthy snacks like yoghurt are made available for the staff.

For 2015, the HR department has planned a series of activities to continue to motivate and to engage our staff, including a Family Day event at Bollywood Veggies in Kranji. To help create a healthy and engaged workforce, healthy lifestyle perks such as access to the hotel gym are now made available to staff who would like to keep fit before or after work. Family bonding efforts such as eating with family and spending quality time together were also put in place by the company as a response to pro-family initiatives encouraged by the government.

Meanwhile, staff can also expect a new office face-lift at the basement and level 3 of our building as renovation works have been concluded since August 2015.

PROPERTY SUMMARY REPORT

SUMMARY OF PROPERTIES HELD BY THE GROUP 31-DEC-15

Hotel Properties

Name	Location	Managed by	No of units	Approximate Land Area (sq m)	Approximate Gross Floor Area (sq m)	Effective interest	Tenure
Grand Mercure Singapore Roxy	50 East Coast Road, Singapore	Accor Group	576 rooms	15,172	35,336	100%	Freehold
Noku Kyoto	205-1 Okuracho, Kyoto, Japan	Noku Roxy	81 rooms	940	4,780	100%	Freehold

Hotel Under Development

Name	Location	Estimated Completion	No of units	Approximate Land Area (sq m)	Approximate Gross Floor Area (sq m)	Effective interest	Tenure
Rising Sun Residence	48/13 Moo 6, Chaofa Road, Phuket, Thailand	2018	approximately 85 Villas	46,878	TBC	100%	Freehold
ACH Perth	609 Wellington Street	2017	332 rooms	1,398	8,388	49%	Freehold

Commercial Properties

Name	Location	Description	No of units	Approximate Net Lettable Area (sq m)	Effective interest	Tenure
Roxy Square	50 East Coast Road, Singapore 428769	Commercial shop units	47 shop units[1]	2,352	100%	Freehold
59 Goulburn Street	59 Goulburn Street, Sydney, NSW 2000, Australia	Commercial building	28-storey commercial building	19,459	100%	Freehold

Properties For Sale Under Development

Name	Location	Description	Stage of completion	Expected date of completion	Approximate Land Area (sq m)	Approximate Gross Floor Area (sq m)	Effective interest	Tenure
Millage	55 Changi Road, Singapore	70 residential units & 86 shop units	93%	Dec 19	1,811	5,760	48%	Freehold
Eon Shenton	70 Shenton Way, Singapore	98 office units 132 residential units & 23 shop units	35%	Dec 19	1,833	20,360	20%	99 year leasehold
Jade Residences	1, 3, 5, 7 & 9 Lew Lian Vale Singapore	171 residential units & 2 shop units	77%	Dec 17	8,585	12,236	100%	Freehold
Whitehaven	332, 332A, 334, 334A Pasir Panjang Road Singapore	120 residential units & 1 shop unit	82%	Dec 17	6,008	8,411	100%	Freehold
Liv on Sophia	14 Adis Road Singapore	64 residential units	44%	Jun 18	1,630	3,423	90%	Freehold
Liv on Wilkie	9 Wilkie Terrace Singapore	81 residential units	32%	Jun 19	2,093	4,396	90%	Freehold
Sunnyvale Residences	132 Lorong K Telok Kurau Singapore	30 residential units	25%	Jun 18	2,152	3,012	100%	Freehold
Trilive	111, 113, 115 Tampines Road Singapore	222 residential unit & 2 shop units	6%	Dec 17	7,419	15,580	85%	Freehold

1 An additional five shop units are occupied for own-use office premises.

PROPERTY SUMMARY REPORT

Land Held For Development

Name	Location	Description	Stage of completion	Expected date of completion	Approximate Land Area (sq m)	Approximate Gross Floor Area (sq m)	Effective interest	Tenure
TBC	26 Sea Avenue Singapore	25 units of residential development	*	#	1,809	2,533	100%	Freehold
Octavia Killara	6A and 8 Buckingham Road Killara Sydney, Australia	43 units of residential development	*	#	3,792	4,402	100%	Freehold
Wisma Infinitum	Lot 3370, Section 41, Jalan Dewan Sultan Sulaiman, Kuala Lumpur, Malaysia	723 units of residential development & 31 units of commercial development	*	#	6,678	64,912	47%	Freehold
Peel Street	64 Peel Street and 9 Cordelia Street, South Brisbane, Australia	426 units of residential development & 3 units of commercial development	*	#	2,571	30,869	40%	Freehold
Bracks Street	54 & 85 Bracks Street, North Fremantle, Perth, Australia	Industrial land; to be rezoned for commercial and residential use	*	#	45,456	TBC	20.2%	Freehold

** Construction of these properties has yet to commence as of 31 December 2015.*
 # Project details of these properties have yet to be determined as of 31 December 2015.

CONTENTS

STATEMENT OF CORPORATE GOVERNANCE

Roxy-Pacific Holdings Limited (the "Company") and its subsidiaries (the "Group") are committed to ensuring and maintaining a high standard of corporate governance in complying with the Code of Corporate Governance. This report sets out the Group's corporate governance practices for the financial year ended 31 December 2015 ("FY2015") with reference to the Code of Corporate Governance 2012 (the "Code").

This Statement is to be read in conjunction with the Disclosure Guide set out on page 49 of the Annual Report. The Disclosure Guide sets out a list of questions to provide guidance on the specific principles and guidelines identified with express disclosure requirements under the section on "Disclosure of Corporate Governance Arrangements" in the Code.

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: *Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.*

The Board of Directors of the Company (the "Board") provides leadership to the Group by setting the corporate policies and strategic aims. The Board oversees the Group's affairs and is accountable to shareholders for the management of the Group business and its performance. The Board has in place a Board Charter which sets out the responsibilities for it to oversee the business affairs of the Group and matters that are specifically reserved to the Board for approval.

The principal responsibilities of the Board include the following:

(a) To provide entrepreneurial leadership, set strategic aims, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;

(b) To establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

(c) To review management performance;

(d) To identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(e) To set the Company's values and standards, and ensure that obligations to shareholders and other stakeholders are understood and met; and

(f) To consider sustainability issues as part of its strategy formulation.

<u>Matters reserved for Board's Approval</u>

Matters which are specifically reserved to the Board for approval are:

a) Matters involving a conflict of interest for a substantial shareholder or a director;

b) Strategic policies of the Group;

c) Annual budgets;

STATEMENT OF CORPORATE GOVERNANCE

d) Material acquisitions and disposals of assets;

e) Corporate or financial restructuring; and

f) Share and bond issuances, interim dividends and other returns to shareholders.

Sustainability issues

The Board recognises that to ensure business is sustainable; the Group has to strike a balance between its business needs and the needs of the society and the environment in which the Group operates. The Board believes that to grow sustainably as a forward-looking corporate entity, the Group has to regularly reach out to all stakeholders, from its employees to the community, and to be responsible stewards of its natural environment. The Group's various initiatives on sustainability issues in FY2015 are set out in the Sustainability Report on pages 20 to 29.

Independent judgment

All directors exercise due diligence and independent judgment, and make decisions objectively in the best interests of the Group.

The present Board comprises seven members. Of the seven Board members, four are executive directors and three are independent directors.

	Board Committees			
Name of director	**Board Membership**	**Audit Risk Management Committee**	**Nominating Committee**	**Remuneration Committee**
Teo Hong Lim	Executive Chairman	–	–	–
Chris Teo Hong Yeow	Executive Director	–	–	–
Koh Seng Geok	Executive Director	–	–	–
Teo Hong Wee	Executive Director	–	–	–
Hew Koon Chan	Lead Independent Director	Chairman	Member	Member
Tay Kah Poh	Independent Director	Member	Chairman	Chairman
Winston Tan Tien Hin	Independent Director	Member	Member	Member

Delegation by the Board

In carrying out and discharging its duties and responsibilities efficiently and effectively, the Board is assisted by various Board Committees namely, the Audit Risk Management Committee ("ARMC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC").

These Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The Board also constantly reviews the effectiveness of each Committee. The segments of this report under Principle 4 to 5, 7 to 9, 11 to 13 detailed the activities of the NC, RC and ARMC respectively.

STATEMENT OF CORPORATE GOVERNANCE

Directors' attendance at Board and Board Committee meetings in FY2015

The table below sets out the number of Board and Board Committee meetings which were convened during FY2015:

	Board	**Audit Risk Management**	**Remuneration**	**Nominating**
Number of meetings held	4	4	1	1
Name of directors	**Number of meetings attended**			
Teo Hong Lim	4	NA	NA	NA
Chris Teo Hong Yeow	4	NA	NA	NA
Teo Hong Wee Michael	4	NA	NA	NA
Koh Seng Geok	4	NA	NA	NA
Winston Tan Tien Hin	4	4	1	1
Hew Koon Chan	4	4	1	1
Tay Kah Poh	4	4	1	1

NA – Not applicable as the Directors are non-members of the Board Committees.

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion to measure their contributions. The Board also takes into account contributions by board members in other forms including periodic review, provision of guidance and advice on various matters relating to the Group.

Orientation, Briefings, updates and trainings for directors

The Company has in place an orientation process. A new incoming director is issued a formal letter of appointment setting out his duties and obligations, and, where appropriate, incorporating processes to deal with possible conflicts of interest that may arise.

Incoming directors joining the Board will be briefed by the NC on their directors' duties and obligations and introduced to the Group's business and governance practice and arrangements, in particular the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on disclosure of price-sensitive information.

The incoming directors will meet with senior management and the Company Secretary to familiarise himself or herself with their roles, organisation structure and business practices. This will enable him or her to get acquainted with senior management and the Company Secretary thereby facilitating board interaction and independent access to senior management and the Company Secretary.

The directors are continually and regularly updated on the Group's business and governance practices, including changes in laws and regulations, financial reporting standards and the code of corporate governance. All directors are also encouraged to be members of the Singapore Institute of Directors (SID) and for them to receive journal updates and training from SID. Information on training programs, seminars and workshops organised by various professional bodies and organisations are circulated to the directors on a regular basis; some of which the directors attended or participated during the year.

STATEMENT OF CORPORATE GOVERNANCE

Board Composition and Guidance

Principle 2: *There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

As at the date of this Report, the Board of Directors comprises seven members; of whom three are independent:

Teo Hong Lim	Executive Chairman and Chief Executive Officer
Chris Teo Hong Yeow	Executive Director and Managing Director
Koh Seng Geok	Executive Director, Chief Financial Officer and Company Secretary
Michael Teo Hong Wee	Executive Director
Hew Koon Chan	Lead Independent Director
Tay Kah Poh	Independent Director
Winston Tan Tien Hin	Independent Director

It is the Board's policy that the members of the Board should possess the relevant core competencies in areas such as accounting and finance, legal, strategic planning, business and management experience. In particular, the Executive Directors possess good industry knowledge while the Non-Executive Directors who are professional and experts in their fields, are able to take a broader view of the Group's activities, contribute their valuable experience and provide independent judgment during Board deliberations.

The current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

Under Guideline 2.2 of the Code, the Independent Directors should make up half the Board where the Chairman is part of the management team and is not an Independent Director, half of the Board must comprise Independent Directors. The Board currently has seven members, of which, three are Independent Directors.

Pursuant to the statement issued on 2 May 2012 by the Monetary Authority of Singapore, it provides for a longer transition period of up to the AGM in 2018 for the Board to comply with Guideline 2.2. The Board is of the opinion that based on the Group's current size and operations, it is not necessary to have independent directors make up at least half of the Board at present. Nonetheless, the Company will seek to comply with Guideline 2.2 by the stipulated deadline.

Director's independence

The criterion for independence is based on the definition given in the Code. The Code has defined an "independent" director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company. The independence of each Independent Director is reviewed annually by the NC, based on the definition of independence as stated in the Code.

Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code. The directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code.

Mr Winston Tan Tien Hin, who was appointed on 13 December 2006, has served for more than nine years on the Board. Mr Hew Koon Chan and Mr Tay Kah Poh, who were appointed on 17 December 2007, will have served the Board for nine years by 16 December 2016.

STATEMENT OF CORPORATE GOVERNANCE

The Board recognises that independent directors may over time develop significant insights in the Group's business and operations, and can continue to provide noteworthy and valuable contributions to the Board. The independence of the independent directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form; such as the number of years which they have served on the Board.

The Board is of the view that Mr Tan, Mr Hew and Mr Tay have demonstrated strong independence character and judgment over the years in discharging their duties and responsibilities as independent directors of the Company with the utmost commitment in upholding the interest of the non-controlling shareholders. They have expressed individual viewpoints, debated issues and objectively scrutinised and challenged Management. They have sought clarification and amplification as they deemed necessary, including through direct access to the Management. Having subject their independence to rigorous review, the Board has resolved that Mr Tan, Mr Hew and Mr Tay are independent notwithstanding their length of appointment.

Executive Chairman and Chief Executive Officer

Principle 3: *There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.*

The Executive Chairman, Mr Teo Hong Lim, who is also the Group's CEO, leads the Board and is also responsible for the executive responsibilities for the Group's performance. He ensures that the responsibilities as set out in the Code are properly discharged. In assuming his roles and responsibilities, Mr Teo consults with the Board and Board Committees on major issues. The Board has appointed Mr Hew Koon Chan as the lead Independent Director to co-ordinate and to lead the independent directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the principal liaison on Board issues between the independent directors and the Executive Chairman. He is available to shareholders where they have concerns which contact through the normal channels of the Executive Chairman and CEO or CFO has failed to resolve or is inappropriate. The independent directors, led by the lead Independent Director, meet amongst themselves without the presence of the other directors where necessary, and the lead Independent Director will provide feedback to the Chairman after such meetings. The Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

BOARD MEMBERSHIP

Principle 4: *There should be a formal and transparent process for the appointment and reappointment of directors to the Board.*

The NC comprises three Directors, all of whom, including the Chairman are independent.

Tay Kah Poh	Chairman	Independent Director
Hew Koon Chan	Member	Lead Independent Director
Winston Tan Tien Hin	Member	Independent Director

The NC has written terms of reference, under which the key functions of the NC are as follows:

(a) To review of board succession plans for directors, in particular, the Chairman and the CEO;

(b) To develop a process for evaluation of the performance of the Board, its Committees and directors, and undertake assessment of the effectiveness of the Board, Board Committees and individual directors, including setting a limit on multiple board representations of directors where applicable;

(c) To review the training and professional development programs for the Board;

(d) To recommend to the Board the appointment and re-election of directors; and

(e) To assess the independence of the independent directors.

STATEMENT OF CORPORATE GOVERNANCE

Selection, Appointment and Re-appointment of Directors

The Company has in place policies and procedures for the appointment of new directors to the Board, including a description on the search and nomination process. The NC will determine the criteria for identifying candidates and reviewing nominations for the appointment of directors to the Board, ensuring that the process of Board appointments and re-nominations are transparent.

The Articles of Company's Constitution require at least one-third of the directors, including the CEO or a person holding an equivalent position to retire from office by rotation at each AGM. Accordingly, the directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to the Articles of Company's Constitution, Mr Chris Teo Hong Yeow and Mr Hew Koon Chan will retire by rotation pursuant to Article 103 of the Constitution and are eligible for re-election at the forthcoming AGM. Taking into account their attendance, participation and contributions at Board meetings, the NC is satisfied that Mr Chris Teo Hong Yeow and Mr Hew Koon Chan have committed their time to effectively discharge their responsibilities. The NC has recommended their re-election.

Key information on the directors is set out on pages 14 to 15 of this Annual Report.

Directors' multiple board representations

The NC annually reviews the composition of the Board to ensure that the Board has an appropriate balance of expertise, skills, attributes and abilities. The NC has set guidelines on the maximum number of Board appointments in listed companies that a Board member can hold to ensure that the directors are able to commit their time to effectively discharge their responsibilities. Based on the guidelines set by the NC, each Board member cannot have more than six listed Board representations including the Company. None of the directors currently sit on the boards of six or more listed companies.

Succession planning

The NC will review board succession plans for directors, and will seek to refresh the Board membership in an orderly manner where it deems applicable. The NC will also ensure that the Company has succession planning for its CEO, executive directors and key management personnel, including appointing, training and mentoring successors. The NC has reviewed contingency arrangements for any unexpected incapacity of the CEO or any of the top management personnel and is satisfied with procedures in place to ensure transition to a full operational management team.

BOARD PERFORMANCE

Principle 5: *There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.*

The NC will conduct a formal assessment of the effectiveness of the Board as a whole and its Committees and the contribution by each director to the effectiveness of the Board on an annual basis.

The NC has with the Board's approval, implemented a process to annually assesses the effectiveness of the Board and its Committees and the contributions by each individual director.

This process includes having the directors complete a performance evaluation, which seeks their evaluation on various aspects of Board performance, such as Board's level of governance, effective delegation to the Board Committees, leadership and accountability. The Company Secretary compiles the directors' evaluations into a consolidated report. The report is discussed at the NC meeting and is shared with the entire Board.

The NC has reviewed the evaluations of the Board and is satisfied that the Board has been effective in conduct of its duties and the directors have each contributed to the effectiveness of the Board.

STATEMENT OF CORPORATE GOVERNANCE

ACCESS TO INFORMATION

Principle 6: *In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.*

All Directors are furnished with information concerning the Company on a periodic and timely basis to enable them to be fully cognisant of the decisions and actions of the Company's executive management team. Management also provides the Board with regular management reports, which includes budgets, forecasts and quarterly management accounts. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board. Management provides Directors with information whenever necessary and board papers are sent to Directors prior to each Board and Board Committee meeting.

In carrying out their duties, the Board has unrestricted access to the Company's records and information. The Board has separate and independent access to the Company Secretary and senior management at all times. The Company Secretary attends all Board meetings and meetings of the Committees of the Company, ensures that Board procedures are followed and that applicable rules and regulations are complied with.

The Board takes independent professional advice as and when necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to discharge its responsibilities effectively.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: *There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration.*

The RC comprises the following three members, all of whom including the Chairman are independent.

Tay Kah Poh	Chairman	Independent Director
Hew Koon Chan	Member	Lead Independent Director
Winston Tan Tien Hin	Member	Independent Director

The RC carried out their duties in accordance with the terms of reference which include the following:

(a) To review and recommend to the Board a framework for remuneration for the directors and key management personnel of the Company;

(b) To review and recommend directors' fees for non-executive directors for approval at the AGM;

(c) To determine specific remuneration packages for each executive director as well as key management personnel;

(d) To review the Group's obligations arising in the event of termination of the executive directors' and key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and

(e) To review the remuneration of employees who are immediate family members of a director or the CEO to ensure that the remuneration of each of such employee is commensurate with his or her duties and responsibilities, and no preferential treatment is given to him or her.

STATEMENT OF CORPORATE GOVERNANCE

The RC is provided access to expert professional advice on remuneration matters as and when necessary to ensure the Company's compensation and benefits schemes continue to be relevant and competitive in order to retain and motivate the directors and key management personnel. The expense of such services shall be borne by the Company.

LEVEL AND MIX OF REMUNERATION

Principle 8: *The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.*

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the executive directors and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. The Company recognises the need to pay competitive fees to attract, motivate and retain directors and key management personnel without being excessive and thereby to maximise shareholder value.

Remuneration of executive directors and key management personnel

A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Such performance-related remuneration is aligned with the interests of shareholders and promotes the long-term success of the Company.

Long-term incentive scheme

The Company has no employee share option scheme or any long-term scheme in place.

Remuneration of independent directors

Executive directors are not paid with a directors' fee. Independent directors have no service contract and are compensated based on a fixed annual fee taking into consideration their respective contributions and attendance at meetings. Additional variable fees are paid for appointment to Board Committees according to the level of responsibilities undertaken as chairman or member of the Board Committee.

The RC has reviewed the fee structure for independent directors as being reflective of their responsibilities and work commitments and recommends the directors fee for FY2016 in accordance with the fee structure for shareholders' approval at the Company's AGM.

DISCLOSURE OF REMUNERATION

Principle 9: *Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.*

STATEMENT OF CORPORATE GOVERNANCE

Remuneration of directors and the CEO

The remuneration paid or accrued for each director and the CEO for FY2015 is as follows:

Name of Director	Directors Fee S$'000	Salary S$'000	Bonus S$'000	Other benefits[1] S$'000	Total Remuneration S$'000
Chairman and CEO					
Teo Hong Lim	–	600	2,640	92	3,332
Executive Directors					
Chris Teo Hong Yeow	–	400	1,400	80	1,880
Michael Teo Hong Wee	–	400	1,400	91	1,891
Koh Seng Geok	–	400	1,400	94	1,894
Independent Directors					
Hew Koon Chan	55	–	–	–	55
Tay Kah Poh	52	–	–	–	52
Winston Tan Tien Hin	46	–	–	–	46

1 Other benefits refer to benefits-in-kind such as food and beverage, automobile and other such benefits made available to directors, as appropriate.

The remuneration paid or accrued to top key management personnel (who are not directors or the CEO) for FY2015 is as follows:

Remuneration Band and Name	Base/Fixed Salary %	Bonus %	Other benefits[1] %	Total %
S$250,000 to S$499,999				
Teo Hong Hee (Senior Human Resource and Administration Director)	65	27	8	100
Klaus Gottschalk (General Manager – Grand Mercure Roxy Hotel)	51	8	41	100
Melvin Poon Tuck Meng (Director – Hotel Operations)	50	35	15	100
Steve Foo Yong Kit (Director – Developments)	60	33	7	100
Angela Khoo Ying Hui (Assistant Director – Sales and Marketing Assistant Director – Human Resource and Administration)	56	34	10	100
Benjamin Hopkins (Director – Australia)	55	35	10	100
Below S$250,000				
Shermin Chan Poh Choo (Assistant Director – Finance)	60	28	12	100

1 Other benefits refer to food and beverage, automobile, home passage benefits, superannuation fund and CPF contributions.

The aggregate total remuneration paid or accrued to top key management personnel for FY2015 was $2,192,478.

STATEMENT OF CORPORATE GOVERNANCE

Remuneration of employees who are immediate family members of a director or the CEO

For FY2015, saved as disclosed in the following table which shows the remuneration of employees who are related to our directors, the Company and its subsidiary companies, there were no other employees who are an immediate family member of a director or the CEO and whose remuneration exceeded S$50,000.

Remuneration Band and Name	Relationship to director or the CEO
$250,000 to S$499,999	
Teo Hong Hee	Brother of Teo Hong Yeow Chris, Teo Hong Wee and Teo Hong Lim
S$100,000 to S$149,999	
Cheong Kwai Fun	Cousin of Teo Hong Yeow Chris, Teo Hong Wee and Teo Hong Lim
S$50,000 to S$99,999	
Phua Lay Leng	Cousin of Teo Hong Yeow Chris, Teo Hong Wee and Teo Hong Lim

Employee Share Option Scheme

The Company does not have any share option or other share incentive schemes for its employees.

Link between remuneration paid to the directors, the CEO and top key management personnel, and performance

The executive directors do not receive directors' fees. They are paid a fixed salary and a performance-related profit sharing bonus pursuant to their respective service agreements. The performance-related profit sharing bonus is linked to the Company and individual performance. It is based on incremental profit over and above a minimum level set aside for dividends and reserves which help to ensure prudence as well as fairness and equity. The RC reviews and approves the overall variable bonus payable to the executive directors within the framework of the service agreements.

The remuneration structure for the Company's top key management personnel comprised both fixed and variable components. The variable component is determined annually based on achievement of specific key performance indicators (KPIs) which are clearly set out for each management personnel each financial year and such KPIs comprise both quantitative and qualitative factors.

ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10: *The Board should present a balanced and understandable assessment of the company's performance, position and prospects.*

Undertaking by the Board and Executive Officer on compliance with SGX Mainboard Listing Rules

The Board is accountable to the shareholders and is committed to ensure compliance with the Listing Rules of the Singapore Exchange Trading Limited ("SGX-ST"). The directors have each signed the respective undertaking in the form set out in Appendix 7.7 of Listing Rules to undertake to use their best endeavours to comply with the SGX-ST Listing Rules and to procure that the Company shall so comply. A similar undertaking has been executed by the Assistant Director of Finance in her capacity as an Executive Officer.

The Board ensures timely, reliable and full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual of the SGX-ST.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

STATEMENT OF CORPORATE GOVERNANCE

The Board also reviews regulatory compliance reports from management to ensure that the Group complies with the relevant regulatory requirements.

Assurance from CEO and CFO

For FY2015, the CEO and the CFO have provided assurance to the Board that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and regarding the effectiveness of the Company's risk management and internal controls system.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: *The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.*

The ARMC, through the assistance of internal and external auditors, reviews and reports to the Board at least annually on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, as established by Management. In addition, the Board reviews and determines the Group's level of risk tolerance and risk policies, and oversees the design, implementation and monitoring of risk management and internal control systems. In assessing the effectiveness of internal controls, the ARMC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate, complete, and reliable and financial information is prepared in compliance with applicable internal policies, laws and regulations.

Since FY 2012, the Group has had in place an Enterprise Risk Management ("ERM") Framework, which governs the risk management processes of the Group. Risk management capabilities and competencies are continuously enhanced through this Framework. The ERM Framework also enables the identification, prioritisation, assessment, management and monitoring of key risks and associated key controls in the Group's business. The key risks of the Group are deliberated by Management and reported to the ARMC at least once a year. The ARMC reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and vis-à-vis the external and internal environments, which the Group operates.

Complementing the ERM framework is a Group-wide system of internal controls, which includes documented policies and procedures, proper segregation of duties, approval procedures and authorisations, as well as checks-and-balances built into the business processes. The Group has in place a risk management process that requires business units to perform regular assessments of the effectiveness of applicable internal controls. In addition to ensuring that internal controls and risk management processes are adequate and effective, the ARMC is assisted by various independent professional service providers. The external auditor provided assurance over the risk of material misstatements in the Group's financial statements. The Internal auditor conducted audit reviews based on the approved internal audit plans. All audit reports detailing audit findings and recommendations are provided to Management who timely respond to actions to be taken. The ARMC monitors closely and timely to ensure proper implementation of the required corrective action plans are undertaken by the Management.

The Board has received assurance from the CEO and CFO that, as at 31 December 2015:

(a) The financial record have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) The Group's risk management and internal control systems were adequate and effective to address key financial, operational, compliance and information technology risks.

STATEMENT OF CORPORATE GOVERNANCE

Opinion on Adequacy of the Group's Internal Controls

Based on the review of the key risks identified through the ERM process, the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by management and the ARMC; and the aforesaid assurances from the CEO and CFO, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls, addressing financial, operational and compliance and information technology risks, were adequate as at 31 December 2015.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

AUDIT COMMITTEE

Principle 12: *The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.*

The ARMC comprises the following three members all of whom, including the Chairman, are independent.

Hew Koon Chan	Chairman	Lead Independent Director
Tay Kah Poh	Member	Independent Director
Winston Tan Tien Hin	Member	Independent Director

The Chairman of the ARMC, Mr. Hew Koon Chan has recent and relevant risk management expertise and has obtained sufficient accounting knowledge to discharge his responsibilities as ARMC Chairman. The other members of the ARMC have many years of experience in business management and finance services. The Board is satisfied that the members of the ARMC have recent and relevant accounting or related financial management expertise or experience to discharge the ARMC's functions.

During FY2015, the members of the ARMC attended external trainings on changes in accounting standards, risk management, corporate governance and regulatory related topics. Besides the external trainings, the ARMC has kept abreast on changes in accounting standards and issues which impact the financial statements from briefings from auditors during the quarterly ARMC meetings.

The ARMC meets with both the external and internal auditors without the presence of the Management at least once a year. These meetings enable the external auditor and internal auditor to raise issues encountered in the course of their work directly to the ARMC.

The ARMC functions under the terms of reference that sets out its responsibilities as follows:

(a) To review the financial statements of the Company and the Group before submission to the Board;

(b) To review external and internal audit plans of the Company with the external and internal auditors to ensure the adequacy of the audit scope and findings of auditor's reports;

(c) To review the effectiveness and adequacy of the internal audit and finance functions and co-operation given by the Company's management to the external auditor;

(d) To review and evaluate with internal and external auditors, the effectiveness and adequacy of internal control systems, including financial, operational and compliance controls and risk management policies and framework;

STATEMENT OF CORPORATE GOVERNANCE

(e) To review the performance of the internal and external auditors and make recommendations to the Board on the appointment, re-appointment or removal of the auditors;

(f) To review the independence of the external auditor and make recommendations to the Board on the appointment, re-appointment or removal of the external auditor;

(g) To review interested person transactions and potential conflicts of interest; and

(h) To review arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting.

The ARMC has the power to conduct or authorise investigations into any matter within the ARMC's scope of responsibility. The ARMC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. The ARMC has full access to and co-operation of Management, has full discretion to invite any director or executive officer to attend its meetings and has been given reasonable resources to enable it to discharge its functions. No member of the ARMC or any director is involved in the deliberations and voting on any resolutions in respect of matters he is interested in.

The Company confirms compliance with Rule 712 and Rule 715 (read with Rule 716) of the Listing Manual in engaging Foo Kon Tan LLP ("FKT") which is registered with the Accounting and Corporate Regulatory Authority, as the external auditor of the Company and of its Singapore subsidiaries and significant Singapore and foreign associated companies.

Audit fees paid/payables to the external auditor of the Company amounted to S$275,000 for the financial year ended 31 December 2015. The ARMC has reviewed the amount of non-audit services rendered to the Group by the external auditors. During the year, the estimated fees payable to the external auditor of the Company for non-audit services amounted to S$9,500 or 3% of the audit fee. Being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor, the ARMC has recommended their re-nomination to the Board.

Whistle-blowing

The Company has a whistle-blowing policy to allow staff to raise concerns in confidence to the ARMC Chairman. It makes available the contact details of the ARMC Chairman and sets out the procedures for raising concern or making a complaint and the process of investigation and dealing with the outcome of the investigation.

Employees are free to bring complaints to the attention of their supervisors or the Human Resource Department as they would for any other workplace concerns. The recipient of such complaints shall forward them promptly to the ARMC Chairman. The Group will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Following the investigation and evaluation of a complaint, the ARMC Chairman shall report to the ARMC on recommended disciplinary or remedial action, if any. The action determined by the ARMC shall then be brought to the Board or to appropriate members of senior management for authorisation and implementation respectively.

The policy is communicated to all employees as part of the Group's efforts to promote awareness of fraud control.

The ARMC confirms that no reports have been received under the whistle-blowing policy thus far.

INTERNAL AUDIT

Principle 13: *The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.*

STATEMENT OF CORPORATE GOVERNANCE

The Company has engaged KPMG Services Pte. Ltd. as its internal auditor. The internal auditor reports directly to the Chairman of the ARMC on all internal audit matters.

The primary functions of internal audit are to help:–

(a) Assess if adequate systems of internal controls are in place to protect the assets of the Group and to ensure control procedures are complied with;

(b) Assess if operations of the business processes under review are conducted efficiently and effectively; and

(c) Identify and recommend improvements to internal control procedures, where required.

During the year, Group Internal Auditor adopted a risk-based audit approach that focused on material internal controls, including financial, operational, compliance and information technology controls. Audits were carried out on all significant business units in the Group. All Group Internal Audit reports are submitted to the ARMC for deliberation with copies of these reports extended to the Chairman and CEO, Executive Directors and the relevant senior key management personnel. In addition, Group Internal Audit summary of findings and recommendations are discussed at the ARMC meetings. To ensure timely and adequate closure of audit findings, the status of implementation of the actions agreed by management is tracked and discussed with the ARMC. The Internal Auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARMC.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: *Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.*

COMMUNICATIONS WITH SHAREHOLDERS

Principle 15: *Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.*

In line with continuous obligations of the Company pursuant to the SGX-ST's Listing Rules, the Board's policy is that all shareholders be informed of all major developments that impact the Group.

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price. Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and news releases;

(b) Annual Reports prepared and issued to all shareholders;

(c) Press releases on major developments of the Group;

(d) Notices of and explanatory memoranda for AGM and extraordinary general meetings ("EGMs");

(e) Company's Investor Relations website at http://roxypacific.com.sg/, where shareholders can access timely information on the Group; and

(f) All resolutions at the AGM are put to vote by poll.

STATEMENT OF CORPORATE GOVERNANCE

The Company's AGMs are the principal forums for dialogue with shareholders. The Chairman of each Board Committee as well as external auditors are normally present at the AGMs to address shareholders' queries, if any.

Shareholders are encouraged to attend the AGMs/EGMs to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Notice of the AGM/EGM will be advertised in newspapers and announced on SGXNET.

Dividend Policy

The Company's priority is to achieve long-term capital growth for the benefit of shareholders. The bulk of its profits, when made, shall therefore be retained for investment into the future. Nevertheless, the Company recognises the desire of some of its shareholders to receive income out of their investment in the Company. Therefore, the Company has adopted a dividend policy with a view of paying dividends, on a half-yearly basis, of at least 50% of the net operating profits attributable to the Company's hotel business and provision of hotel accommodation services (the "Hotel Business"), subject to the following factors:–

- The level of cash and retained earnings;
- The net profits of the Company;
- The actual and projected overall financial performance of the Company and its subsidiaries (taking into account all of the Company's businesses and operations);
- The projected levels of capital expenditure and other investment plans; and
- Restrictions on payment of dividends that may be imposed by financing arrangements (if any).

The net operating profits attributable to the Hotel Business are defined as the earnings before interest, taxes, depreciation and amortisation in respect of the Hotel Business.

The Board of Directors will continually review the dividend policy and reserve the right to update the policy at any time, in the best interests of the Company and its shareholders.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: *Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.*

The Group supports and encourages active shareholder participation at general meetings. The Board believes that general meetings serve as an opportune forum for Shareholders to meet and interact with the Board and key management personnel. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders. The notices are also released via SGXNET, published in local newspapers, and posted on the Company's website.

The Company's Constitution allows all shareholders (who are not relevant intermediaries as set out under the Companies Act) to appoint up to two proxies to attend general meetings and vote on their behalf. The Companies Act allows relevant intermediaries such as the CPF agent bank nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

The Company's AGM is a forum for the Board to invite shareholders to ask questions on the resolutions tabled at the AGM and to express their views. The Company has also engaged its shareholders and investors through results briefings and investor roadshows when there are major developments or as and when applicable.

STATEMENT OF CORPORATE GOVERNANCE

All resolutions at AGMs are put to vote by poll to allow greater transparency and more equitable participation by shareholders.

INTERESTED PERSON TRANSACTIONS

When a potential conflict of interest arises, the director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

The Company has established review and approval procedures to ensure that interested person transactions (IPT) entered into by the Group are conducted on normal terms and are not prejudicial to the interest of shareholders. The Board meets quarterly to review if the Company will be entering into any interested person transactions.

There were no IPT for the financial year ended 31 December 2015.

Disclosure of interested person transactions is set out as follows:

Name of Interested Person	Aggregate value of all interested person transactions conducted (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Nil	Nil	Nil

DEALINGS IN SECURITIES

The Company has issued an internal compliance policy to all employees of the Group setting out the implications of insider trading.

Under the Company's policy, the directors and key management personnel of the Group are prohibited in dealing in the Company's securities during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements. Notices are issued to all directors and employees of the Group to remind them of, inter alia, laws of insider trading and the importance of not dealing in the shares of the Company and within the Group on short-term consideration or during prohibitive periods. Directors and employees are expected to observe the insider trading laws at all times even when dealing in shares of the Company within permitted trading periods.

MATERIAL CONTRACTS

There was no material contract entered into by the Company or any of its subsidiary companies involving the interest of the CEO, any Director, or controlling shareholder during the financial year ended 31 December 2015.

DISCLOSURE GUIDE

This Disclosure Guide sets out a list of questions to provide guidance on the specific principles and guidelines identified with express disclosure requirements under the section on "Disclosure of Corporate Governance Arrangements" in the Code.

Guideline	Questions	How has the Company complied?[1]
General	(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code. (b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	(a) The Company has complied with all the principles and guidelines of the Code except for the guideline on the proportion of independent directors on the Board. The deviation from such disclosure is set out under Guideline 2.1 hereinafter. (b) Principle 2, Guideline 2.2 of the Code, states that Independent Directors should make up half the Board where the Chairman is part of the management team and is not an Independent Director, half of the Board must comprise Independent Directors. The Board currently has seven members, of which, three are Independent Directors. Pursuant to the statement issued on 2 May 2012 by the Monetary Authority of Singapore, it provides for a longer transition period of up to the AGM in 2018 for the Board to comply with Guideline 2.2. The Company will seek to comply with Guideline 2.2 by the stipulated deadline.
Guideline 1.5	What are the types of material transactions which require approval from the Board?	Matters which are specifically reserved to the Board for approval are: (a) Matters involving a conflict of interest for a substantial shareholder or a director; (b) Strategic policies of the Group; (c) Annual budgets; (d) Material acquisition and disposal of assets; (e) Corporate or financial restructuring; and (f) Share and bond issuances, interim dividends and other returns to shareholders.

1 Responses should be clear and concise to enable shareholders to better understand the Company's corporate governance arrangements.

DISCLOSURE GUIDE

Guideline	Questions	How has the Company complied?[1]
Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	(a) It's the Board's policy that the members of the Board should possess the relevant core competencies in areas such as accounting, finance, legal, strategic planning, business and management experience. In particular, the Executive Directors possess good industry knowledge while the Non-Executive Directors who are professionals and experts in their own fields, are able to take a broader view of the Group's activities, contribute their valuable experiences and provide independent judgement during Board deliberations.
	(b) Please state whether the current composition of the Board provides diversity on each of the following skills, experience, gender and knowledge of the Company, and to elaborate with numerical data where appropriate.	(b) The current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. Please refer key information on the directors as set out on pages 14 to 15 of this Annual Report.
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	(c) The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.
Guideline 4.6	Please describe the Board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	The nomination process is described in the Corporate Governance Statement on page 38 of the Annual Report.
Guideline 1.6	(a) Are new directors given formal training? If not, please explain why.	Yes.
	(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?	Please refer to the relevant segment of the Corporate Governance Statement on page 35 of the Annual Report.

DISCLOSURE GUIDE

Guideline	Questions	How has the Company complied?[1]
Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number? (b) If a maximum number has not been determined, what are the reasons? (c) What are the specific considerations in deciding on the capacity of directors?	(a) Six. (b) Not Applicable. (c) Specific considerations • Attendance record at meetings. • Prepares for meetings sufficiently to be able to contribute to discussions and decision making. • Engages in constructive discussion, contributions are relevant and reasoned, exercised independent judgement without dominating the discussion. • Prompt attention to resolutions and minutes of meetings. • Keep up-to-date with current issues in regulatory and business environment in which the Company and Group operates.
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year? (b) Has the Board met its performance objectives?	(a) The process is described in the Corporate Governance Statement on page 38 of the Annual Report. (b) The NC has reviewed the evaluations of the performance of the Board and individual Directors and is satisfied that the Board has met its performance objectives.
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Under Guideline 2.2 of the Code, Independent Directors should make up half the Board where the Chairman is part of the management team and is not an Independent Director, half of the Board must comprise Independent Directors. The Board currently has seven members, of which, three are Independent Directors. Pursuant to the statement issued on 2 May 2012 by the Monetary Authority of Singapore, it provides for a longer transition period of up to the AGM in 2018 for the Board to comply with Guideline 2.2. The Company will seek to comply with Guideline 2.2 by the stipulated deadline.

DISCLOSURE GUIDE

Guideline	Questions	How has the Company complied?[1]
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	(a) None. (b) Not applicable.
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	Mr Winston Tan Tien Hin has served the Board for slightly over nine years. Mr Hew Koon Chan and Mr Tay Kah Poh, who were appointed on 17 December 2007 would have served on the Board for a period exceeding nine years from the date of their appointments. Please refer to pages 36 to 37 of the Corporate Governance Statement on of the Annual Report.
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance related income/ bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes. Please refer to the relevant segment of the Corporate Governance Statement on page 41 of the Annual Report.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/ bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so? (b) Please disclose the aggregate remuneration paid to the top key management personnel (who are not directors or the CEO).	(a) Yes, please refer to the relevant segment of the Corporate Governance Statement on page 41 of the Annual Report. (b) The aggregate total remuneration paid to the top key management personnel amounted to S$2,192,478 for FY2015.

DISCLOSURE GUIDE

Guideline	Questions	How has the Company complied?[1]
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	Yes, please refer to Annual Report page 42.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	(a) Service agreements are in place between each Executive Director and the Company. A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Such performance-related remuneration is aligned with the interests of shareholders to promote the long-term success of the Company.
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	(b) The Company has no employee share option scheme or any long-term scheme in place.
	(c) Were all of these performance conditions met? If not, what were the reasons?	(c) Not applicable.
Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	(1) All Directors, including Independent Directors, are periodically and timely furnished with information concerning the Company to enable them to be fully cognisant of the decisions and actions of the Company's executive management. The management also provides the Board with regular management reports, which includes budgets, forecasts and quarterly management accounts. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board. Management provides Directors with information whenever necessary and board papers are sent to Directors prior to each Board and Board Committee meeting. Please refer to page 39 of the Corporate Governance Statement of the Annual Report with regards to directors' access to information concerning the Company. (2) Corporate update meetings are held at least twice a year to update the Independent Directors on the latest developments in Group's business, the business and financial environment as well as risks faced by the Group. These were meetings held in addition to the Board and Board Committee meetings which were convened during FY2015.

DISCLOSURE GUIDE

Guideline	Questions	How has the Company complied?[1]
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	The Company has engaged KPMG Services Pte. Ltd. as its internal auditor.
Guideline 11.3	(a) In relation to the major risks faced by the Company including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.	(a) Based on the review of the key risks identified through the ERM process, the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by management and the ARMC; and the assurances from the CEO and CFO, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls, addressing financial, operational and compliance and information technology risks, were adequate as at 31 December 2015.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and CFO as well as the internal auditor that (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	(b) The Board has obtained assurance from the CEO and CFO.
Guideline 12.6	(a) Please provide a breakdown of the fees paid in total to the external auditor for audit and non-audit services for the financial year.	(a) Audit fees: S$275,000 Non-audit fees: S$9,500
	(b) If the external auditor has supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditor.	(b) Not applicable.

DISCLOSURE GUIDE

Guideline	Questions	How has the Company complied?[1]
Guideline 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	(a) The Company's annual general meetings are the principal forum for dialogue with shareholders. The Company also engages its shareholders and investors through results briefings and investor roadshows when there are major developments or as and when applicable.
	(b) Is this done by dedicated investor relations team (or equivalent)? If not, who performs this role?	(b) The Company engages Citigate Dewe Rogerson, i.MAGE Pte Ltd for its investor relation services.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	(c) Information is disseminated to shareholders on a timely basis through: (i) SGXNET announcements and news releases; (ii) Annual Reports prepared and issued to all shareholders; (iii) press releases on major developments of the Group; (iv) notices of and explanatory notes for the AGMs and EGMs; and (v) the Company's website at http://roxypacific.com.sg/where shareholders can access information on the Group. (vi) All resolutions at the AGM are put to poll.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable, the Board has proposed a dividend for declaration by the shareholders at the forthcoming AGM.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The directors submit this annual report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and statement of financial position of the Company as at 31 December 2015.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

NAMES OF DIRECTORS

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

Teo Hong Lim	(Executive Chairman and Chief Executive Officer)
Chris Teo Hong Yeow	(Executive Director and Managing Director)
Michael Teo Hong Wee	(Executive Director)
Koh Seng Geok	(Executive Director and Chief Financial Officer)
Hew Koon Chan	(Lead Independent Director)
Winston Tan Tien Hin	(Independent Director)
Tay Kah Poh	(Independent Director)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body other than as disclosed in this statement.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50 (the 'Act'), the following directors who held office at the end of the financial year were interested in shares of the Company and its related corporations as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	As at 1.1.2015	**As at 31.12.2015**	As at 1.1.2015	**As at 31.12.2015**
	Number of ordinary shares			
The Company				
Roxy-Pacific Holdings Limited				
Teo Hong Lim	120,183,125	**139,183,125**	577,685,500	**581,467,500**
Chris Teo Hong Yeow	28,741,875	**28,751,875**	11,250	**11,250**
Michael Teo Hong Wee	30,588,750	**35,313,750**	168,750	**168,750**
Koh Seng Geok	9,138,000	**6,138,000**	–	**–**
Hew Koon Chan	–	**–**	–	**–**
Winston Tan Tien Hin	–	**–**	20,656,875	**20,756,875**
Tay Kah Poh	985,000	**985,000**	–	**–**
The Holding Company				
Kian Lam Investment Pte Ltd				
Teo Hong Lim	6,892	**6,892**	–	**–**
Chris Teo Hong Yeow	3,101	**3,101**	–	**–**
Michael Teo Hong Wee	3,299	**3,299**	–	**–**
Related company				
San Lee Development Private Limited				
Teo Hong Lim	3,390	**3,390**	182,000	**182,000**
Chris Teo Hong Yeow	3,390	**3,390**	–	**–**
Michael Teo Hong Wee	3,390	**3,390**	–	**–**

Mr Teo Hong Lim, by virtue of the provisions of Section 7 of the Act, is deemed to have an interest in the other subsidiaries of the Company, all but five are wholly-owned.

Mr Winston Tan Tien Hin is deemed to have interest in the shares of the Company held by Winmark Investments Pte Ltd, a company wholly-owned by Mr Winston Tan Tien Hin and his wife.

There are no changes to the above shareholdings between the end of the financial year and 21 January 2016.

SHARE OPTIONS

No options were granted during the financial year to take up unissued shares of the Company or of its subsidiaries.

No shares were issued during the financial year to which this report related by virtue of the exercise of options to take up unissued shares of the Company or of its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

AUDIT COMMITTEE

The Audit Risk Management Committee comprises the following members:

Hew Koon Chan (Chairman)
Tay Kah Poh
Winston Tan Tien Hin

The Audit Risk Management Committee performs the functions set out in Section 201B(5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing its functions, the Audit Risk Management Committee reviewed the following:

– Audit plans of the internal auditor and external auditor, assistance given by the Company's officers to the internal auditor and external auditor and results of the internal and external auditor's audit procedures;

– The internal and external auditor's evaluation of the Company's system of internal accounting controls;

– Effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditor.

– The quarterly financial information and annual financial statements of the Group and the Company before submission to the directors of the Company for approval; and

– Interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Risk Management Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Risk Management Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Risk Management Committee is satisfied with the independence and objectivity of the external auditor and has recommended to The Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Risk Management Committee are provided on the Statement of Corporate Governance.

In appointing our auditor of the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

INDEPENDENT AUDITOR

The independent auditor, Foo Kon Tan LLP, Chartered Accountants has expressed its willingness to accept re-appointment.

On behalf of the Directors

....

TEO HONG LIM

....

KOH SENG GEOK

Dated: 9 March 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROXY-PACIFIC HOLDINGS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Roxy-Pacific Holdings Limited ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flow of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Managements' responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 9 March 2016

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	The Group 31 December 2015 $'000	The Group 31 December 2014 $'000	The Company 31 December 2015 $'000	The Company 31 December 2014 $'000
ASSETS					
Non-Current					
Available-for-sale financial assets	4	**1,447**	1,574	**–**	–
Property, plant and equipment	5	**129,680**	120,309	**949**	62
Investments in subsidiaries	6	**–**	–	**110,571**	47,343
Investments in associates	7	**60,460**	69,005	**–**	–
Investment properties	8	**179,768**	175,663	**–**	–
Intangible assets	9	**86**	–	**–**	–
Amounts owing by associates	10	**66,694**	–	**–**	–
		438,135	366,551	**111,520**	47,405
Current					
Properties for sale under development	11	**516,545**	541,773	**–**	–
Inventories	12	**126**	126	**–**	–
Trade receivables	13	**28,850**	73,332	**6**	20
Other receivables	14	**30,114**	36,193	**244,373**	196,275
Project accounts	15	**82,154**	176,329	**–**	–
Cash and bank balances	16	**312,857**	239,015	**228,342**	105,334
		970,646	1,066,768	**472,721**	301,629
Total assets		**1,408,781**	1,433,319	**584,241**	349,034
EQUITY					
Capital and Reserves					
Share capital	17	**47,399**	47,399	**47,399**	47,399
Reserves	18	**(8,015)**	(2,994)	**(229)**	–
Retained earnings		**418,197**	355,933	**71,388**	40,643
Equity attributable to owners of the company		**457,581**	400,338	**118,558**	88,042
Non-controlling interests		**629**	515	**–**	–
Total equity		**458,210**	400,853	**118,558**	88,042
Liabilities					
Non-Current					
Borrowings	19	**322,786**	275,015	**60,000**	–
Deferred tax liabilities	20	**21,328**	25,916	**–**	–
		344,114	300,931	**60,000**	–
Current					
Trade payables	21	**11,760**	12,736	**82**	154
Other payables	22	**84,791**	62,920	**360,753**	256,838
Current tax liabilities		**24,958**	13,632	**–**	–
Borrowings	19	**484,948**	642,247	**44,848**	4,000
		606,457	731,535	**405,683**	260,992
Total liabilities		**950,571**	1,032,466	**465,683**	260,992
Total equity and liabilities		**1,408,781**	1,433,319	**584,241**	349,034

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Year ended 31 December 2015 $'000	Year ended 31 December 2014 $'000
Revenue	3	**460,942**	317,810
Cost of sales		**(331,258)**	(220,592)
Gross profit		**129,684**	97,218
Other income	24	**12,347**	6,422
Distribution and selling expenses		**(1,938)**	(2,064)
Administrative expenses		**(17,312)**	(17,419)
Other expenses		**(19,731)**	(19,632)
Finance costs	25	**(13,124)**	(9,107)
Share of results of associates (net of income tax)	7	**11,134**	54,857
Profit before taxation	26	**101,060**	110,275
Tax expense	27	**(15,853)**	(13,460)
Profit for the year		**85,207**	96,815
Attributable to:			
– Equity holders of the Company		**85,096**	96,653
– Non-controlling interests		**111**	162
		85,207	96,815
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Net change in fair value of available-for-sale financial assets		**(128)**	265
Net change in fair value of available-for-sale financial assets transferred to profit and loss		**–**	(157)
Tax on other comprehensive income		**22**	(45)
Currency translation differences arising from consolidation		**(4,913)**	(3,168)
Other comprehensive income, net of tax		**(5,019)**	(3,105)
Total comprehensive income for the year		**80,188**	93,710
Attributable to:			
– Equity holders of the Company		**80,075**	93,548
– Non-controlling interests		**113**	162
		80,188	93,710
Earnings per share – Basic/Diluted (cents)	28	**7.13**	8.10

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	<------------------Attributable to owners of the Company------------------>						
	Share capital $'000	**Fair value reserve $'000**	**Translation reserve $'000**	**Retained earnings $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
At 1 January 2014	47,399	111	–	282,112	329,622	347	329,969
Total comprehensive income for the year							
Profit for the year	–	–	–	96,653	96,653	162	96,815
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	–	265	–	–	265	–	265
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	–	(157)	–	–	(157)	–	(157)
Tax on other comprehensive income	–	(45)	–	–	(45)	–	(45)
Foreign currency translation differences	–	–	(3,168)	–	(3,168)	–	(3,168)
Total other comprehensive income	–	63	(3,168)	–	(3,105)	–	(3,105)
Total comprehensive income for the year	–	63	(3,168)	96,653	93,548	162	93,710
Transactions with owners, directly recognised in equity							
Contributions by and distributions to owners							
Issue of shares to non-controlling interests	–	–	–	–	–	6	6
Dividend to shareholders (Note 35)	–	–	–	(22,832)	(22,832)	–	(22,832)
Total transactions with owners	–	–	–	(22,832)	(22,832)	6	(22,826)
At 31 December 2014	47,399	174	(3,168)	355,933	400,338	515	400,853
At 1 January 2015	**47,399**	**174**	**(3,168)**	**355,933**	**400,338**	**515**	**400,853**
Total comprehensive income for the year							
Profit for the year	**–**	**–**	**–**	**85,096**	**85,096**	**111**	**85,207**
Other comprehensive income							
Net change in fair value of available-for-sale financial assets	**–**	**(128)**	**–**	**–**	**(128)**	**–**	**(128)**
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Tax on other comprehensive income	**–**	**22**	**–**	**–**	**22**	**–**	**22**
Foreign currency translation differences	**–**	**–**	**(4,915)**	**–**	**(4,915)**	**2**	**(4,913)**
Total other comprehensive income	**–**	**(106)**	**(4,915)**	**–**	**(5,021)**	**2**	**(5,019)**
Total comprehensive income for the year	**–**	**(106)**	**(4,915)**	**85,096**	**80,075**	**113**	**80,188**
Transactions with owners, directly recognised in equity							
Contributions by and distributions to owners							
Issue of shares to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**1**	**1**
Dividend to shareholders (Note 35)	**–**	**–**	**–**	**(22,832)**	**(22,832)**	**–**	**(22,832)**
Total transactions with owners	**–**	**–**	**–**	**(22,832)**	**(22,832)**	**1**	**(22,831)**
At 31 December 2015	**47,399**	**68**	**(8,083)**	**418,197**	**457,581**	**629**	**458,210**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Year ended 31 December 2015 $'000	Year ended 31 December 2014 $'000
Cash Flows from Operating Activities			
Profit before taxation		**101,060**	110,275
Adjustments for:			
Depreciation of property, plant and equipment	5	**4,898**	3,825
Amortisation of intangible assets	9	**1**	–
Share of associates' results	7	**(11,134)**	(54,857)
Fair value gains on investment properties	8	**(8,388)**	(4,267)
Fair value loss on cross currency interest rate swap	22	**2,403**	3,899
Interest income	24	**(2,491)**	(770)
Interest expense on bank loans	25	**12,958**	8,391
Gain on disposal of available-for-sale financial assets		**–**	(143)
Loss on disposal of property, plant and equipment		**200**	–
Foreign exchange (gain)/loss (unrealised)		**(843)**	685
Operating profit before working capital changes		**98,664**	67,038
Changes in properties for sale under development		**33,839**	154,728
Changes in inventories		**–**	(4)
Changes in operating receivables		**27,860**	(36,662)
Changes in operating payables		**772**	(543)
Cash generated from operations		**161,135**	184,557
Income tax paid		**(8,594)**	(6,676)
Net cash generated from operating activities		**152,541**	177,881
Cash Flows from Investing Activities			
Dividend received		**3,677**	2,700
Investments in associates		**(18)**	(122)
Acquisition of intangible assets		**(87)**	–
Proceeds from disposal of available-for-sale financial assets		**–**	884
Amounts loaned to associates		**(51,339)**	–
Repayment from associates		**6,850**	65,368
Repayment of advances from/(advances to) associates		**20,351**	(33,032)
Acquisition of property, plant and equipment		**(13,701)**	(43,484)
Acquisition of investment properties		**–**	(111,735)
Interest received		**1,393**	1,730
Net cash used in investing activities		**(32,874)**	(117, 691)
Cash Flows from Financing Activities			
Proceeds from bank loans		**159,700**	235,751
Repayment of bank loans		**(266,187)**	(193,293)
Investor loan		**9,480**	–
Proceeds from issue of shares to non-controlling interest		**1**	5
Fixed deposits pledged to financial institutions		**(82,000)**	387
Dividends paid		**(22,832)**	(22,832)
Interest paid		**(20,400)**	(18,669)
Net cash (used in)/generated from financing activities		**(222,238)**	1,349
Net (decrease)/increase in cash and cash equivalents		**(102,571)**	61, 539
Cash and cash equivalents at beginning of year	16	**415,316**	354,204
Effects of exchange fluctuations on cash held		**238**	(427)
Cash and cash equivalents at end of year	16	**312,983**	415,316

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The financial statements of the Company and of the Group for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated as a limited liability company and domiciled in Singapore.

The registered office and place of business is located at 50 East Coast Road #B1-18, Roxy Square, Singapore 428769.

The Company was listed on the Singapore Exchange Securities Trading Limited on 12 March 2008.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are disclosed in Note 6 of the financial statements.

The holding company is Kian Lam Investment Pte Ltd which is incorporated and domiciled in Singapore.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information has been presented in Singapore dollars, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and any in any future periods affected.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

(i) Significant judgements in applying accounting policies

a) Carrying amount of properties for sale under development

Significant judgement is required in assessing the recoverability of the carrying value of properties for sale under development. The Group pre-sells properties under development. Net realisable value in respect of properties for sale under development is assessed with reference to pre-sale proceeds received less estimated costs to complete construction. Significant judgement is required in assessing the expected date of project completion. Significant judgement is required in determining total costs of properties, including construction costs and variation orders. The Group estimates total construction costs based on contracts awarded, past experience and specialists. Significant judgement is also required to assess allowance made for foreseeable losses, if any, where the total estimated construction costs exceeds estimated selling price.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(a) Basis of preparation (Continued)

Significant accounting estimates and judgements (Continued)

(i) Significant judgements in applying accounting policies (Continued)

a) Carrying amount of properties for sale under development (Continued)

The Group's carrying amount of properties for sale under development at the reporting date amounted to **$516,545,000** (2014: $541,773,000).

b) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

If the present value of estimated future cash flows decreased by 2% from management's estimates, the Group's and the Company's allowance for impairment would increase by **$1,155,000** (2014: $2,177,000) and **$4,877,000** (2014: $3,925,000) respectively. The Group's and the Company's carrying amount of loans and receivables at the reporting date amounted to **$57,732,000** (2014: $108,851,000) and **$243,851,000** (2014: $196,262,000) respectively.

c) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities process of determining sales prices.

d) Income taxes

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2(a) Basis of preparation (Continued)

Significant accounting estimates and judgements (Continued)

(i) Significant judgements in applying accounting policies (Continued)

e) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under the business model whose objective is to consume substantially all of the economic benefits embodied the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties held in the Republic of Singapore as the Group, is not subject to any income taxes on the fair value changes of the investment properties on disposal.

f) Consolidation

Entities are included within the financial statements of the Group where the Group has control over the entities. Control arises from exposure, or rights, to variable returns from involvement with an entity, where the Group has the ability to affect those returns through its power over the entity. Judgement is applied by management in assessing whether control exists. Judgement is applied in determining the relevant activities of each entity and determining whether the Group has power over these activities. This involves assessment of the purpose and design of the entity, identification of the activities which significantly affect that entity's returns and how decisions are made about those activities. In assessing how decisions are made, management considers voting and veto rights, contractual arrangements with the entity or other parties, and any rights or ability to appoint, remove or direct key management personnel or entities that have the ability to direct the relevant activities of the entity. Consideration is also given to the practical ability of other parties to exercise their rights.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. Although the Group owns less than half of the equity interest in Roxy Chalong Resort Co. Ltd, the Group controls this entity through its 98.97% voting rights (Note 6).

(ii) Critical accounting estimates and assumptions used in applying accounting policies

a) Revenue recognition

The Group recognises revenue on its residential properties and mixed development properties (combination of residential units and commercial units) using the percentage-of-completion method as construction progresses. The percentage of completion is estimated by reference to the stage of completion as certified by the architects or quantity surveyors and based on the proportion of contract cost incurred to date and the estimated total development cost to complete. Significant judgement is required in determining the estimated total development costs which is based on contracts awarded, estimation of variation works, if any, and the experience of qualified project managers.

If the contract costs to be incurred had been higher/lower by 10% from management's estimates, the Group's profit will decrease/increase by **$3,470,000** (2014: $1,882,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(a) Basis of preparation (Continued)

Significant accounting estimates and judgements (Continued)

(ii) Critical accounting estimates and assumptions used in applying accounting policies (Continued)

b) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Group's management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

A **5%** (2014: 5%) difference in the expected useful lives of these assets from management's estimates would result in approximately **0.29%** (2014: 0.20%) variance in the Group's profit for the financial year. The Group's and the Company's carrying amount of property, plant and equipment at the reporting date amounted to **$129,680,000** (2014: $120,309,000) and **$949,000** (2014: $62,000) respectively.

c) Valuation of investment properties

The Group's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers using various valuation methods including the direct comparison method and a combination of discounted cash flows method and capitalisation method. The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers.

A **5%** (2014: 5%) difference in the fair value of these assets from management's estimates would result in approximately **8.6%** (2014: 7.5%) variance in the Group's profit for the financial year. The Group's carrying amount of investment properties at the reporting date amounted to **$179,768,000** (2014: $175,663,000).

d) Impairment of non-financial assets

Property, plant and equipment and investments in subsidiaries and associates are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value in use requires the Group to make estimate of the expected future cash flows from the cash-generating unit and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors.

A reasonably possible change in key assumptions (1% increase in discount rate and 1% decrease in annual growth rate) would not cause the carrying amounts to exceed the recoverable amounts. The carrying amounts of the Group's plant and equipment at the reporting date amounted to **$129,680,000** (2014: $120,309,000). The Company's investments in subsidiaries at the reporting date amounted to **$110,571,000** (2014: $47,343,000).

2(b) Interpretations and amendments to published standards effective in 2015

On 1 January 2015, the Company and the Group adopted FRSs that are mandatory for application from that date. Changes to the Company's and the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS. This includes the following FRSs which are relevant to the Company and the Group.

Reference	Description
Amendments to FRS 19	Employee Benefits: Defined Benefit Plans: Employee Contributions
Improvements to FRSs (January 2014)	
FRS 24	Related Party Disclosures – Key Management Personnel
FRS 108	Operating Segments
FRS 16	Property, Plant and Equipment
Improvements to FRSs (February 2014)	
FRS 40	Investment Property

Amendments to FRS 19 Employee Benefits: Defined Benefit Plans: Employee Contributions

The amendments permit contributions made by employees or third parties to defined benefit plans that are independent of the number of years of service to be recognised as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to periods of service. Other contributions by employees or third parties that are not solely linked to current year service are required to be attributed to periods of service either using the plan's contribution formula or on a straight-line basis.

Improvements to FRSs (January 2014): FRS 24 Related Party Disclosures – Key Management Personnel

The Improvements to FRSs (January 2014): FRS 24 Related Party Disclosures – Key Management Personnel clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The Improvements to FRSs (January 2014): FRS 24 Related Party Disclosures: Key Management Personnel are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Company and the Group when implemented.

Improvements to FRS (January 2014): FRS 108 Operating Segments

The Improvements to FRSs (January 2014): FRS 108 Operating Segments clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. In addition, the entity is required to disclose the judgements made by management in applying the aggregation criteria to operating segments. The Improvements to FRSs (January 2014): FRS 108 Operating Segments are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Company and the Group when implemented.

Improvements to FRS (February 2014): FRS 40 Investment Property

FRS 40 Investment Property has been amended to clarify that an entity should assess whether an acquired property is an investment property under FRS 40 and perform a separate assessment under FRS 103 Business Combination to determine whether the acquisition of the investment property constitutes a business combination. The Company and the Group has used judgement to determine whether the acquisition of an investment property is an acquisition of a business under FRS 103.

The adoption of these amendments and improvements to FRSs, where relevant to the Company and the Group, did not result in substantial changes to the Company's and the Group's accounting policies or any significant impact on these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(c) FRS not yet effective

The following are the new or amended FRS and INT FRS issued that are not yet effective but may be early adopted for the current financial year.

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 114	Regulatory Deferral Accounts	1 January 2016
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 1	Amendments to FRS 1: Disclosure Initiative	1 January 2016
FRS 110, FRS 112 and FRS 28	Amendments to FRS 110, 112 and 28: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 16, FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants	1 January 2016
Improvements to FRSs (November 2014):		
FRS 105	Non-current Assets Held for Sale and Discontinued Operations – Changes in Methods of Disposal	1 January 2016
FRS 107	Financial Instruments: Disclosures – Servicing Contracts and Applicability of the Offsetting Disclosures to Condensed Interim Financial Statements	1 January 2016
FRS 19	Employee Benefits – Discount Rate: Regional Market Issue	1 January 2016
FRS 34	Interim Financial Reporting – Disclosure of Information "Elsewhere in the Interim Financial Report"	1 January 2016

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Company and the Group in the period of their initial adoption, except for the following:

FRS 115 Revenue from Contracts with Customers

FRS 115 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard replaces FRS 11 Construction Contracts, FRS 18 Revenue, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for Construction of Real Estate, INT FRS 118 Transfer of Assets from Customers and INT FRS 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

2(c) FRS not yet effective (Continued)

FRS 115 Revenue from Contracts with Customers (Continued)

FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Company and the Group is currently assessing the impact to the financial statements.

FRS 109 Financial Instruments

FRS 109 Financial Instruments replaces the FRS 39 and it is a package of improvements introduced by FRS 109 which include a logical model for:

– Classification and measurement;

– A single, forward-looking "expected loss" impairment model; and

– A substantially reformed approach to hedge accounting.

FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Company and the Group is currently assessing the impact to the financial statements.

2(d) Significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. 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 and other comprehensive income are attributable 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 as at that date when control is lost;

– De-recognises the carrying amount of any non-controlling interest;

– De-recognises the cumulative translation differences recorded in equity;

2(d) Significant accounting policies (Continued)

Consolidation (Continued)

– 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.

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.

Thus, the Group controls an investee if and only if the Group has all of the following:

– Power over the investee;

– Exposure, or rights or variable returns from its involvement with the investee; and

– The ability to use its power over the investee to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

– The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– Potential voting rights held by the Group, other vote holders or other parties;

– Rights arising from other contractual arrangements; and

– Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

2(d) Significant accounting policies (Continued)

Consolidation (Continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' 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.

Goodwill

Goodwill on acquisition of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisition prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(d) Significant accounting policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Buildings	20 to 50 years
Other assets	3 to 10 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Intangible assets

Intangible assets are accounted for using the cost model. Capitalised costs are amortised on a straight-line basis, which is their estimated useful life for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Estimated useful lives of intangible assets are as follows:

Websites	5 years

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

Investment properties

Investment properties, principally comprising shop and office units, are held for long-term rental yields and are not occupied by the Group.

Investment properties are treated as non-current investments and are initially recognised at cost and subsequently carried at fair value, representing open market value determined on annual basis by independent professional valuers. Gross changes in fair values and the related tax impact are recognised in profit or loss.

2(d) Significant accounting policies (Continued)

Investment properties (Continued)

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers

Transfers to, or from, investment properties are made when there is a change in use, evidenced by:

– Commencement of owner occupation, for a transfer from investment properties to property, plant and equipment;

– Commencement of development with a view to sell, for a transfer of investment properties to development properties; or

– End of owner occupation, for a transfer from property, plant and equipment to investment properties.

For transfer to investment property from development properties for sale, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is measured at revalued amount and accounted for in accordance with the accounting policy for Property, Plant and Equipment up to the date of change in use.

Investment in subsidiaries

Subsidiaries are entities controlled by the Company. In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Investment in associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but has no control or joint control of those policies.

The Group account for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

2(d) Significant accounting policies (Continued)

Investment in associates (Continued)

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and loss resulting from transaction between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

2(d) Significant accounting policies (Continued)

Financial assets (Continued)

All financial assets are recognised on their trade date-the date on which the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment of impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

At the reporting date, the Group does not hold any financial assets at fair value through profit or loss or held-to-maturity.

Available for sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated as available for sale or are not classified in any of the categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the profit or loss for the period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in the profit or loss even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed in profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of reporting period.

2(d) Significant accounting policies (Continued)

Financial assets (Continued)

Determination of fair value

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in the profit or loss.

Derivative financial instruments, including hedge accounting

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair values or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

The Group holds derivative financial instruments to hedge its foreign exchange and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

2(d) Significant accounting policies (Continued)

Derivative financial instruments, including hedge accounting (Continued)

Cash flow hedges

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in the hedging reserve, while the ineffective portion is recognised in the profit or loss.

Changes in the carrying amount of cash flow hedges are charged to the hedging reserve in equity. Amounts accumulated in equity are recycled to the profit or loss in the periods when the hedged item affects profit or loss. When the hedged transaction results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a cash flow hedging instrument expires or sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transactions is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss reported in equity is immediately transferred to profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

Properties for sale under development

Properties for sale under development are recorded as current assets and are stated at specially identified cost, including capitalised borrowing costs directly attributable to the development of the properties and other related expenditure.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. Capitalisation of borrowing costs ceased on issue of Temporary Occupation Permit. The capitalisation rate is determined by reference to the actual rate payable on borrowings for properties for sale under development, weighted as applicable.

Properties for sale under development are stated at the lower of cost plus, where appropriate, a portion of attributable profit, and their estimated net realisable value, net of progress billings. Net realisable value is the estimated selling price less costs to be incurred in selling the properties.

When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately. The aggregated costs incurred and the profit/loss recognised in each development property that has been sold is compared against progress billings up to the end of financial period.

Unsold properties for sale under development

Properties for sale under development that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete development and selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

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2(d) Significant accounting policies (Continued)

Properties for sale under development (Continued)

Sold properties for sale under development

Revenue and cost on properties for sale under development that have been sold are recognised using the percentage of completion method. The stage of completion is measured by reference to the development costs incurred to-date to the estimated total costs for the property. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

Inventories

Inventories, comprising food and beverage and other hotel related consumable stocks, are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes freight and handling charges.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, fixed deposits and monies held in project accounts.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible bonds and warrants.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because of the articles of constitution of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

2(d) Significant accounting policies (Continued)

Financial liabilities

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, an only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statement of financial position.

Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Financial guarantees

The Group has issued corporate guarantees to banks for bank loans of its subsidiaries and associates. These guarantees are financial guarantee contracts as they require the Group to reimburse the banks if the subsidiaries or associates fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at fair value plus transaction costs in the statement of financial position.

Financial guarantee contracts are subsequently amortised to the profit or loss over the period of the subsidiaries' borrowings, unless the Company has incurred an obligation to reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(d) Significant accounting policies (Continued)

Leases

Where the Group is the lessee,

Operating leases

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Where the Group is the lessor,

Operating leases

Assets leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Income taxes

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

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

– Where the deferred tax 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.

– In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

– In respect of deductible temporary differences and carry-forward of unutilised tax losses, if it is not probable that taxable profits will be available against which those deductible temporary differences and carry -forward of unutilised tax losses can be utilised.

2(d) Significant accounting policies (Continued)

Income taxes (Continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 balance sheet date.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits

Short-term employee benefits

Short-term benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonuses if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pension obligations

The Company and the Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to national pension schemes are charged to the profit or loss in the period to which the contributions relate.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain key executive officers are considered key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(d) Significant accounting policies (Continued)

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Impairment of non-financial assets

The carrying amounts of the Company's and Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

2(d) Significant accounting policies (Continued)

Impairment of non-financial assets (Continued)

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decrease.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services, net of goods and services tax, rebates and discounts. Revenue is recognised as follows:

Revenue from properties for sale under development

The Group enters into sale and purchase agreement with buyers of its properties prior to completion of construction.

For sales of properties where the control and risk and rewards of the properties are transferred to the buyers as construction progresses, revenue is recognised based on the percentage of completion method. The Group accounts for revenue on its Singapore residential and mixed-use properties for sale under development using the percentage of completion method.

The percentage of completion is estimated by reference to the stage of completion as certified by the architects or quantity surveyors and based on the proportion of contract cost incurred to date and the estimated total development cost to complete.

For sales of properties where the control and risk and rewards of the properties are transferred to the buyers in its entirety at a single time (e.g. at completion, upon or after delivery), revenue is recognised when the properties are delivered to the buyers. The Group accounts for revenue on its Singapore commercial and all overseas properties for sale under development on completed contract method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(d) Significant accounting policies (Continued)

Revenue recognition (Continued)

Rendering of services

Revenue from the rendering of services for hotel operations is recognised over the period in which the services are rendered.

Rental income

Rental income from operating leases on investment properties is recognised on a straight-line basis over the lease term.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income

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

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollars, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2(d) Significant accounting policies (Continued)

Conversion of foreign currencies (Continued)

Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of that statement of financial position;

(ii) Income and expenses for each statements presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker has been identified as the Chief Executive Officer who makes strategic resources allocation decisions and assesses segment performance.

3 Revenue

The Group	2015 $'000	2014 $'000
Property development	**404,248**	263,316
Hotel Operations	**44,535**	47,908
Rental income from investment properties	**12,159**	6,586
	460,942	317,810

4 Available-for-sale financial assets

The Group	2015 $'000	2014 $'000
Quoted equity securities, at cost, at 1 January	**1,363**	2,090
Disposals, at cost	**–**	(727)
	1,363	1,363
Unrealised fair value gain	**84**	211
Quoted equity securities, at 31 December	**1,447**	1,574

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5 Property, plant and equipment

The Group	Freehold land $'000	Buildings $'000	Other assets $'000	Total $'000
Cost				
At 1 January 2014	9,302	83,588	14,708	107,598
Additions	26,682	16,198	604	43,484
Disposal	–	–	(11)	(11)
Exchange differences	(837)	(451)	(8)	(1,296)
At 31 December 2014	35,147	99,335	15,293	149,775
Additions	**–**	**8,622**	**5,079**	**13,701**
Transfer to investment properties (Note 8)	**–**	**(542)**	**–**	**(542)**
Disposal	**–**	**(81)**	**(350)**	**(431)**
Exchange differences	**774**	**428**	**83**	**1,285**
At 31 December 2015	**35,921**	**107,762**	**20,105**	**163,788**
Accumulated depreciation				
At 1 January 2014	–	18,457	7,199	25,656
Depreciation for the year	–	3,534	291	3,825
Disposal	–	–	(11)	(11)
Exchange differences	–	(4)	–	(4)
At 31 December 2014	–	21,987	7,479	29,466
Depreciation for the year	**–**	**3,407**	**1,491**	**4,898**
Transfer to investment properties (Note 8)	**–**	**(35)**	**–**	**(35)**
Disposal	**–**	**(5)**	**(227)**	**(232)**
Exchange differences	**–**	**9**	**2**	**11**
At 31 December 2015	**–**	**25,363**	**8,745**	**34,108**
Net book value				
At 31 December 2015	**35,921**	**82,399**	**11,360**	**129,680**
At 31 December 2014	35,147	77,348	7,814	120,309

As at 31 December 2015, freehold land and buildings with a net total carrying amount of **$118,320,000** (2014: $112,495,000) are mortgaged to secure bank loans (Note 19).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

5 Property, plant and equipment (Continued)

The properties held by the Group as at 31 December 2015 are as follows:

Location	Use of property	Tenure
50 East Coast Road, Singapore	Hotel, Office	Freehold
205-1 Okuracho, Kyoto, Japan	Hotel	Freehold
48/13 Moo 6, Chaofa Road, Phuket, Thailand	Hotel	Freehold

The Company	Other assets $'000
Cost	
At 1 January 2014	193
Additions	10
At 31 December 2014	203
Additions	**980**
Disposal	**(3)**
At 31 December 2015	**1,180**
Accumulated depreciation	
At 1 January 2014	108
Depreciation for the year	33
At 31 December 2014	141
Depreciation for the year	**92**
Disposal	**(2)**
At 31 December 2015	**231**
Net book value	
At 31 December 2015	**949**
At 31 December 2014	62

6 Investments in subsidiaries

The Company	2015 $'000	2014 $'000
Unquoted equity investments, at cost	**48,343**	47,343
Amounts owing by subsidiaries on long term loan account	**62,228**	–
	110,571	47,343

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

6 Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Ownership interest 2015	Ownership interest 2014	Principal activities
Held by the Company				
Roxy-Pacific Developments Pte. Ltd.[1]	Singapore	**100%**	100%	Property investment and investment holdings
Roxy Homes Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
Roxy Land Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RP Properties Pte. Ltd.[1]	Singapore	**100%**	100%	Property investment and property development
RP North Pte. Ltd.[1]	Singapore	**100%**	100%	Property investment and property development
RH Changi Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RH Central Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
RL Properties Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
RP Ventures Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
RP Changi Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
Roxy Hotels Pte. Ltd.[1]	Singapore	**100%**	100%	Hotel ownership and development
RP East Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RL Central Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RH East Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
Roxy Residential Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RL West Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RH Mount Sophia Pte. Ltd.[1]	Singapore	**90%**	90%	Property development
Roxy Capital Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
Roxy Australia Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Hotels and Resorts Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
RH Eunos Pte. Ltd.[2] [3] [4]	Singapore	**100%**	–	Property development

All subsidiaries are considered significant to the Group or required for audit under the laws of the country of incorporation, unless otherwise indicated below:

(1) Audited by Foo Kon Tan LLP.

(2) The subsidiary is newly incorporated and not yet subject to audit.

(3) The subsidiary is not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual.

(4) Subsequent to year end the Company increased its investment in RH Eunos Pte. Ltd. from $2.00 to $1,000,000 to meet share capital requirements for development.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

6 Investments in subsidiaries (Continued)

Name of subsidiary	Country of incorporation	Ownership interest 2015	Ownership interest 2014	Principal activities
Held by a Subsidiary				
RL Developments Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
RH Rochor Pte. Ltd.(1)	Singapore	**90%**	90%	Property development
RH East Coast Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
RH Tampines Pte. Ltd.(1)	Singapore	**85%**	85%	Property development
RPV Properties Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
RPV Assets Pte. Ltd.(1) (4)	Singapore	**100%**	100%	Property development
Roxy-Pacific Goulburn Pty. Ltd.(2)	Australia	**100%**	100%	Property investment
Roxy Australia Hotels Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
Roxy-Pacific Developments Pty. Ltd.(4)	Australia	**100%**	100%	Investment holding
Roxy-Pacific Investments Pty. Ltd.(4)	Australia	**100%**	100%	Investment holding
Roxy Kyoto Hotel Holdings Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
Roxy Kyoto Hotel Pte. Ltd.(1)	Singapore	**100%**	100%	Hotel ownership
Roxy Phuket Hotels Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
Roxy Chalong Resort Co. Ltd.(3) (4)	Thailand	***49%**	*49%	Hotel ownership and development
Roxy Hotel Management Pte. Ltd.(1)	Singapore	**100%**	100%	Hotel management
Roxy-Pacific Hotels Pty. Ltd.(4)	Australia	**100%**	100%	Hotel ownership and investment holding
Roxy Kyoto Hotel GK(3) (4)	Japan	**100%**	100%	Hotel ownership
Roxy NF Pty. Ltd.(4)	Australia	**50.5%**	–	Property investment
Roxy-Pacific Glebe Pty. Ltd.(4)	Australia	**100%**	–	Property development
Roxy Jakarta Hotels Pte. Ltd.(1) (5)	Singapore	**100%**	–	Investment holding
Roxy-Pacific Killara Pty. Ltd.(4)	Australia	**100%**	–	Property development
Roxy International Hotel Holdings Pte. Ltd.(4) (6)	Singapore	**100%**	–	Investment holding
Roxy-Pacific Potts Point Pty Limited(4)	Australia	**100%**	–	Property development

All subsidiaries are considered significant to the Group or required for audit under the laws of the country of incorporation, unless otherwise indicated below:

(1) Audited by Foo Kon Tan LLP.

(2) Audited by HLB Australia.

(3) Not required to be audited under the laws of the country of incorporation. The subsidiary is audited by Foo Kon Tan LLP for consolidation purposes.

(4) The subsidiary is not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual.

(5) Subsequent to year end on 22 January 2016, the company's name was changed from Roxy Jakarta Hotels Pte. Ltd. to Roxy Jakarta Investments Pte. Ltd and shares held by Roxy Hotels and Resorts Pte. Ltd. were transferred to Roxy-Pacific Holdings Limited.

(6) The subsidiary is newly incorporated and not yet subject to audit.

* Although the Group owns less than half of the equity interest in Roxy Chalong Resort Co. Ltd, the Group controls this entity through its 98.7% voting rights. The shares by the Group carry one vote for each share whilst the shares held by other shareholders carry one vote for every hundred shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

6 Investments in subsidiaries (Continued)

Summarised financial information in respect of Group subsidiaries that has a material non-controlling interest (NCI) is set out below:

2015

	Roxy NF Pty Ltd $'000	RH Tampines Pte. Ltd. $'000	RH Mount Sophia Pte. Ltd. $'000	RH Rochor Pte. Ltd. $'000	Roxy Chalong Resort Co. Ltd. $'000	Total $'000
Current assets	5	163,005	53,020	71,668	197	287,895
Non- current Assets	19,862	–	–	–	16,014	35,876
Current liabilities	(19,973)	(162,081)	(44,797)	(67,602)	(7,972)	(302,425)
Non- current liabilities	–	–	(1,229)	(522)	(9,241)	(10,992)
Net assets/(liabilities)	(106)	924	6,994	3,544	(1,002)	10,354
Net assets attributable to NCI	(52)	139	699	354	(511)	629
Revenue	–	6,019	27,124	25,788	107	59,038
Profit/(loss) for the year	(111)	245	4,301	2,145	(1,012)	5,568
Other comprehensive income ("OCI")	–	–	–	–	–	–
Total comprehensive income/(loss)	(111)	245	4,301	2,145	(1,012)	5,568
Attributable to NCI:						
– Profit	(55)	37	430	215	(516)	111
– OCI	1				1	2
Total comprehensive income/(loss)	(54)	37	430	215	(515)	113
Cash flows generated from/(used in) operating activities	(109)	3,345	4,182	(4,726)	654	3,346
Cash flows generated from/(used in) investing activities	–	–	47	42	(1,009)	(920)
Cash flows generated from/(used in) financing activities (dividends to NCI: nil)	111	4,500	(6,200)	(2,067)	(96)	(3,752)
Net increase/ (decrease) in cash and cash equivalents	2	7,845	(1,971)	(6,751)	(451)	(1,326)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

6 **Investments in subsidiaries** (Continued)

2014

	RH Tampines Pte. Ltd. $'000	RH Mount Sophia Pte. Ltd. $'000	RH Rochor Pte. Ltd. $'000	Roxy Chalong Resort Co. Ltd. $'000	Total $'000
Current assets	157,421	52,361	68,434	629	278,845
Non- current Assets	–	–	–	16,366	16,366
Current liabilities	(156,742)	(48,643)	(66,952)	(7,077)	(279,414)
Non- current liabilities	–	(348)	(83)	(10,043)	(10,474)
Net assets/(liabilities)	679	3,370	1,399	(125)	5,323
Net assets attributable to NCI	102	337	140	(64)	515
Revenue	–	10,956	4,383	31	15,370
(Loss)/profit for the year	(310)	1,681	421	(133)	1,659
Other comprehensive income ("OCI")	–	–	–	–	–
Total comprehensive income/(loss)	(310)	1,681	421	(133)	1,659
Attributable to NCI:					
– Profit	(47)	168	42	(1)	162
– OCI	–	–	–	–	–
Total comprehensive (loss)/income	(47)	168	42	(1)	162
Cash flows generated from/ (used in) operating activities	(2,520)	(4,642)	2,465	(396)	(5,093)
Cash flows generated from investing activities	–	–	–	–	–
Cash flows generated from financing activities (dividends to NCI: nil)	7,191	–	–	10,203	17,394
Net increase/(decrease) in cash and cash equivalents	4,671	(4,642)	2,465	9,807	12,301

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

7 Investment in associates

The Group	2015 $'000	2014 $'000
Unquoted equity investments, at cost	**7,841**	2,587
Share of post-acquisition profits	**80,252**	69,118
Exchange differences	**1**	–
Dividend income	**(27,634)**	(2,700)
	60,460	69,005

Details of the associates are as follows:

Name of associate	Country of incorporation	Ownership interest 2015	Ownership interest 2014	Principal activities
Held by a Subsidiary				
Mequity Pte. Ltd.[2]	Singapore	**45%**	45%	Property development
Mequity Two Pte. Ltd.[1]	Singapore	**45%**	45%	Property development
70 Shenton Pte. Ltd.[1]	Singapore	**20%**	20%	Property development
Mequity (Hillview) Pte. Ltd.[1]	Singapore	**49%**	49%	Property development
Mequity Assets Pte. Ltd.[2]	Singapore	**48%**	48%	Property development
Mequity Assets Sdn. Bhd[5]	Malaysia	**47%**	47%	Property development
Macly Equity Sdn. Bhd.[3]	Malaysia	**47%**	47%	Property development
Rolex Investments Ltd.[5]	Cayman Islands	**30%**	30%	Investment holding and property investment
ACH Head Operator Pty. Ltd.[5]	Australia	**49%**	–	Hotel management
ACH Projects Pty. Ltd.[5]	Australia	**49%**	–	Hotel development
ACH Head Trust[4]	Australia	**49%**	–	Trust
Peel Street JV Pty. Ltd.[5]	Australia	**40%**	–	Investment holding and property investment
North Fremantle JV Pty. Ltd.[5]	Australia	**40%**	–	Property development
Feature-Roxy Pty. Ltd.[5]	Australia	**50%**	–	Investment holding and property investment
PT Kramat Roxy Pacific[6]	Indonesia	**49%**	–	Investment holding and property investment

All associates are considered significant to the Group, or required for audit under the laws of the country of incorporation, unless otherwise indicated below:

(1) Audited by Foo Kon Tan LLP.

(2) Audited by PG Wee Partnership LLP. The associate is not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual.

(3) Audited by Guan & Associates (Malaysia). The associate is not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual.

(4) Audited by HLB Australia.

(5) Not required to be audited under the laws of the country of incorporation. The associate is audited by Foo Kon Tan LLP.

(6) Dormant, not required to be audited under the laws of the country of incorporation.

The Group has **three** (2014: two) associates that are material and a number of associates that are individually immaterial to the Group.

7 **Investment in associates** (Continued)

Summarised financial information in respect of the associates is set out below:

2015

	Mequity Assets Pte. Ltd. $'000	70 Shenton Pte. Ltd. $'000	Rolex Investments Ltd. $'000	Immaterial associates $'000	Total $'000
Revenue	55,343	96,189	–	34,991	186,523
Profit for the year	11,755	23,714	–	1,209	36,678
Other comprehensive income	–	–	–	–	–
Total comprehensive income	11,755	23,714	–	1,209	36,678
Attributable to investee's shareholders	11,755	23,714	–	1,209	36,678
Current assets	66,703	250,894	129,279	126,676	573,552
Non-current assets	–	–	–	130,973	130,973
Current liabilities	(39,916)	(199,910)	(49,239)	(44,852)	(333,917)
Non-current liabilities	(4,568)	(8,542)	–	(177,243)	(190,353)
Net assets attributable to investee's shareholders	22,219	42,442	80,040	35,554	180,255
Group's interest in net assets of investee at beginning of the year	5,023	3,746	43,321	16,915	69,005
Investment	–	–	–	5,254	5,254
Group's share of:					
– Profit for the year	5,643	4,743	–	748	11,134
– OCI	–	–	–	–	–
Total comprehensive income	5,643	4,743	–	748	11,134
Dividend income	–	–	(19,309)	(5,625)	(24,934)
Translation differences	–	–	–	1	1
Carrying amount of interest in investee at end of the year	10,666	8,489	24,012	17,293	60,460

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7 Investment in associates (Continued)

2014

	70 Shenton Pte. Ltd. $'000	Rolex Investments Ltd. $'000	Immaterial associates $'000	Total $'000
Revenue	30,963	196,317	143,668	370,948
Profit for the year	5,033	144,399	22,199	171,631
Other comprehensive income	–	–	–	–
Total comprehensive income	5,033	144,399	22,199	171,631
Attributable to investee's shareholders	5,033	144,399	22,199	171,631
Current assets	222,089	236,959	226,627	685,675
Non-current assets	–	86,511	124	86,635
Current liabilities	(199,604)	(173,337)	(135,267)	(508,208)
Non-current liabilities	(3,757)	–	(45,696)	(49,453)
Net assets attributable to investee's shareholders	18,728	150,133	45,788	214,649
Group's interest in net assets of investee at beginning of the year	2,739	–	13,987	16,726
Investment	–	–	122	122
Group's share of:				
– Profit for the year	1,007	43,320	10,530	54,857
– OCI	–	–	–	–
– Total comprehensive income	1,007	43,320	10,530	54,857
Dividend income	–	–	(2,700)	(2,700)
Carrying amount of interest in investee at end of the year	3,746	43,320	21,939	69,005

8 Investment properties

The Group	2015 $'000	2014 $'000
At 1 January	**175,663**	67,987
Additions	**–**	111,735
Transfer from property, plant and equipment (Note 5)	**507**	–
Fair value gain recognised in profit or loss	**8,388**	4,267
Effect of movement in exchange rate	**(4,790)**	(8,326)
At 31 December	**179,768**	175,663

8 Investment properties (Continued)

The fair value of the investment properties located in Singapore is determined by an independent firm of professional valuers who has appropriate recognised professional qualification and recent experience in the location and category of the investment properties being valued. The fair value is based on the market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation is based on direct comparison method which is checked against the fair value derived from the capitalisation method.

The fair value of the investment property located overseas is determined by an independent certified appraiser with recognised and relevant professional qualifications and experience within the local market and the category of properties to be valued. The valuation is based on the capitalisation approach and income approach.

Investment properties are valued on a highest and best used basis. For all of the Group's investment properties, the current use is considered to be the highest and best use.

The investment properties are leased to third parties under operating leases. As at 31 December 2015, the investment properties with a total carrying amount of **$179,768,000** (2014: $175,663,000) were mortgaged to secure bank loans (Note 19).

The following amounts are recognised in profit or loss:

The Group	2015 $'000	2014 $'000
Rental income (Note 3)	**12,159**	6,586
Direct operating expenses	**(3,579)**	(2,045)
	8,580	4,541

Investment properties as at 31 December 2015 are as follows:

Location	Property name	Description	Total net lettable area (sq m)	Tenure
50 East Coast Road, Singapore 428769	Roxy Square Shopping Centre	47 shop units	**2,352**	Freehold
59 Goulburn Street, Sydney, NSW 2000, Australia	59 Goulburn Street	28-storey commercial building	**19,459**	Freehold

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9 Intangible assets

The Group

	Websites $'000
Cost	
At 1 January 2015	–
Additions	87
At 31 December 2015	**87**
Accumulated amortisation	
At 1 January 2015	–
Amortisation for the year	1
At 31 December 2015	**1**
Net book value	
At 31 December 2015	**86**

10 Amounts owing by associates

The Group	2015 $'000	2014 $'000
Amounts owing by associates	66,694	–

The amounts owing by associates and joint ventures are unsecured advances which have no fixed terms of repayment, are interest free and are not expected to be repaid in the next 12 months. The amounts are to be settled in cash.

The discounted, estimated present value of principal payments on amounts owing by associates as at the balance sheet date is as follows:

The Group	2015 $'000	2014 $'000
Present value of amounts owing by associates, at 31 December	55,109	–

Amounts owing by associates and joint ventures are denominated in the following currencies:

The Group	2015 $'000	2014 $'000
Malaysian ringgit	17,556	–
Australian dollar	49,138	–
	66,694	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

11 Properties for sale under development

The Group	2015 $'000	2014 $'000
Land cost	**640,746**	838,002
Development expenditure	**229,684**	299,300
	870,430	1,137,302
Attributable profit	**153,810**	200,253
	1,024,240	1,337,555
Progress billings	**(507,695)**	(795,782)
	516,545	541,773
Loan interest capitalised as cost of development properties during the year	**8,242**	8,751

As at 31 December 2015, properties for sale under development with a total carrying amount of **$516,545,000** (2014: $541,773,000) were mortgaged as security in respect of bank loans (Note 19).

The value of properties for sale under development expected to be completed within the group's normal operating cycle:

The Group	2015 $'000	2014 $'000
Expected completion date:		
– within the next 12 months	**194,275**	(6,853)#
– beyond 12 months	**322,270**	548,626
	516,545	541,773

Relates to a project where progress billings exceed costs incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

11 Properties for sale under development (Continued)

Properties for sale under development as at 31 December 2015 are as follows:

Location	Project name	Description	Stage of completion	Expected date of completion	Approximate land area (sq m)	Gross floor area (sq m)	Group effective interest In the property	Tenure
Properties under development								
1, 3, 5, 7 & 9 Lew Lian Vale Singapore	Jade Residences	171 residential units & 2 shop units	77%	Dec 17	8,585	12,236	100%	Freehold
332, 332A, 334, 334A Pasir Panjang Road Singapore	Whitehaven	120 residential units & 1 shop unit	82%	Dec 17	6,008	8,411	100%	Freehold
14 Adis Road Singapore	Liv on Sophia	64 residential units	44%	Jun 18	1,630	3,423	90%	Freehold
9 Wilkie Terrace Singapore	Liv on Wilkie	81 residential units	32%	Jun 19	2,093	4,396	90%	Freehold
132 Lorong K Telok Kurau Singapore	Sunnyvale Residences	30 residential units	25%	Jun 18	2,152	3,012	100%	Freehold
111, 113, 115 Tampines Road Singapore	Trilive	222 residential units & 2 shop units	6%	Dec 17	7,419	15,580	85%	Freehold
Land held for development								
26 Sea Avenue Singapore	#	25 residential units	*	#	1,809	2,533	100%	Freehold
6A and 8 Buckingham Road Killara Sydney, Australia	Octavia Killara	43 residential units	*	#	3,792	4,402	100%	Freehold

* Construction of these properties has yet to commence as of 31 December 2015.

\# Project details of these properties have yet to be determined as of 31 December 2015.

12 Inventories

The Group	2015 $'000	2014 $'000
Hotel supplies, at cost	**126**	126

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

13 Trade receivables

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade receivables	**4,655**	4,321	**6**	20
Accrued receivables	**24,225**	69,041	**–**	–
	28,880	73,362	**6**	20
Impairment losses	**(30)**	(30)	**–**	–
	28,850	73,332	**6**	20

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Movements in trade receivables impairment loss:				
At 1 January	**30**	39	**–**	–
Allowance made	**–**	10	**–**	–
Allowance written back	**–**	(19)	**–**	–
At 31 December	**30**	30	**–**	–

Trade receivables have credit terms of **30** (2014: 30) days. The Group and Company does not require collateral in respect of trade receivables.

Accrued receivables represent the remaining balances of sales consideration for development properties to be billed.

The ageing analysis of trade receivables, which are not impaired is as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Not past due	**27,042**	71,633	**6**	20
Past due not more than 3 months	**1,505**	896	**–**	–
Past due more than 3 months but less than 6 months	**269**	307	**–**	–
Past more than 6 months	**34**	496	**–**	–
	28,850	73,332	**6**	20

Trade receivables are denominated in the following currencies:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Singapore dollar	**28,030**	72,995	**6**	20
Thailand baht	**–**	19	**–**	–
Japanese yen	**153**	–	**–**	–
Australian dollar	**667**	318	**–**	–
	28,850	73,332	**6**	20

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

14 Other receivables

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Amounts due from subsidiaries (non-trade)	–	–	242,816	196,144
Advances to associates	12,040	31,003	–	3
Deposits	12,054	204	–	16
Prepayments	738	674	34	33
Receivable from contractors	778	739	–	–
Fixed deposit interest receivable	1,376	387	1,028	79
Tax recoverable	2,285	2,880	–	–
Others	923	366	495	–
	30,194	36,253	244,373	196,275
Impairment losses	(80)	(60)	–	–
	30,114	36,193	244,373	196,275

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Movements in other receivables impairment loss:				
At 1 January	60	60	–	–
Impairment losses	20	–	–	–
At 31 December	80	60	–	–

Amounts due from subsidiaries are unsecured and repayable on demand. At the reporting date, amounts due from subsidiaries of **$57,676,000** bear interest at **3.98%** (2014: $51,529,313 at 1.92%) per annum. The remaining amounts due from subsidiaries were interest free. Interest is re-priced every 12 months.

Advances to associates are unsecured, interest-free and repayable on demand.

The non-trade amounts due from subsidiaries comprise mainly advances and management fees charged by the Company.

The ageing analysis of other receivables (excluding up-front fees and prepayments), which are not impaired is as follows:

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Not past due	28,826	35,519	243,845	196,242
Past due not more than 3 months	–	–	–	–
Past due more than 3 months but less than 6 months	–	–	–	–
Past more than 6 months	56	–	–	–
	28,882	35,519	243,845	196,242

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

14 Other receivables (Continued)

Other receivables are denominated in the following currencies:

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore dollar	**13,699**	16,039	**227,377**	196,275
Malaysian ringgit	**–**	19,370	**–**	–
Thailand baht	**43**	6	**–**	–
Japanese yen	**1,008**	40	**2,758**	–
Indonesia rupiah	**1,021**	–	**–**	–
Australian dollar	**14,343**	738	**14,238**	–
	30,114	36,193	**244,373**	196,275

15 Project accounts

The project accounts consist of monies held under the Housing Developers (Project Account) Rules 1997 from which withdrawals are restricted to payments for costs incurred on developing properties for sale. These monies are:

	2015	2014
The Group	$'000	$'000
Cash at bank	**36,654**	103,829
Fixed deposits	**45,500**	72,500
	82,154	176,329

Balances held in the project accounts are denominated in Singapore dollars.

At the reporting date, the weighted average effective interest rate of the fixed deposit for the year was **0.897%** (2014: 0.159%) per annum.

16 Cash and bank balances

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Cash and bank balances	**92,372**	68,101	**47,247**	20,647
Fixed deposits	**138,457**	170,886	**99,095**	84,687
Fixed deposits, pledged	**82,028**	28	**82,000**	–
	312,857	239,015	**228,342**	105,334

At the reporting date, the weighted average effective interest rate for these fixed deposits of the Group and the Company was **1.059%** (2014: 0.608%) and **1.094%** (2014: 0.642%) per annum, respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

16 Cash and bank balances (Continued)

Cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Singapore dollar	**310,618**	235,351	**227,921**	105,334
Thailand baht	**153**	604	**–**	–
Japanese yen	**300**	–	**–**	–
Australian dollar	**1,786**	3,060	**421**	–
	312,857	239,015	**228,342**	105,334

For the purposes of presenting the consolidated statement of cash flows, cash and cash equivalents comprised the following:

The Group	2015 $'000	2014 $'000
Cash and bank balances	**312,857**	239,015
Project accounts (Note 15)	**82,154**	176,329
Cash and cash equivalents	**395,011**	415,344
Fixed deposits pledged#	**(82,028)**	(28)
Cash and cash equivalents in the consolidated statement of cash flows	**312,983**	415,316

Fixed deposits are pledged to secure bankers' guarantees and for multi-currency loan facilities obtained for working capital purposes of the Group.

17 Share capital

	31 December 2015		31 December 2014	
	Number of shares	$'000	Number of shares	$'000
Ordinary shares issued and fully paid, with no par value				
Balance at beginning and end of year	**1,193,549,994**	**47,399**	1,193,549,994	47,399

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Company. All shares rank equally with regard to the Company's residual assets.

18 Reserves

The Group	2015 $'000	2014 $'000
Fair value reserve	**68**	174
Translation reserve	**(8,083)**	(3,168)
	(8,015)	(2,994)

18 Reserves (Continued)

Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Translation reserve

Translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

19 Borrowings

	Year of Maturity	The Group 2015 $'000	The Group 2014 $'000	The Company 2015 $'000	The Company 2014 $'000
Non-current liabilities					
Bank loans (secured):					
Repayable after one year	2017 to 2038	**262,786**	275,015	**–**	–
Multi-currency term notes:					
Repayable after one year	2018	**60,000**	–	**60,000**	–
		322,786	275,015	**60,000**	–
Current liabilities					
Bank loans (secured):					
Repayable within one year or less, or on demand	2016	**286,671**	274,278	**43,848**	–
Repayable after one year, but within the normal operating cycle	2016 to 2019	**197,277**	363,969	**–**	–
Bank loans (unsecured):					
Repayable within one year or less, or on demand	2016	**1,000**	4,000	**1,000**	4,000
		484,948	642,247	**44,848**	4,000
Total borrowings		**807,734**	917,262	**104,848**	4,000

The fair value of non-current borrowings at the balance sheet date is as follows:

The Group	**2015 $'000**	**2014 $'000**
Borrowings with an average effective fixed interest rate of 3.89% (2014:3.31%)	**337,525**	281,102

The fair values are within Level 2 of the fair values hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

19 Borrowings (Continued)

The borrowings are denominated in the following currencies:

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore dollar	**668,563**	826,657	**61,000**	4,000
Thailand baht	**9,790**	10,230	**–**	–
Japanese yen	**17,234**	16,890	**–**	–
Australian dollar	**112,147**	63,485	**43,848**	–
	807,734	917,262	**104,848**	4,000

(a) Bank Loans

At the reporting date, the bank loans bear interest at varying rates from 1.93% to 4.80% (2014: 1.49% to 4.75%) per annum. Interest is re-priced between 3 to 12 months.

The bank loans are secured by: freehold land and buildings (Note 5), investment properties (Note 8), and properties for sale under development (Note 11).

The Company has provided guarantees to banks in respect of loan facilities granted to subsidiaries amounting to **$972,795,000** (2014: $1,305,776,000). At the reporting date, the amount of the loan drawdown under the facilities was **$807,734,000** (2014: $913,262,000). The current interest rates charged by the lenders on the loans to subsidiaries are at market rates and are consistent with the borrowing costs of the subsidiaries without corporate guarantees. The group has assessed the fair value of corporate guarantees is immaterial.

(b) Multi-currency debt issuance programme

Non-current, multi-currency debt issuance at 31 December 2015 comprise unsecured notes issued by the Company.

The multi-currency debt issuance programme of $60 million fixed rate notes due 2018 (Series: "001 Notes") bear fixed interest at 4.5% per annum and are repayable on 20 July 2018.

20 Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	2015	2014
The Group	$'000	$'000
Properties for sale under development	**13,108**	21,746
Investment property	**3,507**	–
Property, plant and equipment	**4,713**	4,170
	21,328	25,916

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

20 Deferred tax liabilities (Continued)

Settlement of deferred tax liabilities is as follows:

The Group	2015 $'000	2014 $'000
To be settled:		
Later than one year and no later than five years	**13,106**	21,167
Later than five years	**8,222**	4,749
	21,328	25,916

Movement in temporary differences during the year:

The Group	2015 $'000	2014 $'000
Deferred tax liabilities:		
At 1 January	**25,916**	19,396
Recognised in profit or loss (Note 27):		
Properties for sale under development	**(8,639)**	7,133
Investment property	**3,507**	–
Property, plant and equipment	**544**	(613)
	(4,588)	6,520
At 31 December	**21,328**	25,916

At 31 December 2015, no provision for deferred tax liability has been recognised in respect of undistributed profits of one foreign subsidiary amounting to approximately $11,634,000 (2014: $710,000) because these undistributed profits are not subject to tax upon repatriation via dividend to Singapore.

21 Trade payables

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade payables	**2,893**	6,008	**82**	154
Retention sums payable	**8,867**	6,728	**–**	–
	11,760	12,736	**82**	154

Trade payables have credit terms between 30 and 60 (2014: 30 and 60) days.

Trade payables are denominated in the following currencies:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Singapore dollar	**11,605**	12,598	**82**	154
Australian dollar	**155**	138	**–**	–
	11,760	12,736	**82**	154

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22 Other payables

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Amounts due to subsidiaries (non-trade)	**–**	–	**357,880**	255,963
Amounts due to associates (non-trade)	**24,491**	17,656	**–**	–
Amount due to non-controlling interests (non-trade)	**19,657**	9,167	**–**	–
Accrued directors' performance bonus	**6,840**	7,800	**–**	–
Accrued unbilled progress claims from contractors	**6,068**	3,986	**–**	–
Accrued construction costs for completed projects	**6,983**	6,775	**–**	–
Accrued operating expenses	**5,430**	6,187	**1,575**	300
Accrued payroll and related expenses	**3,126**	2,861	**1,298**	575
Hotel management fees payable	**1,337**	1,638	**–**	–
Rental deposits received	**480**	470	**–**	–
Other deposits received	**2,165**	892	**–**	–
Other creditors	**1,912**	1,589	**–**	–
Derivative financial liability	**6,302**	3,899	**–**	–
	84,791	62,920	**360,753**	256,838

The non-trade amounts due to subsidiaries, associates and non-controlling interests comprise mainly advances which are unsecured, interest-free and repayable on demand.

Derivatives financial liability relates to a cross currency interest rate swap whose details are as follows:

	The Group		The Company	
	Contractual notional amount	Fair value of derivative liability	Contractual notional amount	Fair value of derivative liability
	$'000	$'000	$'000	$'000
31 December 2015				
Cross currency interest rate swap	**68,591**	**(6,302)**	**–**	**–**
31 December 2014				
Cross currency interest rate swap	68,591	(3,899)	–	–

22 Other payables (Continued)

Other payables are denominated in the following currencies:

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore dollar	**78,312**	60,866	**360,668**	256,838
Thailand baht	**95**	371	**–**	–
Japanese yen	**654**	5	**–**	–
Indonesia rupiah	**3,998**	–	**–**	–
Australian dollar	**1,732**	1,678	**85**	–
	84,791	62,920	**360,753**	256,838

23 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units as follows:

(1) Hotel ownership segment relates to ownership of hotel.

(2) Property development segment relates to the development of properties for sale.

(3) Property investment segment relates to the business of investing in properties to earn rentals and for capital appreciation.

(4) Others relate to corporate office functions.

The Group Chief Executive Officer ("Group CEO"), who is designated as the Chief Operating Decision Maker, monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The Group's income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

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23 Operating segments (Continued)

	Hotel Ownership		Property Development		Property Investment		Others		The Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue – External	**44,535**	47,908	**404,248**	263,316	**12,159**	6,586	**–**	–	**460,942**	317,810
Total revenue	**44,535**	47,908	**404,248**	263,316	**12,159**	6,586	**–**	–	**460,942**	317,810
Segment results	**7,530**	12,500	**84,174**	52,610	**8,041**	3,186	**(5,938)**	(4,914)	**93,807**	63,382
Interest income	**15**	12	**275**	206	**515**	176	**1,686**	376	**2,491**	770
Finance cost	**(7,371)**	(3,854)	**(685)**	(2,852)	**(2,838)**	(1,767)	**(2,230)**	(634)	**(13,124)**	(9,107)
Fair value gain on investment properties	**–**	–	**–**	–	**8,388**	4,267	**–**	–	**8,388**	4,267
Exchange (loss)/gain	**(84)**	(544)	**(141)**	496	**–**	(90)	**992**	–	**767**	(138)
Gain on disposal of available-for-sale assets	**–**	–	**–**	–	**–**	143	**–**	–	**–**	143
Fair value loss on currency interest rate swap	**–**	–	**–**	–	**–**	–	**(2,403)**	(3,899)	**(2,403)**	(3,899)
Share of results of associates (net of Income tax)	**–**	–	**11,134**	11,537	**–**	43,320	**–**	–	**11,134**	54,857
Profit/(loss) before tax	**90**	8,114	**94,757**	61,997	**14,106**	49,235	**(7,893)**	(9,071)	**101,060**	110,275
Other information										
Segment assets	**149,361**	135,123	**796,588**	952,761	**222,263**	235,040	**240,569**	110,395	**1,408,781**	1,433,319
Total assets									**1,408,781**	1,433,319
Segment liabilities*	**236,379**	273,577	**445,024**	592,976	**104,609**	109,554	**118,273**	16,811	**904,285**	992,918
Total liabilities									**950,571**	1,032,466
Investment in associates	**–**	122	**5,254**	–	**–**	–	**–**	–	**5,254**	122
Acquisition of investment properties	**–**	–	**–**	–	**–**	111,735	**–**	–	**–**	111,735
Capital expenditure	**11,723**	43,405	**–**	1	**987**	68	**991**	10	**13,701**	43,484
Depreciation of property, plant and equipment	**4,615**	3,674	**6**	8	**183**	110	**94**	33	**4,898**	3,825

There were no revenues transactions from a single customer that amounted to 10% or more of the Groups' revenue for the financial year ended 31 December 2015 and 2014.

* Reconciliations of reportable segment liabilities:

The Group	2015 $'000	2014 $'000
Total liabilities for reportable segment	**904,285**	992,918
Current tax liabilities	**24,958**	13,632
Deferred tax liabilities	**21,328**	25,916
Total liabilities	**950,571**	1,032,466

23 Operating segments (Continued)

Geographical segments are as follows:

The Group	Singapore $'000	Australia $'000	Japan $'000	Thailand $'000	Malaysia $'000	Hong Kong $'000	Indonesia $'000	Total $'000
2015								
External revenue	**449,858**	**10,377**	**600**	**107**	**–**	**–**	**–**	**460,942**
Non-current assets	**182,047**	**159,436**	**34,969**	**16,014**	**17,659**	**24,012**	**3,998**	**438,135**
2014								
External revenue	312,782	4,863	135	30	–	–	–	317,810
Non-current assets	177,956	103,596	25,121	16,366	191	43,321	–	366,551

24 Other income

The Group	2015 $'000	2014 $'000
Interest income	**2,491**	770
Management fees charged to an associate	**120**	120
Income from hotel money exchange operations	**16**	20
Forfeiture of option fee for aborted property sales	**–**	37
Exchange gain	**1,125**	904
Bad debts recovered (trade)	**–**	19
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	**–**	143
Change in fair value of investment properties	**8,388**	4,267
Sundry incomes	**207**	142
	12,347	6,422

25 Finance costs

The Group	2015 $'000	2014 $'000
Interest expense on bank loans	**12,958**	8,391
Loan commitment fees	**166**	716
	13,124	9,107

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26 Profit before taxation

The Group	Note	2015 $'000	2014 $'000
Profit before taxation is arrived at			
after charging:			
Directors fees		**153**	153
Depreciation of property, plant and equipment	5	**4,898**	3,825
Fair value loss on cross currency interest rate swap		**2,403**	3,899
Impairment loss on trade and other receivables, net	13, 14	**20**	10
Audit fees			
– Of the external auditor of the Group		**275**	324
– Of other external auditors of the Group		**11**	16
Non-audit fees			
– Of the external auditor of the Group		**10**	11
Staff costs			
Directors			
– Salaries and other related costs		**8,697**	9,266
– Central Provident Fund ("CPF") contributions		**301**	64
Key Management Personnel (other than Directors)			
– Salaries, wages and other related costs		**2,090**	1,395
– CPF contributions		**102**	75
Other than directors and key management personnel			
– Salaries, wages and other related costs		**11,893**	10,534
– CPF contributions		**954**	1,110
– Other personnel expenses		**1,549**	1,515
		25,586	23,959

27 Tax expense

The Group	2015 $'000	2014 $'000
Current tax expense		
– Current year	**26,907**	6,940
– Adjustments for prior years	**(6,466)**	–
	20,441	6,940
Deferred tax expense		
– Origination and reversal of temporary differences	**(7,724)**	3,065
– Adjustments for prior years	**3,136**	3,455
	(4,588)	6,520
	15,853	13,460

27 Tax expense (Continued)

Domestic income tax is calculated at 17% (2014: 17%) of the estimated assessable profit or loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The applicable tax rate used in the reconciliation between the Group's tax expense and accounting profit is the Singapore statutory tax rate based on the jurisdiction where the Company and most group entities are established. The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the accounting profit as a result of the following:

The Group	2015 $'000	2014 $'000
Profit before taxation	**101,060**	110,275
Tax at statutory rate of 17% (2014: 17%)	**17,180**	18,747
Expenses not deductible for tax purposes	**3,232**	1,655
Income not subject to tax	**(2,456)**	(10,067)
Effect of tax rates in foreign jurisdictions	**1,794**	69
Tax credit, exemption and rebate	**(567)**	(399)
Adjustment for prior years	**(3,330)**	3,455
At the effective income tax rate of 16% (2014: 12%)	**15,853**	13,460

At 31 December 2015, the Group had unutilised tax losses, which were not recognised and which relate to foreign entities of approximately $556,000 (2014: nil). There were no unutilised capital allowances which were not recognised at 31 December 2015 (2014: nil). The tax losses are subject to agreement by relevant tax authorities and compliance with tax regulations.

28 Earnings per share

The basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year. The Company did not have any stock options or dilutive potential ordinary shares during the years ended 31 December 2014 and 2015.

The Group	2015 $'000	2014 $'000
Net profit after taxation ($'000)	**85,096**	96,653
Number of ordinary shares in issue at 1 January ('000)	**1,193,550**	1,193,550
Weighted average number of ordinary shares in issue during the year ('000)	**1,193,550**	1,193,550
Earnings per share-Basic (cents)	**7.13**	8.10
Earnings per share-Diluted (cents)	**7.13**	8.10

29 Capital commitments

At the reporting date, the Group had the following capital commitments:

The Group	2015 $'000	2014 $'000
Hotel upgrading	**1,026**	164

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30 Operating lease commitments (non-cancellable)

Where Group is the lessee

At the reporting date, the Group was committed to making the following rental payments in respect of operating leases of office equipment, motor vehicle, car park and warehouse storage with an original term of more than one year:

The Group	2015 $'000	2014 $'000
Not later than one year	**101**	120
Later than one year but not later than five years	**232**	306
Later than five years	**29**	72
	362	498

The operating leases expire between May 2016 and August 2021 and contain renewal options.

Where Group is the lessor

At the reporting date, the Group had the following rentals receivable under non-cancellable operating leases related to investment properties:

The Group	2015 $'000	2014 $'000
Not later than one year	**8,387**	7,885
Later than one year but not later than five years	**10,349**	14,431
Later than five years	**982**	1,902
	19,718	24,218

The operating leases expire between January 2016 and February 2022 and contain option to renew by the lessee for an additional 2 – 5 years and a rate mutually agreed between the lessor and the lessee.

31 Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following are transactions with related parties made at terms agreed between the parties:

The Group	2015 $'000	2014 $'000
Short-term employee benefits	**598**	589
CPF contributions	**43**	45
	641	634

31 Significant related party transactions (Continued)

These employees are Teo Hong Hee[1], Teo Kok Thye, Loh Kwang Chew, Cheong Kwai Fun, Phua Lay Leng. Teo Hong Hee is sibling of three of our Executive Directors, namely Teo Hong Lim, Chris Teo Hong Yeow and Michael Teo Hong Wee (the "Executive Directors"). Teo Kok Thye and Loh Kwang Chew are the uncles of the Executive Directors. Cheong Kwai Fun and Phua Lay Leng are cousins of the Executive Directors.

1 Mr Teo Hong Hee is a key management personnel and his remuneration is disclosed under the key management personnel (Note 26).

32 Financial risk management

The Company has documented financial risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include: credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance. The Group uses financial instruments such as interest rate swaps to hedge certain risk exposures.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

The Group	Available-for-sale $'000	Loans and receivable $'000	Derivative Financial liabilities $'000	Other liabilities (carried at amortised cost) $'000	Total $'000
2015					
Financial assets					
Available-for-sale financial assets	1,447	–	–	–	1,447
Other assets	–	57,732	–	–	57,732
Cash and bank balances	–	395,011	–	–	395,011
	1,447	452,743	–	–	454,190
Financial liabilities					
Borrowings	–	–	–	807,734	807,734
Trade and other payables	–	–	6,302	90,249	96,551
	–	–	6,302	897,983	904,285

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32 Financial risk management (Continued)

The Group	**Available-for-sale $'000**	**Loans and receivable $'000**	**Derivative Financial liabilities $'000**	**Other liabilities (carried at amortised cost) $'000**	**Total $'000**
2014					
Financial assets					
Available-for-sale financial assets	1,574	–	–	–	1,574
Other assets	–	108,851	–	–	108,851
Cash and bank balances	–	415,344	–	–	415,344
	1,574	524,195	–	–	525,769
Financial liabilities					
Borrowings	–	–	–	917,262	917,262
Trade and other payables	–	–	3,899	71,757	75,656
	–	–	3,899	989,019	992,918

The Company	**Loans and receivable $'000**	**Other liabilities (carried at amortised cost) $'000**	**Total $'000**
2015			
Financial assets			
Other assets	**243,851**	**–**	**243,851**
Cash and bank balances	**228,342**	**–**	**228,342**
	472,193	**–**	**472,193**
Financial liabilities			
Borrowings	**–**	**104,848**	**104,848**
Trade and other payables	**–**	**360,835**	**360,835**
	–	**465,683**	**465,683**
2014			
Financial assets			
Other assets	196,262	–	196,262
Cash and bank balances	105,334	–	105,334
	301,596	–	301,596
Financial liabilities			
Borrowings	–	4,000	4,000
Trade and other payables	–	256,992	256,992
	–	260,992	260,992

32 Financial risk management (Continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Company or the Group to incur a financial loss. The Company's and the Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. The Group closely monitors and avoids any significant concentration of credit risk on any of its development properties sold. Contractual deposits are collected and scheduled progress payments are received from the buyers when due. Title to properties is only transferred upon full settlement. In addition, receivable balances and payment profile of the debtors are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the reporting date, other than as disclosed in Notes 10, 13 and 14, no allowances for impairment is necessary in respect of trade and other receivables past due and not past due.

At the reporting date there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Significant concentrations of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. As at 31 December 2015 and 2014, the Group and the Company does not have any significant concentrations of credit risk.

(i) Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy companies or individuals with a good payment record with the Group and the Company. Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings and no history of default.

(ii) Financial assets that are past due but not impaired

There are no other class of financial assets that is past due but not impaired except for trade and other receivables.

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32 Financial risk management (Continued)

Credit risk (Continued)

Exposure to credit risk

The Company has provided financial guarantees to banks in respect of banking facilities amounting to **$1,094,478,000** (2014: $1,456,197,000) granted to subsidiaries and associates. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

The cash and cash equivalents are held with banks of good credit ratings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises from its variable rate bank loans and fixed deposits.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates on variable rate bank loans and swap agreement and a change of 10 basis points (bp) in interest rates on fixed deposits at the reporting date would have increased/(decreased) profit or loss before tax and equity by the amounts shown below.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit before tax – increase/(decrease)		Equity – increase/(decrease)	
The Group	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**
At 31 December 2015				
Fixed deposits	**266**	**(266)**	**266**	**(266)**
Variable rate bank loans	**(4,232)**	**4,232**	**(4,232)**	**4,232**
	(3,966)	**3,966**	**(3,966)**	**3,966**
At 31 December 2014				
Fixed deposits	171	(171)	171	(171)
Variable rate bank loans	(5,677)	5,677	(5,677)	5,677
	(5,506)	5,506	(5,506)	5,506

* Fixed deposits

Variable rate bank loans and swap agreement

32 Financial risk management (Continued)

Interest rate risk (Continued)

The Company	Profit before tax – increase/(decrease) 10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000	Equity – increase/(decrease) 10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000
At 31 December 2015				
Fixed deposits	**181**	**(181)**	**181**	**(181)**
Variable rate bank loans	**(434)**	**434**	**(434)**	**434**
	(253)	**253**	**(253)**	**253**
At 31 December 2014				
Fixed deposits	85	(85)	85	(85)
Variable rate bank loans	(40)	40	(40)	40
	45	(45)	45	(45)

* Fixed deposits

\# Variable rate bank loans and swap agreement

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group is exposed to currency risk on financial assets and financial liabilities that are denominated in a currency other than the respective functional currencies of Group entities. The currencies that give rise to foreign currency risk are: Australian dollar ("AUD"), Indonesian rupiah (IDR) and Malaysian ringgit ("MYR").

A 5% strengthening of the above currencies against the functional currencies of the respective Group entities at the reporting date would have increased equity and profit or loss before tax as follows:

The Group	2015 $'000	2014 $'000
Australian dollar	**(2,176)**	–
Indonesia rupiah	**(149)**	–
Malaysian ringgit	**878**	969
	(1,447)	969

32 Financial risk management (Continued)

Currency risk (Continued)

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects. A 5% weakening of the above currencies against the functional currencies of the respective Group entities would have had the equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

In prior years, the Group did not have currency risk as all of the Group's business activities were carried out in their respective functional currencies.

To economically manage the exposure to foreign currency and interest rate risks, the Group has obtained a cross currency interest rate swap to exchange variable interest payment and principal amount in Australian dollars for fixed rate and principal amount in Singapore dollars with the same payment term, payment date, maturity date and notional amount. At the reporting date, the estimated sensitivity of the net fair value of derivatives to a 25 basis point increase in interest rate coupled with a 5% appreciation of the Australian dollar or a 25 basis point decrease in interest rate coupled with a 5% depreciation of the Australian dollar would result in fair value gain of approximately **$2,878,000** (2014: $3,261,000) or a fair value loss of approximately **$2,854,000** (2014: $3,259,000), respectively.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

Market price risk arises from available-for-sale equity securities.

Market price sensitivity analysis

All of the Group's and the Company's equity investments are listed on the Singapore Exchange. For such investments classified as available-for-sale, a 5% increase in the STI at the reporting date would have increased the Group's and the Company's equity by **$62,000** after tax (2014: $66,000); an equal change in the opposite direction would have decreased the Group's and the Company's equity by **$62,000** after tax (2014: $66,000).

Liquidity risk

Liquidity risk is the risk that the Company or the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

32 Financial risk management (Continued)

Liquidity risk (Continued)

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows.

The Group	Carrying amount $'000	Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
		······· Contractual undiscounted cash flows ·······			
As at 31 December 2015					
Bank loans (Note 19)	**747,734**	**806,111**	**270,234**	**463,891**	**71,986**
Multi-currency debt (Note 19)	**60,000**	**66,879**	**2,700**	**64,179**	**–**
Trade and other payables (Note 21 and 22)	**90,249**	**90,249**	**90,249**	**–**	**–**
Foreign exchange and interest rate swap (Note 22)					
– outflow	**6,302**	**70,194**	**1,683**	**68,511**	**–**
– inflow	**–**	**(63,941)**	**(2,271)**	**(61,670)**	**–**
	904,285	**969,492**	**362,595**	**534,911**	**71,986**

The Group	Carrying amount $'000	Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
		······· Contractual undiscounted cash flows ·······			
As at 31 December 2014					
Bank loans (Note 19)	917,262	978,203	296,311	611,816	70,076
Trade and other payables (Note 21 and 22)	71,757	71,757	71,757	–	–
Foreign exchange and interest rate swap (Note 22)					
– outflow	3,899	67,854	1,589	66,265	–
– inflow	–	(70,983)	(2,727)	(68,256)	–
	992,918	1,046,831	366,930	609,825	70,076

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32 Financial risk management (Continued)

Liquidity risk (Continued)

The Company	Carrying amount $'000	Contractual undiscounted cash flows: Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 31 December 2015					
Bank loans (Note 19)	**44,848**	**45,142**	**45,142**	**–**	**–**
Multi-currency debt (Note 19)	**60,000**	**66,879**	**2,700**	**64,179**	**–**
Trade and other payables (Note 21 and 22)	**360,835**	**360,835**	**360,835**	**–**	**–**
	465,683	**472,856**	**408,677**	**64,179**	**–**
As at 31 December 2014					
Bank loans (Note 19)	4,000	4,006	4,006	–	–
Trade and other payables (Note 21 and 22)	256,992	256,992	256,992	–	–
	260,992	260,998	260,998	–	–

It is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

The Company has a multi-currency debt issuance programme, under which it may issue notes of up to S$500 million and as of 31 December 2015, S$440 million remains unutilised. Under this Programme, notes issued by the Company may have varying maturities as agreed with the relevant financial institutions.

At the reporting date, the Company does not consider it probable that a claim will be made against it under the intragroup financial guarantees. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called and disclosed as follows:

The Company	Carrying amount $'000	Contractual undiscounted cash flows: Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 31 December 2015					
Financial guarantees	**1,094,478**	**1,094,478**	**1,094,478**	**–**	**–**
As at 31 December 2014					
Financial guarantees	1,456,197	1,456,197	1,456,197	–	–

33 Fair value measurement

Definition of fair value

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market date.

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis.

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2015				
Financial assets				
Available-for-sale financial assets	**1,447**	**–**	**–**	**1,447**
Financial Liabilities				
Cross currency interest rate swap	**–**	**6,302**	**–**	**6,302**
31 December 2014				
Financial assets				
Available-for-sale financial assets	1,574	–	–	1,574
Financial Liabilities				
Cross currency interest rate swap	–	3,899	–	3,899

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33 Fair value measurement (Continued)

Definition of fair value (Continued)

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2015				
Investment properties	**–**	**–**	**179,768**	**179,768**
31 December 2014				
Investment properties	–	–	175,663	175,663

Fair value measurement of financial assets

Available for sale financial assets

The fair value of quoted equity securities is determined by reference to their quoted closing bid price at the reporting date.

Cross currency interest rate swap

The fair value of cross currency interest rate swap is determined based on valuation derived from market quotations or from proprietary models that take into consideration estimates about relevant present and future market conditions as well as the size and liquidity of the position and any related actual or potential hedging instrument.

Bank loans

The carrying amounts of the bank loans, repayable within one year or less, or on demand and whose interest rates are re-priced within 12 months, approximate their fair value.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year, (trade and other receivables, trade and other payables, and amounts owing by/(to) related parties) approximate their fair values because of the short period to maturity.

33 Fair value measurement (Continued)

Fair value measurement of non-financial assets

Valuation technique and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Inter-relationship between key unobservable inputs and fair value measurement	Significant unobservable inputs
The Group used the direct comparison method for investment properties located in Singapore and both the discounted cash flows method and capitalisation method for investment property located overseas.	The estimated fair value would increase (decrease) if:	
	Price per square meter was higher (lower);	Price per square meter: – 2015: $18,300 to $40,900 – (2014: $28,600 to $40,000)
The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation method takes into consideration the estimated net rent at a capitalisation rate applicable to the nature and type of asset in question. The discounted cash flows method considers the present value of net cash flows to be generated from the property, taking into account expected rental growth, renewal, vacancy period, capital expenditure, terminal yield and discount rate.	Expected average rental growth was higher (lower);	Expected average rental growth: – 2015: 3.7% – (2014: 3.6%)
	Renewal probability was higher (lower);	Renewal probability: – 2015: 50% – (2014: 50%)
	Vacancy period was shorter (longer);	Vacancy period: average (in months) – 2015: 10.5 – (2014: 10.5)
	Capital expenditure was lower (higher);	Capital expenditure (of gross income): – 2015: 1.25% – (2014: 1.25%)
	Terminal yield was lower (higher);	Terminal yield: – 2015: 8.0% – (2014: 8.4%)
	Discount rate was lower (higher);	Discount rate: – 2015: 7.7% – (2014: 8.5%)
	Capitalisation rate was lower (higher).	Capitalisation rate: – 2015: 7.5% – (2014: 8.2%)

NOTES TO THE FINANCIAL STATEMENTS

33 Fair value measurement (Continued)

Fair value measurement of non-financial assets (Continued)

Valuation technique and significant unobservable inputs (Continued)

Level 3: fair value measurements

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

	Investment properties	
	2015	**2014**
The Group	**$'000**	**$'000**
Balance at 1 January	**175,663**	67,987
Additions	**–**	111,735
Transfer from property, plant and equipment	**507**	–
Increase in fair value gain of investment properties	**8,388**	4,267
Effect of movement in foreign currency	**(4,790)**	(8,326)
Balance at 31 December	**179,768**	175,663

34 Capital management

The Group's and Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as a going concern;

(b) To support the Group's and the Company's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group and the Company regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group's and the Company's capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company have adopted a dividend policy with a view of paying dividends, on a half-yearly basis, of at least 50% of the net operating profits attributable to the Group's and the Company's business of hotel ownership and provision of hotel accommodation services subject to certain factors.

The Board of Directors monitors capital based on the net debt to adjusted net assets value ratio. Net debt comprises total borrowings less cash and cash equivalents. Adjusted net assets value comprises total equity and the excess of the fair values of the Group's hotel and office premises over their net book values. The Group's hotel and office premises are measured at historical cost. For the purpose of capital management, the fair values of the Group's hotel and office premises are used. The fair value of the hotel and office premises is determined by an independent firm of professional valuers.

There were no changes in the Group's and the Company's approach to capital management during the year.

34 Capital management (Continued)

The Company and its subsidiaries are not subject to externally imposed capital requirements.

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Total borrowings (Note 19)	**807,734**	917,262	**104,848**	4,000
Less: Cash and cash equivalents (Note 16)	**(312,983)**	(415,316)	**(146,342)**	(105,334)
Net debt (A)	**494,751**	501,946	**(41,494)**	(101,334)
Equity attributable to owners of the Company	**457,581**	400,338	**118,558**	88,042
Excess of fair values of hotel and office premises over net book values	**463,421**	460,356	–	–
Adjusted net assets value (B)	**921,002**	860,694	**118,558**	88,042
Net debt to adjusted net assets value ratio (times) (A)/(B)	**0.54**	0.58	*	*

* Not presented as the Company has net cash.

35 Dividends

The Group	**2015 $'000**	**2014 $'000**
Final dividend paid in respect of FY2014 (2014: FY2013) of 1.297 cents (2014: 1.297 cents) per share	**15,480**	15,480
Interim dividend paid in respect of FY2015 (2014: FY2014) of 0.616 cents (2014: 0.616 cents) per share	**7,352**	7,352
	22,832	22,832

The Company proposed a final dividend of 1.297 cents per share tax exempt one tier in respect of the financial year ended 31 December 2015. The proposed final dividend, which has not been provided for, is subject to the approval of shareholders.

SHAREHOLDINGS STATISTICS

AS AT 29 FEBRUARY 2016

Issued and Fully Paid-Up Capital	–	S$47.399 million
Number of Shares	–	1,193,549,994
Class of Shares	–	Ordinary
Voting Rights	–	One Vote Per Share

Distribution of Shareholdings as at 29 February 2016

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	18	1.29	606	0.00
100 – 1,000	69	4.96	40,155	0.00
1,001 – 10,000	392	28.18	2,108,212	0.18
10,001 – 1,000,000	908	65.28	52,915,946	4.43
1,000,001 and above	4	0.29	1,138,485,075	95.39
Total	**1,391**	**100.00**	**1,193,549,994**	**100.00**

Percentage of shareholdings in the hands of public (Public Float)

As at 29 February 2016, approximately 22.22% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Twenty Largest Shareholders

List of 20 Largest Shareholders as at 29 February 2016

NO.	NAME	NO. OF SHARES	%
1	KIAN LAM INVESTMENT PTE LTD	448,473,750	37.57
2	SEN LEE DEVELOPMENT PTE LTD	132,993,750	11.14
3	TEO HONG LIM	128,830,625	10.79
4	UNITED OVERSEAS BANK NOMINEES	54,707,875	4.58
5	HONG LEONG FINANCE NOMINEES PL	41,621,678	3.49
6	CHEONG FUNG FAI	35,923,750	3.01
7	SUTANTIO	35,546,250	2.98
8	TJANDRAWATI	33,678,750	2.82
9	OCBC SECURITIES PRIVATE LTD	28,212,000	2.36
10	TEO HONG HEE(1)	24,712,500	2.07
11	LIM SWEE HAH	18,675,000	1.56
12	CIMB SEC (S'PORE) PTE LTD	16,825,376	1.41
13	MAYBANK KIM ENG SECS PTE LTD	14,963,050	1.25
14	TEO HONG YEOW(2)	10,991,875	0.92
15	RAFFLES NOMINEES (PTE) LTD	10,143,275	0.85
16	BANK OF S'PORE NOMS PTE LTD	9,524,900	0.80
17	CHEONG KWAI FUN (ZHANG GUIFEN)	9,393,750	0.79
18	SIN HENG CHAN INVESTMENTS PTE LTD	7,500,000	0.63
19	TEO HONG WEE(3)	7,313,750	0.61
20	LIM BEE YONG	6,647,500	0.56
	TOTAL	**1,076,679,404**	**90.19**

(1) Excludes Mr Teo Hong Hee's 3,000,000 shares registered in the name of a nominee.

(2) Excludes Mr Teo Hong Yeow's 17,760,000 shares registered in the name of nominees.

(3) Excludes Mr Teo Hong Wee's 28,000,000 shares registered in the name of a nominee.

SHAREHOLDINGS STATISTICS

AS AT 29 FEBRUARY 2016

Substantial shareholders as shown in the Register of Substantial Shareholders as at 29 February 2016

	Number of Shares			
Substantial shareholders	**Direct Interest**	**%**	**Deemed Interest**	**%**
Kian Lam Investment Pte Ltd[(1)]	448,473,750	37.57	132,993,750	11.14
Sen Lee Development Private Limited	132,993,750	11.14	–	–
Teo Hong Lim[(2)(3)]	128,830,625	10.79	591,820,000	49.58
Sutantio[(4)]	35,546,250	2.98	33,678,750	2.82
Tjandrawati[(4)]	33,678,750	2.82	35,546,250	2.98

Notes:

(1) Kian Lam Investment Pte Ltd ("**Kian Lam**") holds more than 50% of the issued share capital of Sen Lee Development Private Limited ("**Sen Lee**") and is deemed to be interested in the shares of the Company held by Sen Lee.

(2) Teo Hong Lim holds more than 20% of the issued share capital of Kian Lam. In this respect, pursuant to Section 7 of the Companies Act, Cap. 50, Teo Hong Lim is deemed to be interested in the shares of the Company held by Kian Lam and Sen Lee.

(3) 10,352,500 shares held by Teo Hong Lim are registered in the name of nominees.

(4) Sutantio is the husband of Tjandrawati. Each of them is deemed to be interested in the shares held by each other.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Roxy-Pacific Holdings Limited (the "**Company**") will be held at Frankel Room, 3rd Floor, Grand Mercure Roxy Hotel, Marine Parade Road, Roxy Square, Singapore 428769 on Monday, 4 April 2016 at 10:00 a.m. for the following purposes:–

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final dividend (tax exempt one-tier) of SGD 0.01297 per ordinary share for the financial year ended 31 December 2015. **(Resolution 2)**

3. To approve Directors' fee of S$199,320 (2015: S$199,320) for the financial year ending 31 December 2016 and the payment thereof on a quarterly basis. **(Resolution 3)**

4. To re-elect Mr Teo Hong Yeow Chris, a Director retiring under Article 103 of the Constitution of the Company. **(Resolution 4)**

5. To re-elect Mr Hew Koon Chan, a Director retiring under Article 103 of the Constitution of the Company. **(Resolution 5)**

   Mr Hew Koon Chan will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Risk Management Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST). He will remain as the Lead Independent Director and as a member of the Nominating and the Remuneration Committee.

6. To re-appoint Foo Kon Tan LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

Note:

Detailed information on these Directors can be found under 'Board of Directors' and 'Statement of Corporate Governance Report' in the Company's Annual Report 2015.

AS SPECIAL BUSINESS

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

7. **Authority to allot and issue shares**

   "That pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**"), and the listing rules of the SGX-ST, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (a) (i) Issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) Make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

NOTICE OF ANNUAL GENERAL MEETING

(iii) Issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (Notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force; provided always that:

(i) The aggregate number of shares to be issued pursuant to this resolution (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 total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued shares excluding treasury shares, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

(a) New shares arising from the conversion or exercise of convertible securities, or

(b) New shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

(c) Any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) Such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier." **(Resolution 7)**
(See Explanatory Note 1)

8. **Proposed renewal of the Share buyback mandate**

"That approval be and is hereby given:–

(a) For the purposes of Sections 76C and 76E of the Companies Act, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire shares in the capital of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:–

(i) An on-market share acquisition ("**On-Market Purchase**") transacted on the **SGX-ST** trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or

(ii) Off-market share acquisition ("**Off-Market Purchase**") pursuant to an equal access scheme(s) as may be determined or formulated by the Directors in their discretion, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise be in accordance with all other laws and other regulations and rules of the SGX-ST.

(the "**Share Buy Back Mandate**");

NOTICE OF ANNUAL GENERAL MEETING

(b) Unless varied or revoked by the Company in general meeting, the Directors of the Company be authorised to exercise the authority conferred on them pursuant to the Share Buy Back Mandate at any time and from time to time, during the period commencing from the date of passing of this resolution and expiring on the earliest of:

(i) The date on which the next annual general meeting of the Company is held or required by law to be held; or

(ii) The date on which the authority contained in the Share Buy Back Mandate is revoked or varied by the Company in general meeting, whichever is the earlier; or

(iii) The date on which the share buy backs are carried out to the full extent of the Share Buy Back Mandate; and

(c) The Directors of the Company and/or any of them be and is hereby authorised to do such acts and things (including, without limitation, enter into all transactions, arrangements and agreements and executing such documents) as they and/or he may consider necessary or expedient to give effect to this resolution.

In this resolution:–

"**Maximum Limit**" means that number of Shares representing 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act at any time during the Relevant Period (as defined below), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered. Any of the Shares held by the Company as treasury shares shall be disregarded for purposes of computing the 10% limit of the issued ordinary share capital of the Company.

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the price paid per Share which does not exceed 105% of the average of the closing market prices of the Shares over the last 5 market days, on which transactions in the Shares were recorded, before the day on which the purchases are made and deemed to be adjusted for any corporate action which occurs after the relevant 5-day period.

"**Relevant Period**" means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting.

The Maximum Price shall apply to both On-Market Purchases and Off-Market Purchases and shall exclude brokerage fees, commission, stamp duties payable, applicable goods and services tax, clearance fees and other related expenses.

(Resolution 8)
(See Explanatory Note 2)

9. **Any Other Business**

To transact any other business that may be properly transacted at the Annual General Meeting.

BY ORDER OF THE BOARD

Koh Seng Geok
Executive Director and Company Secretary

Singapore, 18 March 2016

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes on Special Business to be transacted:

1. Resolution 7, if passed, will empower the Directors of the Company from the date of the above meeting until the conclusion of the next Annual General Meeting, or the day by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares and convertible securities, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to an amount not exceeding in aggregate fifty per cent (50%) of the total number of issued shares (excluding treasury shares) of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

   For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

2. Resolution 8, if passed, will empower the Directors of the Company from the date of the above meeting until the conclusion next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by the law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to repurchase its own ordinary shares by way of market purchases and/or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price (as defined in the Ordinary Resolution). The rationale for, authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy Back Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015 are set out in greater detail in the Letter to Shareholders attached.

Notes:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

2. A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two proxies to attend, speak and vote at the meeting.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy must be lodged at the registered office of the Company at 50 East Coast Road #B1-18, Roxy Square, Singapore 428769 at least 48 hours before the time appointed for the Annual General Meeting.

5. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the Annual General Meeting if he so wishes. Any appointment of a proxy or proxies shall be deemed to revoked if a member attends the Annual General Meeting in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By submitting an instrument 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) 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.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Roxy-Pacific Holdings Limited (the "Company") will be closed on 11 April 2016 after 5:00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd. of 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721 up to 5:00 p.m. on 11 April 2016 will be registered to determine shareholders' entitlements to the proposed final dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 11 April 2016 will be entitled to the abovementioned dividend.

Payment of the proposed dividend, if approved by the shareholders at the Annual General Meeting to be held on 4 April 2016 will be paid on 21 April 2016.

BY ORDER OF THE BOARD

Koh Seng Geok
Executive Director and Company Secretary

Singapore, 18 March 2016

ROXY-PACIFIC HOLDINGS LIMITED

Co. Registration No. 196700135Z
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the Meeting and vote.
2. For investors who have used their CPF moneys to buy shares in Roxy-Pacific Holdings Limited, this Annual Report is forwarded to them at the request of the CPF Approved Nominees.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ________________________________ (Name) ________________ (NRIC/Passport Number)

of ____ (Address)

being *a member/members of ROXY-PACIFIC HOLDINGS LIMITED (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)
*and/or (delete as appropriate)			

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 Frankel Room, 3rd Floor, Grand Mercure Roxy Hotel, Marine Parade Road, Roxy Square, Singapore 428769 on Monday, 4 April 2016 at 10:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting in the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

Please indicate your vote "For" or "Against" with a tick [√] within the box provided

No.	Ordinary Resolutions	No. of Votes or indicate with a tick[1]	
		For	Against
	Ordinary Business		
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2015 and the Auditor's Report thereon.		
2.	To declare a final dividend (tax exempt one-tier) of SGD 0.01297 per ordinary share for the financial year ended 31 December 2015.		
3.	To approve Directors' fee of S$199,320 (2015: S$199,320) for the financial year ending 31 December 2016 and the payment thereof on a quarterly basis.		
4.	To re-elect Mr Teo Hong Yeow Chris, a Director retiring under Article 103 of the Constitution of the Company.		
5.	To re-elect Mr Hew Koon Chan, a Director retiring under Article 103 of the Constitution of the Company.		
6.	To re-appoint Foo Kon Tan LLP as Auditor of the Company and to authorise the Directors to fix their remuneration.		
	Special Business		
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		
8.	To renew the Share Buy Back Mandate.		

[1]All resolutions would be put to vote by poll in accordance with listing rules of the Singapore Exchange Securities Limited.
Please tick "√" or indicate the number of votes within the box provided. A tick would represent you are exercising all your votes "For" or "Against" the relevant resolution.

Dated this __________ day of __________________ 2016

Total Number of Shares Held

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

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. A member of the Company (other than a relevant intermediary as defined in Section 181 of the Companies Act, Cap.50) is entitled to attend and vote at the meeting and is entitled to appoint not more than two proxies to attend and vote on his stead. Such proxy need not be a member of the Company.
2. A relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the meeting and vote.
3. Where a member of the Company appoints more than one proxy in a proxy form, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
5. This instrument appointing a proxy or proxies must be under the hand of the appointer 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.
6. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its Articles of the Constitution of the Company and Section 179 of the Companies Act, Chapter 50 of Singapore.
7. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 50 East Coast Road #B1-18, Roxy Square, Singapore 428769 not later than 48 hours before the time set for the meeting.
8. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf 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 of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
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. In addition, 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 Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
10. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.
11. Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

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Affix
Postage
Stamp

The Company Secretary
ROXY-PACIFIC HOLDINGS LIMITED
50 East Coast Road #B1-18
Roxy Square
Singapore 428769

fold here

Roxy-Pacific
Holdings Limited

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Website: **www.roxypacific.com.sg**