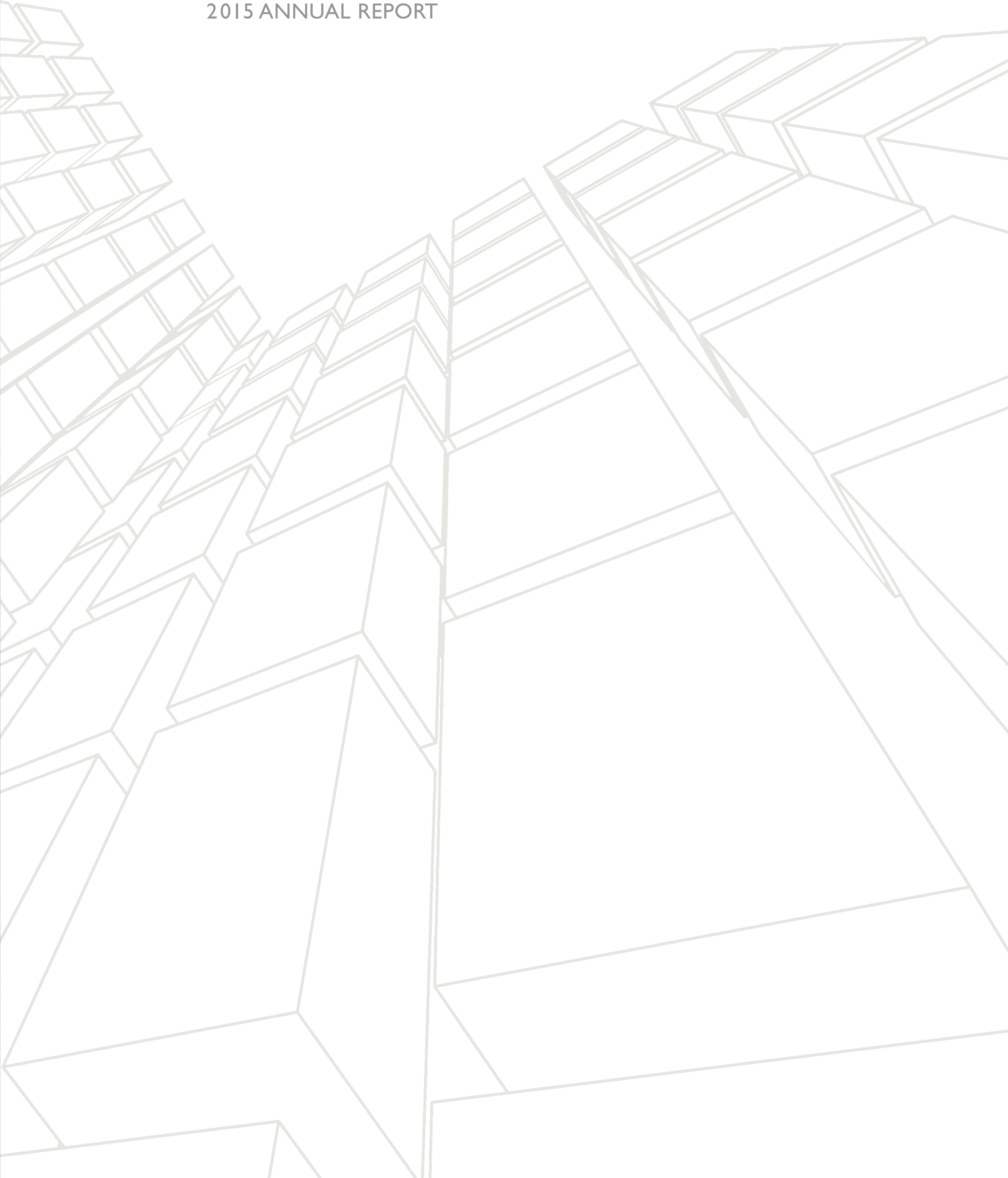
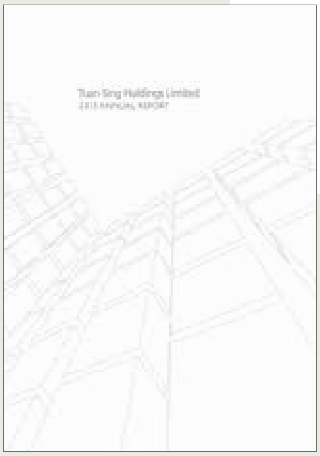
Tuan Sing Holdings Limited

2015 ANNUAL REPORT



"Great Perspective For Growth"



DESIGN CONCEPT
for this year's Annual Report

With eyes to the future, the design of this cover aims to communicate the long-term plans the Company has for its sustainable growth. Its ability to go beyond the horizon and to plan well ahead has placed the Company in a unique position to chart its destination. The clean lines and generous white space here reflect the understated elegance and attention to details that embody the Company's philosophy.

Visit ***www.tuansing.com*** or scan this QR Code with your smart phone to learn more about Tuan Sing.
You will need to download a QR code scanner on your mobile phone in order to use this feature.

Financial data in this report are stated in Singapore dollars unless otherwise indicated.

All information in this annual report is available for downloading as PDF files, in full or by sections, at our website. In addition, our website contains financial information for downloading in Excel format and hyperlinks to other web pages which might be of interest to you. Quarterly financial results, webcasts, PowerPoint slides and announcements are also available at our website.

OUR VISION

Creating a Clear Distinction

追求卓越，创建非凡

OUR MISSION

Be a "**Nucleus of Growth**", developing and strengthening core businesses to create value for all stakeholders

励精图治，增值共享

INSIDE OUR REPORT

INSIDE OUR REPORT

COMPANY AND STRATEGY

to provide an overview direction of our company

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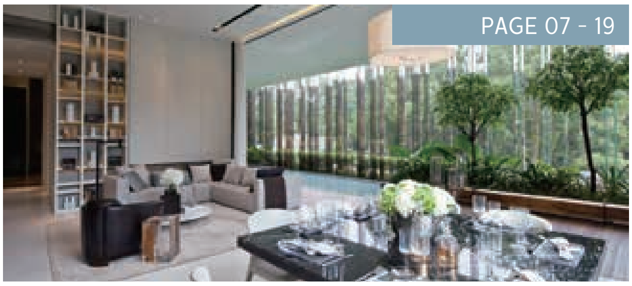
HIGHLIGHTS OF THE YEAR

summary of key performance in 2015



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CORPORATE STEWARDSHIP

how our Board and key management lead from the front

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MANAGEMENT DISCUSSION AND ANALYSIS

how we set out to create value and how we perform during the year

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SUSTAINABILITY REPORT

how we balance social responsibility with commercial viability

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CORPORATE INFORMATION
practical information for shareholders

CORPORATE GOVERNANCE
how we are committed to high standards of corporate governance to support long-term value creation

STATUTORY REPORTS AND ACCOUNTS
including audited financial statements and supporting notes which form statutory accounts for the year

ONLINE INFORMATION

To keep shareholders up-to-date, we have comprehensive financial and company information on our website which is accessible, 24 hours a day.

Announcements

Quarterly Results
Statutory Results
Press release
Presentation
Webcast

Dividend Policy
Scrip Dividend Scheme

Key Financials
5-Year Financials
Portfolio Highlights
5-Year Performance
5-Year Segment Review

Investor Guide

Financial Calendar

Shareholder Circulars

Investor Contact
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Annual Reports

Corporate Governance
Whistle-Blowing Policy

Stock Information
Stock Fundamentals
Stock Quotes
Historical Price
Investment Calculator

*Get more information on our Company at **http://www.tuansing.com** or scan this QR Code with your smart phone.*

COMPANY AND STRATEGY

OUR CORPORATE PROFILE

Tuan Sing Holdings Limited was established in 1969 as “Hytex Limited” and listed on the Mainboard of the Singapore Stock Exchange in 1973. It adopted its current name in 1983. Tuan Sing has interest mainly in property development, property investment and hotel ownership. Headquartered in Singapore, the Group has over 60 subsidiaries and associates serving a broad spectrum of customers through its workforce across the region.

集团概况

传慎控股成立于1969 年，前身为Hytex并于1973年在新加坡股票交易所主板上市。目前的名字自1983年起被采用。传慎专注于房地产开发，房地产投资及酒店投资。总部设在新加坡，集团目前拥有超过60间子公司和联营公司，通过覆盖本区域多个国家的员工团队，为广大客户提供服务。

OUR VALUE STATEMENT

Driving with Discipline in Our Field

EXCELLENCE	INTEGRITY	TEAMWORK	ATTITUDE
Strive for excellence and continuous innovation	Conduct our business with integrity at all times	Teamwork and communication	Humility, care and hardwork

OUR BUSINESS STRATEGY

Seizing Opportunities to Drive Our Success

- Strengthen the “Tuan Sing” brand presence
- Deliver architecturally inspiring developments
- Acquire land bank in a disciplined manner
- Grow businesses across geographies and property segments
- Diversify property portfolio to enhance stability of earnings

OUR COMPETITIVE EDGE

Building Unique Strengths to Leverage Our Advantages

- Proven track record and reputation associated with award-wining projects
- Demonstrated ability to deliver unique and high quality projects
- Hotel properties offer strategic location and unique strength
- A wide range of property portfolio
- Experienced and committed Board of Directors and management team

COMPANY AND STRATEGY

OUR BUSINESS PHILOSOPHY

Creating Long-Term Sustainable Value for All Stakeholders

To Our Investors: To generate sustainable and long-term returns	**How do we create value?** - Maintain profitability with reduced volatility - Strategic use of capital to enhance shareholders' return - Ensure good corporate governance and sound risk management
To Our Employees: To engage and inspire each to achieve their fullest potential and to take care of their well-being and work-family balance	**How do we create value?** - Safe work environment - Career growth and development opportunities - Competitive compensation
To Our Customers: To enlighten them through delivering quality products and services closest to their needs and requirements	**How do we create value?** - Innovative and quality products with competitive pricing - Product responsibility and focus on the development of green buildings - Quality customer service, including reliability and sales persons' knowledge
To Our Business Partners: To treat them fairly and as equal partners so to grow together with them	**How do we create value?** - Uphold the principles of ethical marketing and fair competition - Proactive engagement of contractors and suppliers on quality of works - Strong relationships with business partners and clients
To Our Community: To act responsibly and to contribute to the needs of the communities where we operate	**How do we create value?** - Strike a balance between economic objectives and environmental sustainability - Continual improvement on environmental, health and safety practices - Economic and social contributions, including jobs, local procumbent, taxes and community engagement

Grand Hyatt Melbourne clinched "Best Marketed Hotel – Accommodation Division" in the 2015 Australian Hotels Association ("AHA") National Awards for Excellence.

Joyfully celebrating Chinese New Year at Robinson Point Building.

HIGHLIGHTS OF THE YEAR

DELIVERING OUR STRATEGY

Meeting Challenges, Developing Solutions, Shaping The Future

"Our objective is to deliver sustainable long-term value for all our shareholders."

Cluny Park Residence: where the grass is truly green.

Growth in Underlying Profitability

- Revenue grew 91% to $677.1 million and profit after tax increased by 12% to $69.1 million
- All business segments were profitable, led by Property and Hotels Investment

Enhanced Earnings Stability

- Hotels investment businesses started to contribute meaningfully to both top line and bottom line which highlighted our right decision to acquire full ownership of Grand Hotel Group ("GHG") in 2014
- Core assets (development portfolio, investment portfolio and hotel portfolio) constituted majority of the Group's total asset base of $2,162.5 million at end-December 2015
- Focused on maintaining a diversified property portfolio to achieve greater balance in revenue and profitability stream

Strengthened Financial Position

- Managed cash flow proactively and reduced financial debt
- Improved loan maturity profile and competitively priced refinancing
- Maintained capital structure which taking cognizance of a balance between performance, leverage risk and flexibility

Delivered Shareholders Value

- Shareholders' funds grew 9% to $876.8 million, and net assets value per share increased in tandem to 74.4 cents
- Recommended dividend for the year 0.6 cent, up 20%; total dividend payout amounts to $7.1 million
- Proposed share repurchase program to optimise capital structure when opportunities arise

HIGHLIGHTS OF THE YEAR

KEY EVENTS

Unlocking Potential to Build a Better Future

"Together we are building a Tuan Sing that is strong enough to meet the challenges of the future."

OUR GROWTH TRACK RECORD

2011

- Awarded tender for Sennett site and completed the acquisition of Cluny Park site.
- Secured land plot in Jiaozhou, China.
- GHG completed its A$70 million refurbishment programme for Grand Hyatt Melbourne and Hyatt Regency Perth.

2012

- Launched Seletar Park Residence.
- All the 32 units of Mont Timah project were sold out.
- Announced the redevelopment of Robinson Towers, its annex and the immediately adjacent International Factors Building as a single commercial development.

2013

- Established S$900 million Multicurrency Medium Term Note ("MTN") Programme.
- Launched Sennett Residence.
- Soft-launched Cluny Park Residence.
- Completed acquisition of Robinson Point.

2014

- Launched Cluny Park Residence.
- Launched the inaugural bond issue which attracted a book order of $270 million and $80 million, 4.50% p.a. coupon rate, 5-year tenor bonds were issued.
- Acquired the remaining 50% stake in GHG, hence GHG became wholly-owned subsidiary as from 2 December 2014.
- Tuan Sing ranked the 10th amongst 644 listed companies in the Governance & Transparency Index 2014.

2015

- Robinson Point has been fully leased under various leases ending in years 2017/18 following the end of lease of a major tenant in 2015.
- Obtained Temporary Occupation Permit ("TOP") for Seletar Park Residence.
- Seletar Park Residence & Sennett Residence combined had been more than 95% sold; Cluny Park Residence had been about 50% sold.
- GulTech took steps to rationalise its structure by acquiring the remaining 38.6% shareholding it did not already own in Gultech Suzhou from an interested party; completion of the transaction is in February 2016.
- Tuan Sing ranked the 10th amongst 639 listed companies in the Governance & Transparency Index 2015.

HIGHLIGHTS OF THE YEAR

KEY FIGURES

Revenue

$677.1 M

Almost doubled attributable to property operations and full year consolidation of wholly-owned GHG

Total Assets

$2,162.5 M

Decreased 6% due to lower cash and bank balances and lower carrying amount of development properties

Total Borrowings

$1,106.3 M

Decreased 18% attributable to repayment of development project loans

Profit Before Tax and Fair Value Adjustments

$88.7 M

Surged 28% boosted by higher contribution from Property

Shareholders' Funds

$876.8 M

Increased 9% on account of net profit and assets revaluation gain

Cash and Bank Balances

$141.7 M

Decreased 44% reflected mainly repayment of development project loans

Profit After Tax

$69.1 M

Up 12% despite a net fair value loss as opposed to a net fair value gain last year

Net Asset Value Per Share

74.4 CENTS

Up from 68.3 cents a year ago

Dividend Per Share

0.6 CENT

Increased from last year's 0.5 cent

Governance & Transparency Index

10 TH

Amongst 639 listed companies in Singapore and the only mid-cap company to have made it to the top 10th position

GROUP FINANCIAL HIGHLIGHTS

Improved Underlying Profitability

"Our underlying profitability improved amidst challenging operating landscape. Gearing reduced; higher dividend."

	2015	2014
FOR THE YEAR ($'000)		
Revenue	677,122	354,765
Revenue (including equity accounted investees)	1,023,366	863,348
Profit		
– Before tax and fair value adjustments	88,703	69,504
– Before tax	80,654	75,973
– After tax	69,119	61,586
Profit attributable to shareholders		
– Before fair value adjustments	74,159	55,750
– After fair value adjustments	68,833	61,169
Total comprehensive income attributable to shareholders	78,798	58,031
Operating cash flow	152,303	13,689
Free cash flow[1]	147,447	(91,857)
AT YEAR-END ($'000)		
Total assets	2,162,505	2,306,322
Total liabilities	1,275,048	1,493,275
Total borrowings	1,106,334	1,344,872
Net borrowings	964,617	1,092,602
Working capital	61,828	450,019
Shareholders' funds	876,805	802,918
Total equity	887,457	813,047
FINANCIAL RATIOS		
Return on assets[2]	3.1%	3.0%
Return on shareholders' funds[3]	8.2%	7.9%
Return on total equity		
– Before tax and fair value adjustments	10.4%	8.8%
– Before tax	9.5%	9.7%
– After tax	8.1%	7.8%
Debt-equity ratio[4]		
– Gross gearing	1.25X	1.65X
– Net gearing	1.09X	1.34X
SHAREHOLDERS' RETURN		
Earnings per share (cents)		
– Excluding fair value adjustments	6.3	4.7
– Including fair value adjustments	5.8	5.2
Net asset value per share (cents)	74.4	68.3
Proposed first and final dividend per share (cent)	0.6	0.5
Total dividend payout ($'000)	7,073	5,881
Dividend payout ratio[5]	9.5%	10.5%
Dividend yield[6]	1.7%	1.4%

Definitions:

1. Free cash flow = operating cash flow + investing cash flow
2. Return on assets = profit after tax/average total assets
3. Return on shareholders' funds = profit attributable to shareholders/average shareholders' funds
4. Gross gearing = total borrowings/total equity; Net gearing = net borrowings/total equity
5. Dividend payout ratio = total dividend payout/profit attributable to shareholders (excluding fair value adjustments)
6. Dividend yield = dividend per share/average share price during the year

HIGHLIGHTS OF THE YEAR

GROUP QUARTERLY RESULTS

FIRST QUARTER

For the first quarter, the Group reported revenue of $155.3 million, an increase of 153% over $61.3 million reported in the same quarter last year. Net profit attributable to shareholders was $15.9 million, an increase of 107% over $7.7 million achieved in the same quarter last year. The better performance was attributed to higher contribution from Property and Hotels Investment. Earnings per share were 1.4 cents, up from 0.7 cent a year earlier.

SECOND QUARTER

For the second quarter, the Group reported revenue of $194.1 million, an increase of 138% over $81.6 million reported in the same quarter last year. Net profit attributable to shareholders was $22.3 million, an increase of 92% as compared to $11.6 million posted a year ago. This was attributable to the progressive revenue recognition based on percentage of construction completion for units sold which formed the majority of the revenue for the Property segment and the consolidation of wholly-owned GHG. Earnings per share were 1.9 cents for the second quarter, up from 1.0 cent a year earlier.

THIRD QUARTER

For the third quarter, the Group reported revenue of $184.3 million, an increase of 85% over $99.8 million reported in the same quarter last year. However, net profit attributable to shareholders fell 8% to $16.2 million due to an impairment loss of $7.7 million recognised relating to the Group's land held for future development in Fuzhou China. Excluding this impact, net profit would have been $23.9 million or 36% higher than that of last year, attributable to higher contributions from Property in Singapore and Hotels Investment in Australia. Earnings per share stood at 1.4 cents for the third quarter as compared to 1.5 cents in the corresponding quarter last year.

FOURTH QUARTER

For the fourth quarter 2015, the Group posted revenue of $143.4 million, an increase of 28% over $112.1 million reported in the same quarter last year. Net profit attributable to shareholders in the quarter was $14.4 million, despite a net fair value loss of $8.1 million as opposed to a net gain of $6.3 million in the same quarter a year ago, and a $1.2 million allowance for diminution in value for development properties in Singapore. Fair value loss arose mainly from the Group's non-hotel investment properties in Perth amidst a weak macro-economic environment relying heavily on the mining industry, mitigated partially by fair value gain in Melbourne which market remains promising. Earnings per share came in at 1.2 cents for the fourth quarter as compared to 2.1 cents a year earlier. ■

2015	**1Q**	**2Q**	**3Q**	**4Q**	**Total**
GROUP QUARTERLY RESULTS ($'000)					
Revenue	155,298	194,066	184,337	143,421	677,122
Profit					
– Before tax and fair value adjustments	20,131	27,048	21,252	20,272	88,703
– Before tax	20,316	27,047	21,167	12,124	80,654
– After tax	15,945	22,331	16,281	14,562	69,119
Profit attributable to shareholders	15,936	22,311	16,184	14,402	68,833
Earnings per share (cents)	1.4	1.9	1.4	1.2	5.8

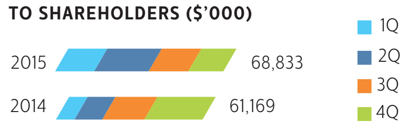
2014	**1Q**	**2Q**	**3Q**	**4Q**	**Total**
GROUP QUARTERLY RESULTS ($'000)					
Revenue	61,297	81,577	99,836	112,055	354,765
Profit					
– Before tax and fair value adjustments	10,134	13,309	19,564	26,497	69,504
– Before tax	9,457	13,522	20,240	32,754	75,973
– After tax	7,774	11,720	17,590	24,502	61,586
Profit attributable to shareholders	7,708	11,591	17,527	24,343	61,169
Earnings per share (cents)	0.7	1.0	1.5	2.1	5.2

Note: Any discrepancies in the tables between the listed figures and totals thereof are due to rounding.

REVENUE ($'000)

PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS ($'000)

PROFIT ATTRIBUTABLE TO SHAREHOLDERS ($'000)



FIVE-YEAR PERFORMANCE

Steady Growth Path

"Financial results in the last five years epitomise the positive effect of the Group's strategic shift to property business."

	2015	2014	2013	2012	2011
FOR THE YEAR ($'000)					
Revenue	677,122	354,765	302,273	371,847	239,720
Profit before tax	80,654	75,973	62,769	123,843	47,729
Income tax	(11,535)	(14,387)	(9,715)	(6,036)	(6,619)
Profit after tax	69,119	61,586	53,054	117,807	41,110
Profit attributable to:					
Shareholders of the Company	68,833	61,169	52,000	109,532	40,301
Non-controlling interests	286	417	1,054	8,275	809
	69,119	61,586	53,054	117,807	41,110
AT YEAR-END ($'000)					
Property, plant and equipment	395,149	397,886	3,504	4,651	5,771
Investment properties	1,076,909	1,082,932	824,125	436,425	324,750
Development properties	336,132	414,153	404,285	442,807	539,741
Investments in equity accounted investees	71,511	62,981	208,159	210,298	199,531
Cash and bank balances	141,717	252,270	276,872	211,664	145,478
Other assets	141,087	96,100	66,366	69,384	82,259
Total assets	2,162,505	2,306,322	1,783,311	1,375,229	1,297,530
Shareholders' funds	876,805	802,918	749,681	707,629	608,382
Non-controlling interests	10,652	10,129	9,524	12,932	12,651
Total borrowings	1,106,334	1,344,872	917,656	560,595	579,737
Other liabilities	168,714	148,403	106,450	94,073	96,760
Total liabilities and equity	2,162,505	2,306,322	1,783,311	1,375,229	1,297,530
FINANCIAL RATIOS					
Return on assets[1]	3.1%	3.0%	3.4%	8.8%	4.0%
Return on shareholders' funds[2]	8.2%	7.9%	7.1%	16.6%	6.9%
Interest coverage ratio[3]	3.1X	5.1X	6.2X	14.0X	8.1X
Interest coverage ratio[3] – before fair value adjustments	3.3X	4.7X	3.7X	6.7X	4.6X
Gross gearing[4]	1.25X	1.65X	1.21X	0.78X	0.93X
Net gearing[5]	1.09X	1.34X	0.84X	0.48X	0.70X
SHAREHOLDERS' RETURN					
Earnings per share (cents)	5.8	5.2	4.5	9.5	3.5
Net asset value per share (cents)	74.4	68.3	63.9	60.9	52.7
Dividend per share (cent)	0.6	0.5	0.5	0.5	0.3
Total dividend payout ($'000)	7,073	5,881	5,864	5,806	3,463

Definitions:

1. Return on assets = profit after tax/ average total assets
2. Return on shareholders' funds = profit attributable to shareholders/ average shareholders' funds
3. Interest coverage ratio = profit before interest & tax/interest on borrowings including amounts capitalised as project costs
4. Gross gearing = total borrowings/ total equity
5. Net gearing = net borrowings/ total equity

FIVE-YEAR REVIEW BY BUSINESS SEGMENT

	2015	%	2014	%	2013	%	2012	%	2011	%
REVENUE BY ACTIVITY ($'000)										
Property	404,025	60%	203,022	57%	141,097	46%	188,258	51%	40,468	17%
Hotels Investment[1]	145,479	21%	12,023	3%	–	–	–	–	–	–
Industrial Services	128,342	19%	140,347	40%	162,025	54%	184,420	49%	199,805	83%
Corporate and Others	(724)	0%	(627)	0%	(849)	0%	(831)	0%	(553)	0%
Group total	677,122	100%	354,765	100%	302,273	100%	371,847	100%	239,720	100%
PROFIT ATTRIBUTABLE TO SHAREHOLDERS BY ACTIVITY ($'000)										
Property	50,440	73%	36,580	60%	36,007	69%	92,789	85%	25,255	63%
Hotels Investment[1]	5,249	8%	12,962	21%	9,139	18%	807	1%	4,641	12%
Industrial Services	999	1%	1,409	2%	1,910	4%	2,026	2%	2,388	6%
Other Investments[2]	6,680	10%	11,539	19%	7,800	15%	13,812	12%	8,737	21%
Corporate and Others	5,465	8%	(1,321)	-2%	(2,856)	-6%	98	0%	(720)	-2%
Group total	68,833	100%	61,169	100%	52,000	100%	109,532	100%	40,301	100%

Notes:
1. Revenue reported under "Hotels Investment" relates to GHG's results after it was 100%-owned on 2 December 2014. Prior to that, the Group equity accounted for its 50% interest in GHG.
2. No revenue is reported under "Other Investments" as the Group equity accounts for its investment in GulTech and Pan-West.

"Property remains key driver of our performance, and Hotels Investment starts to contribute meaningfully in both the top and bottom lines in 2015 following the acquisition of GHG in 2014."

Artist's impression

Cluny Park Residence is just across the road from Botanic Gardens – a Unesco World Heritage Site.

FIVE-YEAR PERFORMANCE

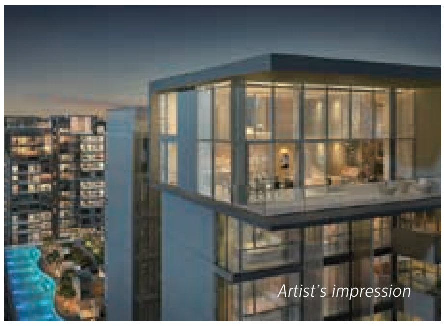
2015 The Group's revenue increased 91% to $677.1 million. Progressive recognition of revenue for units sold at Seletar Park Residence, Sennett Residence and Cluny Park Residence formed the bulk of the revenue and profit in 2015. The increase was further assisted by the full-year consolidation of GHG's revenue.

Profit before tax and fair value adjustments grew by 28% to $88.7 million despite an allowance for diminution in value of $8.9 million made for development properties in Singapore and China during the year. In addition, a net fair value loss of $8.0 million was recorded mainly for investment properties in Perth amidst a weak macro-economic environment, mitigated partially by fair value gain in Melbourne which market remain promising.

Profit after tax and fair value adjustments rose 12% to $69.1 million. After accounting for non-controlling interests' share of profit, the Group's net profit attributable to shareholders improved 13% to $68.8 million, from $61.2 million reported last year. Earnings per share increased to 5.8 cents for the year, as compared to 5.2 cents a year earlier. Net asset value per share rose to 74.4 cents at 31 December 2015, from 68.3 cents at the previous year-end. The Directors proposed a final dividend of 0.6 cent per share for FY2015.

2014 Tuan Sing posted full year revenue of $354.8 million, representing 17% increase over 2013. Increase in revenue was attributable to the progressive recognition for Seletar and Sennett projects and the initial 20% recognition on new bookings at Cluny project. Full year rental from Robinson Point, acquired in October 2013, also contributed to the increase in revenue. The Group completed its acquisition of the remaining 50% interest in GHG on 2 December 2014. Henceforth, the Group had full ownership and control over GHG and accordingly full consolidation of the financial results of GHG.

Profit before tax and fair value gain increased 96% to $69.5 million. A net fair value gain of $6.5 million was recorded as compared to $27.2 million a year ago. As a result, profit after tax increased at a smaller 16% to $61.6 million. After accounting for non-controlling interests' share of profits, the Group reported a net profit attributable to shareholders of $61.2 million, 18% higher than $52.0 million in the previous year. Full year earnings per share increased to 5.2 cents from 4.5 cents last year. Net asset value per share further advanced to 68.3 cents at 31 December 2014. The Directors proposed a final dividend of 0.5 cent per share for FY2014. ▶▶



Sennett Residence with 180° magnificent city view is located beside Potong Pasir MRT.

2013
Acquisition of the 21-storey Robinson Point Building

2012
All 32 units of Mont Timah were sold

2013 Tuan Sing posted full year revenue of $302.3 million. The 19% decrease over 2012 was due to lower contribution from Property and Industrial Services. Revenue from Property declined as Mont Timah and Botanika projects had been fully sold. In addition, there was no rental income from Robinson Towers and International Factors Building since June 2013 as the site was slated for redevelopment. The Group commenced progressive recognition of revenue and profit in Sennett and Cluny in the second and third quarter respectively upon buyers' signing the sale and purchase contracts and paying 20% of the contract sum. From the fourth quarter onwards, recognition of revenue and profit on units sold in Seletar were based on the percentage of completion method as construction progresses.

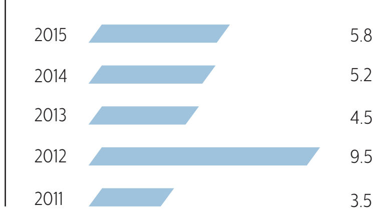
Overall, the Group's full year net profit attributable to shareholders was $52.0 million inclusive of a fair value gain of $27.2 million and a one-time further recognition of losses in Pan-West of $5.9 million. Earnings per share were 4.5 cents for the year as compared to 9.5 cents a year earlier. Net asset value per share rose to 63.9 cents at 31 December 2013, up from 60.9 cents at the previous year-end. The Directors proposed a final dividend of 0.5 cent per share for FY2013.

2012 Tuan Sing posted full year revenue of $371.8 million. The 55% increase over 2011 was attributable to higher development property revenue even though there was lower revenue from Industrial Services. Property contributed 51% of the Group's total revenue as sale rolled in from completed development properties at Botanika, Mont Timah and Lakeside Ville Phase III, and a new project, Seletar. From the second quarter, the Group commenced progressive recognition of revenue and profit in Seletar upon buyers' signing the sale and purchase contracts and paying 20% of the contract sum.

REVENUE ($'M)

PROFIT AFTER TAX ($'M)

EARNINGS PER SHARE (CENTS)



FIVE-YEAR PERFORMANCE

There was also a fair value gain of $67.7 million mainly on investment properties, and better performance from GHG and GulTech over 2011. As a result, the Group's full year net profit attributable to shareholders grew 172% to $109.5 million. Out of which, $92.8 million or 85% was contributed by Property. Earnings per share increased to 9.5 cents for the year, up from 3.5 cents a year earlier. Net asset value per share was 60.9 cents at 31 December 2012, up 16% from 52.7 cents at the previous year-end. The Directors proposed a final dividend of 0.5 cent per share for FY2012.

2011

GHG completed its A$70 million refurbishment programme for Grand Hyatt Melbourne and Hyatt Regency Perth

2011

Tuan Sing became more active in property development and acquired three sites at Seletar, Cluny and Sennett in Singapore and secured a plot of land in Jiaozhou, China. The Group reported full year revenue of $239.7 million and net profit attributable to shareholders of $40.3 million. Full year results were affected by lower development property sales in China and a retrospective change in property revenue recognition method under accounting standard, INT FRS 115, mitigated partly by higher revenue from development property sales in Singapore and from Industrial Services.

Profit after tax fell to $41.1 million due also to a smaller fair value gain of $23.1 million recorded in 2011. The result was cushioned by higher share of profits from GHG and GulTech. Property was the major contributor to the Group's profit, contributing 63% of the total $40.3 million net profit attributable to shareholders. Earnings per share were 3.5 cents as compared to the restated 7.7 cents the year before; and net asset value per share advanced to 52.7 cents at 31 December 2011, up from the restated 49.0 cents at the previous year-end. The Directors proposed a final dividend of 0.3 cent per share for FY2011.

TOTAL ASSETS ($'M)

2015	2,162.5
2014	2,306.3
2013	1,783.3
2012	1,375.2
2011	1,297.5

SHAREHOLDERS' FUNDS ($'M)

2015	876.8
2014	802.9
2013	749.7
2012	707.6
2011	608.4

NET ASSET VALUE PER SHARE (CENTS)

2015	74.4
2014	68.3
2013	63.9
2012	60.9
2011	52.7

HIGHLIGHTS OF THE YEAR

PORTFOLIO HIGHLIGHTS

Building on Our Progress

"With Robinson Point fully leased, GHG under full ownership and Robinson site redevelopment to be completed in 2018, we have broadened our asset base such that a steady income stream is ensued in the future."

DEVELOPMENT PORTFOLIO

434,060 sq. ft. GFA development projects under construction

Target at upper-middle to high income segment

INVESTMENT PORTFOLIO

7 investment properties in Singapore and China

461,290 sq. ft. lettable area lined-up

Mostly freehold

HOTEL PORTFOLIO

2 quality hotels in Australia

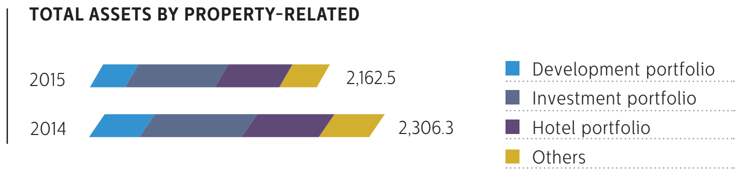
915 hotel rooms

284,590 sq. ft. retail & office space

>1,600 car park bays

Group Asset Base

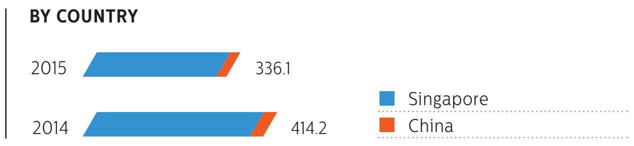
GROUP TOTAL ASSETS (2015: $2,162.5M; 2014: $2,306.3M)

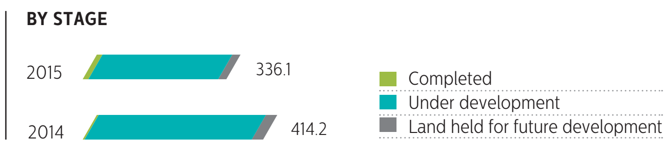


PORTFOLIO HIGHLIGHTS

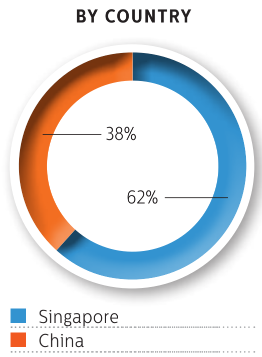
DEVELOPMENT PORTFOLIO

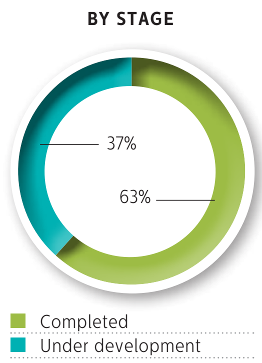
Property Value (2015: $336.1M; 2014: $414.2M)





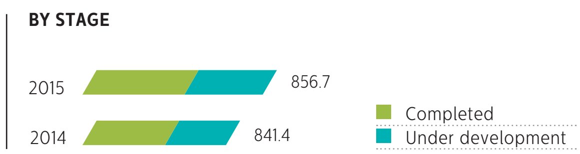
Gross Floor Area – 1,171,810 Sq. ft.

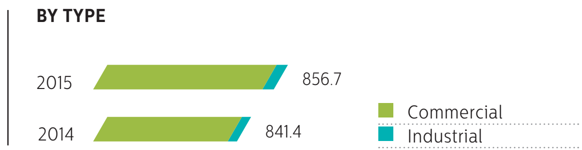


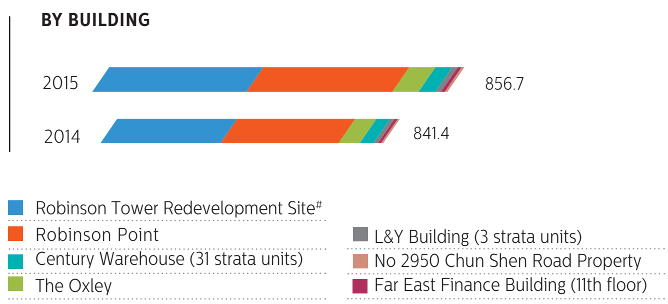


INVESTMENT PORTFOLIO

Property Value (2015: $856.7M; 2014: $841.4M)



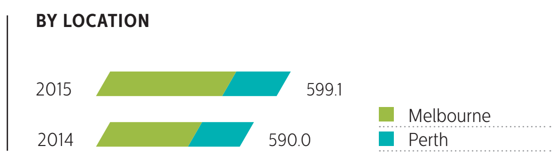


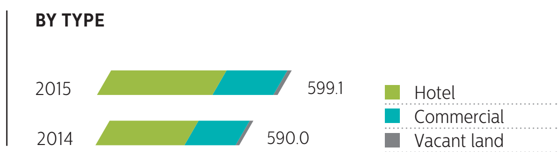


Refer to the estimated lettable area upon the completion of the redevelopment.

HOTEL PORTFOLIO

Property Value (2015: A$599.1M; 2014: A$590.0M)

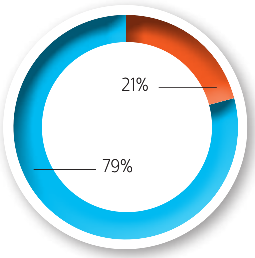




Note: Investment properties held by GHG is excluded and presented under "Hotel Portfolio" as an integral part of hotel property

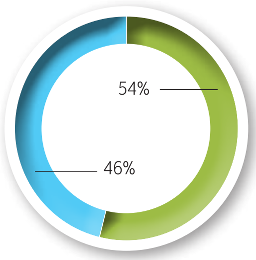
By No. of Residential Units - 832 Units

BY COUNTRY



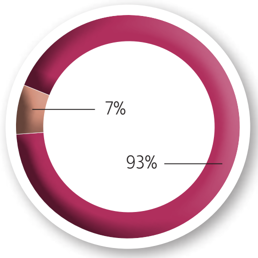
- Singapore
- China

BY STAGE



- Completed
- Under development

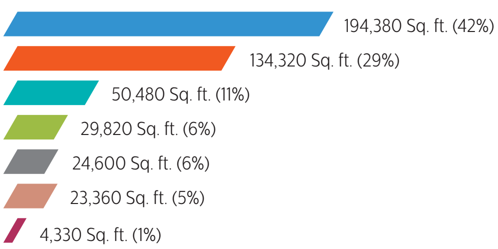
BY UNITS SOLD



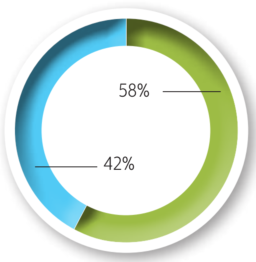
- Sold or booked
- Unsold

Total Lettable / Strata Area - 461,290 Sq. ft.

BY BUILDING

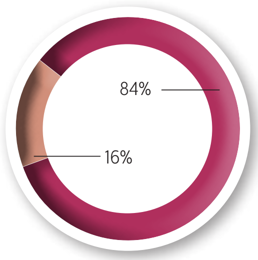


BY STAGE



- Completed
- Under development

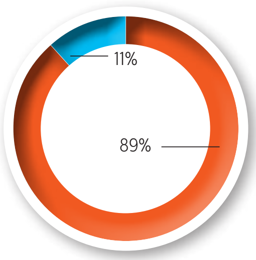
BY TYPE



- Commercial
- Industrial

Commercial Space by Total Lettable Area - 284,590 Sq. ft.

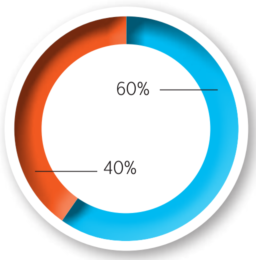
BY LOCATION



- Melbourne
- Perth

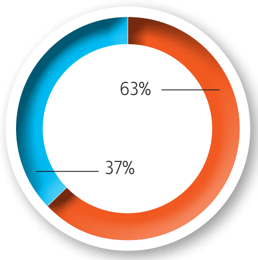
No. of Hotel Rooms - 915 Rooms

BY LOCATION



No. of Car Park Bays - 1,615 Lots

BY LOCATION



MESSAGE TO SHAREHOLDERS

"2015 was a good year for Tuan Sing despite headwinds in the market. Barring unforeseen circumstances, we are optimistic of yet another satisfactory year in 2016."

"2015年，传慎逆风前行，业绩亮丽。排除不可预見因素，我们预期继续在2016年有令人满意的表现。"

Dear shareholders,
尊敬的股东们：

On behalf of the Board of Directors, we are pleased to present Tuan Sing's Annual Report and Financial Statements for the year ended 31 December 2015.

OUR RESULTS: IMPROVED UNDERLYING PROFITABILITY

It was a good year for Tuan Sing despite headwinds in the market and policy restrictions imposed by the Singapore Government to cool the property market. The Group delivered an underlying profit before tax and fair value adjustments of $88.7 million, surpassing $69.5 million in 2014 by 28%. Full year net profit attributable to shareholders increased 13% to $68.8 million. Earnings per share came in at 5.8 cents, up from 5.2 cents a year earlier. Net asset value per share was 74.4 cents at 31 December 2015, from 68.3 cents a year ago.

Property business remained our key driver backed by progressive recognition of units sold at Seletar Park Residence, Sennett Residence and Cluny Park Residence as construction progresses. Hotels investment businesses, fully owned since December 2014, started to contribute to both our top and bottom lines.

During 2015, our balance sheet had been strengthened through substantially repaying certain development project loans by using the proceeds of progress payments from the buyers. As a result, our gross gearing ratio improved from 1.65 times to 1.25 times and net gearing from 1.34 times to 1.09 times as at the year-end.

A fuller discussion on the Group's results and its operating performance is presented in the "*Management Discussion and Analysis*" section of this Annual Report.

我们欣然代表董事部全体同仁呈报截至2015年12月31日财政年度的公司年报和财务报表。

我们的业绩：更好的年度核心利润

尽管面对市场和新加坡政府房产降温措施等不利因素，传慎本年度仍然取得优异业绩。集团税前利润不包括公允价值调整达到8,870万元，比2014年的6,950万元高出28%。全年可归属股东净利同比增长13%，达6,880万元。每股净利上升至5.8分，去年则为5.2分。每股净资产从一年前的68.3分递增至截至2015年12月31日的74.4分。

房地产业务在实里达园居,信立雅居和古鲁尼园居已出售单位按渐进确认的强劲带动下，继续是集团营收和利润的主要驱动力。酒店投资业务，自2014年12月全资拥有后，也开始为集团增加营收和利润。

在2015财年，我们的资产负债表，因用购房买家的进度付款来大幅偿还发展项目的贷款而得以强化。为此，总负债比率由上一财政年的1.65倍降低至1.25倍，净负债比率则从1.34倍减少至1.09倍。

有关集团更详细的业绩分析，请参阅本年报之"管理层研讨和分析报告"章节。

Grand Hyatt Melbourne: An exclusive events space, the Residence, is the first wedding venue of its kind in Australia. The Residence is made up of a collection of four individually styled rooms – the Courtyard, the Library, the Verandah and the Wine Room – all serviced by an open kitchen

OUR VISION & MISSION: CREATE VALUE FOR TODAY AND TOMORROW

The Group is committed to creating long-term value for our shareholders. To achieve this, we have in place our vision, mission and strategy. A fuller discussion is in the "*Company and Strategy*" section of this Annual Report. Together with the entire management team, we are committed to building on our past successes, pushing our potential and creating value for shareholders not only for today, but for tomorrow.

Since 2009, the Group has declared dividends year after year and through which it has returned approximately $29.0 million to shareholders including $5.9 million dividend for FY2014 which was paid in June 2015.

For FY2015, the Directors are proposing a first & final dividend of 0.6 cent per share, up from 0.5 cent last year. The payout, amounting to about $7.1 million will be paid in June 2016, subject to shareholders' approval at the forthcoming Annual General Meeting. Shareholders may opt to receive their dividend in the form of Shares under the Scrip Dividend Scheme so as to continue to grow with the Company.

BROADER VIEW OF PERFORMANCE: BUILDING A SUSTAINABLE BUSINESS

As a responsible corporate citizen, we recognise that we should run our business beyond the horizon of financial and operational performance. That is to say, we have to strike a balance amongst our triple bottom lines of Profit, People and Planet. Specifically, we should grow sustainable profit, care for people around us and nurture our planet.

Indeed, we have been rather transparent about our practices and businesses, and remained for the second year, in the 10th position at the Singapore Governance & Transparency Index 2015 ranking jointly launched by The Business Times and the National University of Singapore Business School's Centre for Governance, Intuitions and Organisations. You may be pleased to note that Tuan Sing is the only mid-cap company to have achieved this – the other nine entities are all in the large-cap league. Please take time to read our "*Sustainability Report*" section in this Annual Report.

我们的愿景与使命：创造今天和明天的股东价值

集团坚定地为股东创造长期价值。要实现这个目标，我们已经制定并积极贯彻公司愿景，使命和战略。详细请参阅本年报的"公司和策略"章节。我们与全体管理团队同仁都有信心，在过去所奠定的基础之上，继续致力于拓展我们的潜能，为股东创建不仅今天，而且未来的价值。

自2009年以来，集团每一年都派发股息，包括已在2015年6月支付的2014财年590万元的股息，回馈给股东的金额已累积约2,900万元。

2015财年，董事部建议派发每股0.6分的年度股息，这比去年的0.5分为高。此年度股息，总额约710万元，将递呈来临的股东常年大会表决，并预计在2016年6月支付。股东可选择在以股代息方案下接受公司股份，继续与公司共同成长。

更广义的绩效目标：建立可持续的业务模式

作为一个负责任的企业公民，我们的经营理念超越狭义层面的财务和营运绩效管理。我们的宗旨目标是要在"利润，人和，地球"三重底线之间取得平衡。具体而言，我们应积极拓展可持续利润，关心我们周遭的人和爱护我们的地球。

事实上，我们一直坚持信息透明，坦诚沟通的承诺，秉承精益求精，追求卓越的理念，这是我们可持续发展战略的根基。在2015年，我们连续第二年在新加坡《商业时报》企业治理和透明度指数排名中名列第十。你也许会注意到，我们是前十名中唯一的中等市值公司，其它都是大市值的行业领头羊。本年报的"可持续发展报告"章节，章如其名，可读性高。

MESSAGE TO SHAREHOLDERS

Upcoming in 2018, the new building at the Robinson Tower site is expected to be a platform for future growth in the commercial sector for the Group.

OUTLOOK FOR 2016: REMAIN ON TRACK TO DELIVER OUR TARGETS

As we begin a new year, we believe we are well positioned to face the continued headwinds in the marketplace and the uncertain global economy. As 95% of total units at Seletar Park Residence & Sennett Residence and 50% of total units at Cluny Park Residence are sold, our revenue and profit in 2016 would continue to come from these three residential projects. We do not face imminent regulatory fees imposed by the Government.

For our major investment property, Robinson Point, it has been fully leased out under various lease terms until years 2017/18. Meanwhile, the redevelopment at the former Robinson Tower site is progressing with expected completion in 2018.

Hotels Investment is expected to perform satisfactorily with continuing growing visitor arrivals into Melbourne. Perth may continue to be affected by the depressed mining industry in Western Australia. We remain conservative on China given the current economic conditions. We are optimistic that opportunities will arise to secure well-located sites for residential and commercial development in both Singapore and overseas markets.

Barring unforeseen circumstances, we are optimistic of achieving a satisfactory operational performance for the year 2016.

展望2016年：在实现我们目标的正轨上

新年伊始，我们相信我们已准备好面对市场的持续逆风和不确定的全球经济的挑战。由于实里达园居和信立雅居已累计售出超过95%的单位，古鲁尼园居也已售出约50%的单位，我们2016年大部分的营收和利润将继续来自于这些开发项目。我们将不受政府征收额外土地印花税的影响。

至于我们的主要投资物业，罗敏申大楼，其单位已全部出租并签约到2017-18年。同时，罗敏申大厦旧址重建正在进行中，并预计在2018年完工。

酒店投资业务预期良好，墨尔本酒店入住率在抵客增加的带动下，将支撑酒店的业绩增长，柏斯酒店业绩则持续受到西澳矿业疲弱的影响。对于中国房地产业务，考虑到目前所处的经济环境，我们仍谨慎观望。我们也深信有机会在新加坡和海外市场收购住宅及商业地皮拓展业务。

排除不可预见因素，我们乐观看待集团在2016的营运表现。

ACKNOWLEDGEMENTS

On behalf of the Board, we would like to thank our shareholders, customers and business partners for their continued support for the Group. We would also like to thank the Directors for their guidance in navigating the Company through many challenging times and all our employees for their hard work and commitment. Tuan Sing has an excellent foundation for growth that would not have been possible without the dedication and contribution made by each and every one.

Although 2016 is expected to be another challenging year, we are confident that we will be able to ride out the uncertainty and emerge stronger. We wish all a great year ahead.

谢忱

我们谨代表董事会，向各位股东，客户和商业伙伴对集团一如既往的支持表示感谢。我们同时感谢董事同仁在关键时刻引导公司克服艰难险阻，也向勤勤恳恳作出奉献的全体员工表示谢意。没有他们，传慎不可能奠定现有的发展基础。

2016将会是另一个充满挑战的一年。我们有信心传慎将会继续在充满变数的大环境中茁壮成长。预祝大家有个美好的来年。

Ong Beng Kheong 王明强
Chairman 主席

William Nursalim alias William Liem 林振伟
CEO 首席执行长

CORPORATE STEWARDSHIP

CEO & CFO'S RESPONSIBILITY STATEMENT

ON THE FINANCIAL STATEMENTS

We acknowledge our responsibility for the consolidated financial statements of the Group as presented in this Annual Report. We take great pride in and are committed to high-quality financial reporting which is prepared in accordance with the prescribed accounting standards and is provided to shareholders on a timely, accurate and comprehensible basis. High-quality financial reporting is characterised by accuracy, objectivity and transparency. The Board of Directors, through its Audit and Risk Committee, provides oversight. We have engaged Deloitte & Touche LLP ("Deloitte") to audit our Consolidated Financial Statements, on which they have issued an unqualified opinion.

We have, on a monthly basis, kept the Board of Directors informed of the financial performance and position of the Group through management accounts and reports. On a quarterly basis, and after due and careful enquiries, we made representations to the Board of Directors confirming *inter alia* that we had no knowledge of any allegations of fraud or suspected fraud affecting the Group and that results of investigation by the Whistle-blowing Committee, if any, had been properly recorded and presented to the Audit and Risk Committee.

In accordance with the provisions of the Companies Act, Cap. 50, and the guidelines set in the Code of Corporate Governance, the Audit and Risk Committee reviews the Group's financial reporting process, the audit scope and approach of our consolidated financial statements and issues and judgements arising therefrom. The Audit and Risk Committee also regularly reviews management's financial policies and procedures, the independence of our auditors, our internal controls over financial reporting and the objectivity of our financial reporting.

The Audit and Risk Committee met eight times during the year. The Committee had free access to all the staff, the statutory auditors and the internal auditors and had reasonable resources to discharge its functions properly. Both auditors also had free access to the Audit and Risk Committee and met with the Audit and Risk Committee periodically, with and without the management's presence.

Acting through the Audit and Risk Committee, we have recommended reappointing Deloitte, an independent public accounting partnership, to audit the Group's financial statements. We have made available to Deloitte all of our financial records and related data in connection with their audit. We also provided a management representation letter to Deloitte for the purpose.

ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

We acknowledge our responsibility for maintaining an effective system of internal controls over financial reporting for the Group. This process has already been embedded within our corporate governance system and aims to ensure group-wide compliance with statutory provisions and group policies.

The process relies *inter alia* on the principle of segregation of duties, encompasses various sub-processes in the area of accounting, controlling, taxes, treasury, planning and reporting and focuses on identifying, assessing, treating, monitoring and reporting of financial reporting risk.

The accounting work at subsidiaries is conducted by respective business units in accordance with Group accounting policy. The reliability of the monthly financial reports prepared by subsidiaries and business units is reviewed at the group level by Group Consolidation and Control Team using automated validation by Cognos Controller, a consolidation software as well as analytic review on material variances between actual financial data and previous year, budgeted or forecast figures.

In addition, joint representation letters from the head of business units and their finance heads are received on a quarterly basis as part of the unit's reporting package to the Group confirming, *inter alia*, their adherence to the Group Accounting Policies, the applicable provisions in Financial Reporting Standards and the Companies Act. In the representation letter for the year-end reporting, all business units also reported the results of their "minimum internal control self-assessment" which is designed to validate the operating effectiveness of the internal controls. Representation letters so received form the basis on which the CEO and CFO represent those matters to the Directors.

The internal control relating to the consolidated financial reporting process serves to provide reasonable assurance that the financial statements are prepared in compliance with relevant rules and regulations. Although we have taken and will continue to take appropriate action to correct any identified control deficiencies arising therein, any system of internal control has inherent limitation and may not prevent or detect all misstatements. Also, changes in conditions or operations will cause internal controls effectiveness to vary over time.

We are not aware of any significant deficiencies or material weaknesses in the system of internal controls over financial reporting. We have assessed its effectiveness for the financial year ended 31 December 2015 and based on such assessment, are of the view that the Group's internal control over financial reporting was adequate and effective.

ON RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

While the Board is responsible for the overall governance of risk, we acknowledge our responsibility for maintaining the Enterprise Risk Management Framework so that it could provide a reasonable assurance that the Group's objectives can be achieved and its obligations to customers, suppliers, shareholders, employees and the community can be met. In this connection, we also acknowledge our responsibility for maintaining an internal control system which has been designed to address the operational risks and compliance risks of the Group, in addition to the financial reporting risks mentioned earlier.

William Nursalim
alias William Liem
Chief Executive Officer

Chong Chou Yuen
Chief Financial Officer

DIRECTORS' PROFILE

ONG BENG KHEONG

CHAIRMAN
NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR

- Professional Diploma in Valuation Surveying, Stoke-On-Trent Cauldon College (now part of Staffordshire University, United Kingdom)

Date of first appointment as Director: 1 January 2012
Date of appointment as Chairman: 20 April 2012
Date of last re-election as Director: 9 April 2015

Board committee

- Nominating Committee (Member)

Present directorship in other listed companies

- PT Indonesia Prima Property, Tbk (listed on the Indonesian Stock Exchange)

Present principal commitments (other than directorships in other listed companies)

- PT Bali Turtle Island Development (Director)
- GT Group, Indonesia (Managing Director, Property Division)
- BTID Singapore Pte. Ltd. (Director)
- PT. Goodworth Investments (Commissioner)
- P.T. Sentra Sudirman Development (President Director)

Directorship in other listed companies held over the preceding three years

- Nil

Background and working experience

- Senior executive of Colliers International (Singapore) Pte Ltd.
- National Director & Head of Residential of Jones Lang LaSalle Property Consultants Pte Ltd.
- Executive director of Savills (Singapore) Pte. Ltd.
- Chief executive officer of Sentosa Cove Pte Ltd.
- Chief executive officer of South East Asia for Ascendas Pte Ltd (formerly known as Ascendas Land Pte Ltd).

Relationship with other Directors, the Company or its 10% shareholders

Mr Ong is the managing director of the property division of the GT Group in Indonesia which is deemed to be related to the Company's substantial shareholder.

Award

2007 – Service to Education (Silver) by the Ministry of Education

WILLIAM NURSALIM ALIAS WILLIAM LIEM

CHIEF EXECUTIVE OFFICER
EXECUTIVE DIRECTOR

- Bachelor of Science in Business, University of California, Berkeley
- Master of Business Administration, Massachusetts Institute of Technology

Date of first appointment as Director: 15 January 2004
Date of appointment as CEO: 1 January 2008
Date of last re-election as Director: 18 April 2013
Proposed for re-election at the AGM in April 2016

Board committee

- Nil

Present directorship in other listed companies

- SP Corporation Limited (listed on SGX-ST)

Present principal commitments (other than directorships in other listed companies)

- Gul Technologies Singapore Ltd (Non-Executive Director)
- Nuri Holdings (S) Pte Ltd (Director)

Directorship in other listed companies held over the preceding three years

- Nil

Background and working experience

- Corporate analyst at Lehman Brothers.
- General management of business development/ projects at GT Asia Pacific Holdings and Habitat Properties Pte Ltd.

Relationship with other Directors, the Company or its 10% shareholders

Mr Liem is deemed to be a substantial shareholder of the Company by virtue of his interests in Nuri Holdings (S) Pte Ltd. He is a brother of Ms Michelle Liem Mei Fung.

CHOO TEOW HUAT ALBERT

INDEPENDENT & NON-EXECUTIVE DIRECTOR

- Bachelor of Business Administration (Upper Two Honours) Degree, National University of Singapore

Date of first appointment as Director: 18 February 2002
Date of last re-appointment as Director: 9 April 2015

Board committee

- Audit and Risk Committee (Chairman)
- Nominating Committee (Chairman)
- Remuneration Committee (Member)

Present directorship in other listed companies

- Nil

Present principal commitments (other than directorships in other listed companies)

- Nil

Directorship in other listed companies held over the preceding three years

- Nil

Background and working experience

- Senior positions in the finance function of the Shell group of companies in Singapore.
- Assistant treasurer, Global Treasury Division of Caltex Corporation.
- Board Chairman of Power Senoko Pte Ltd.
- Independent director of Permasteelisa Pacific Holdings Ltd. (previously listed on SGX-ST).

Relationship with other Directors, the Company or its 10% shareholders

- Nil

From left to right: Choo Teow Huat Albert, Ng Siow How, Ong Beng Kheong, William Nursalim alias William Liem, David Lee Kay Tuan, Michelle Liem Mei Fung, Chow Kok Kee.

CHOW KOK KEE

INDEPENDENT & NON-EXECUTIVE DIRECTOR

- Bachelor of Engineering (First Class Honours) Degree, University of Newcastle, Australia
- Bachelor of Commerce Degree, University of Newcastle, Australia
- Master of Business Administration, National University of Singapore

Date of first appointment as Director: 1 March 1999
Date of last re-election as Director: 25 April 2014
Proposed for re-election at the AGM in April 2016

Board committee

- Remuneration Committee (Chairman)
- Audit and Risk Committee (Member)
- Nominating Committee (Member)

Present directorship in other listed companies

- M1 Limited (listed on SGX-ST)

Present principal commitments (other than directorships in other listed companies)

- ACTA Investment & Services Pte Ltd (Managing Director)

Directorship in other listed companies held over the preceding three years

- Innovalues Limited (listed on SGX-ST)
- Chosen Holdings Limited (listed on SGX-ST)
- Valuetronics Holdings Limited (listed on SGX-ST)

Background and working experience

- Management positions in the Ministries of Defence and Education.
- Senior Vice President of International and Correspondent Banking at DBS Bank Ltd.

Membership and others

- Fellow of the Singapore Institute of Directors
- Member of the Institute of Engineers, Australia
- Associate of the Institute of Chartered Secretaries and Administrators, United Kingdom

Relationship with other Directors, the Company or its 10% shareholders

- Nil

Award

1981 – Public Administration Medal (Bronze)

DIRECTORS' PROFILE

DAVID LEE KAY TUAN

NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR

- Bachelor of Laws (Honours) Degree, National University of Singapore
- Master of Laws (International Business Law) (cum laude), Panthéon – Assas University (Paris II)

Date of first appointment as Director: 5 December 2001
Date of last re-election as Director: 9 April 2015

Board committee
- Audit and Risk Committee (Member)

Present directorship in other listed companies
- Nil

Present principal commitments (other than directorships in other listed companies)
- Shenton Law Practice LLP (Managing Partner and Commissioner for Oaths)

Directorship in other listed companies held over the preceding three years
- Nil

Background and working experience
- Managing partner of a law firm from 1994 to 2001.
- Joined the Company in December 2001 as Executive Director, Legal and Administration and subsequently promoted to CEO in September 2003, from which Mr Lee stepped down in January 2008 and remains as a Non-Executive Director.
- Managing director and chief executive officer of SP Corporation Limited (listed on SGX-ST).
- Has extensive practice experience in civil litigation and family law.

Membership and others
- Fellow of the Singapore Institute of Arbitrators
- Fellow of the London Chartered Institute of Arbitrators
- Associate Mediator of the Singapore Mediation Centre
- Nuri Holdings (S) Pte Ltd (Director)

Relationship with other Directors, the Company or its 10% shareholders
Mr Lee is the spouse of Ms Michelle Liem Mei Fung, a Non-Executive Director. He is also a brother-in-law of Mr William Nursalim alias William Liem, the CEO and the Executive Director. Both Ms Michelle Liem Mei Fung and Mr William Nursalim alias William Liem are deemed to be substantial shareholders of the Company by virtue of their interests in Nuri Holdings (S) Pte Ltd.

MICHELLE LIEM MEI FUNG

NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR

- Bachelor of Science (Economics) Degree, London School of Economics
- Master of Business Administration, University of Chicago

Date of first appointment as Director: 5 April 2001
Date of last re-election as Director: 25 April 2014

Board committee
- Nominating Committee (Member)
- Remuneration Committee (Member)

Present directorship in other listed companies
- Nil

Present principal commitments (other than directorships in other listed companies)
- Honorary Consul, Consulate in Singapore of the Grand Duchy of Luxembourg
- Nuri Holdings (S) Pte Ltd (Director)
- Habitat Properties Pte Ltd (Director)
- Giti Tire Pte. Ltd. (Director)
- GT Asia Pacific Holdings Pte Ltd (Director)

Directorship in other listed companies held over the preceding three years
- Nil

Background and working experience
- Has experience in investment, property, manufacturing, retail and trading companies.
- Non-executive director of SP Corporation Limited (listed on SGX-ST).

Membership and others
- Co-Chairperson of the Global Advisory Board (Asia Cabinet) of the University of Chicago Booth School of Business
- Trustee of the Singapore LSE Trust
- Director of Conservation International Singapore, Ltd.

Relationship with other Directors, the Company or its 10% shareholders
Ms Liem is deemed to be a substantial shareholder of the Company by virtue of her interests in Nuri Holdings (S) Pte Ltd. She is the spouse of Mr David Lee Kay Tuan, a Non-Executive Director of the Company and a sister of the Company's CEO, Mr William Nursalim alias William Liem.

NG SIOW HOW

INDEPENDENT & NON-EXECUTIVE DIRECTOR

- Thomson Government Chinese Middle School

Date of first appointment as Director: 1 January 2012
Date of last re-appointment as Director: 9 April 2015

Board committee
- Nominating Committee (Member)

Present directorship in other listed companies
- Nil

Present principal commitments (other than directorships in other listed companies)
- Markono Print Media Pte Ltd
- Markono Holdings Pte Ltd
- How Realty Private Limited
- EBC Lifestyle Hub Pte Ltd (formerly known as Siang How Realty Pte Ltd)

Directorship in other listed companies held over the preceding three years
- Nil

Background and working experience
- Founder and chairman of Markono Print Media Pte Ltd, developing it to become one of the largest digital printer in South East Asia.
- Has extensive experience in entrepreneurship and business development.

Membership and others
- Chairman of Taman Jurong Citizens' Consultative Committee from which Mr Ng stepped down in 2007 and remains a patron of the said Committee

Relationship with other Directors, the Company or its 10% shareholders
- Nil

Award
2008 – Public Service Star awarded by the President of Singapore

CORPORATE STEWARDSHIP

MANAGEMENT PROFILE

CHONG CHOU YUEN

GROUP CHIEF FINANCIAL OFFICER

Chou Yuen has been with Tuan Sing since April 2004. He holds directorship in most of Tuan Sing's subsidiaries including a concurrent non-executive directorship in main-board listed SP Corp. His career spans more than 30 years in finance management in a number of industries covering Asia Pacific, Middle East and the Caribbean regions. Chou Yuen holds a Bachelor Degree in Accountancy and a Master of Business Administration Degree from the National University of Singapore. He is a Fellow of the Institute of Singapore Chartered Accountants. In addition, Mr. Chong is a director and Honorary Treasurer of Singapore Heart Foundation, and a member of the Audit Committee of Alexandra Health which manages Khoo Teck Puat Hospital and Yishun Community Hospital.

MISHCA DAVIS

CHIEF FINANCIAL OFFICER, GRAND HOTEL GROUP

Mishca joined Grand Hotel Group as Financial Controller in May 2007 and became its CFO and Company Secretary in August 2011. Prior to that, she was an Audit Manager at Ernst & Young working for 7 years on various listed and privately owned property related companies. Mishca is a member of the Institute of Chartered Accountants in Australia and holds a double degree from Monash University majoring in Accounting, Statistics and Psychology.

CHONG TEIK YEAN

VICE PRESIDENT, PROJECTS (HEAD)

Teik Yean joined Tuan Sing in May 2011, heading the Projects department. He has more than 25 years of experience in projects management comprising infrastructure works, high-rise residential apartments and sizable commercial/mixed developments. Teik Yean holds a Bachelor of Engineering (Civil) Degree from the National University of Singapore and a Bachelor of Laws from University of London.

GAN HUI YEN

VICE PRESIDENT, HUMAN RESOURCES

Hui Yen has been with Tuan Sing since August 2002. Prior to that, she has had regional human resources experiences in human resources consultancy and insurance industry. Hui Yen holds a Bachelor of Arts Degree in Business and Human Resource Management (Honours) from University of Portsmouth, United Kingdom and a Diploma in Life Insurance from the Singapore College of Insurance. She is a member of Singapore Human Resources Institute.

MANAGEMENT PROFILE

KOCK TIAM SONG PETER

VICE PRESIDENT, PROPERTY MANAGEMENT

Peter has been with Tuan Sing for more than two decades. He holds a degree in Bachelor of Commerce in International Facility and Information Management from Curtin University of Technology and is a certified Fire Safety Manager accredited by Singapore Civil Defence Force. Peter has been an active grassroots leader and was conferred the BBM (Public Service Star) in 2008 by the President of Singapore.

SHIRLEY LU

GROUP FINANCIAL CONTROLLER

Shirley has been with Tuan Sing since August 2004. She has more than 15 years' experience in investment banking, corporate finance, reporting, compliance, and real estate industry. Shirley is a fellow of the Association of Chartered Certified Accountants (ACCA), a member of the Institute of Singapore Chartered Accountants, and holds a Master of Business Administration Degree from University of Louisville, United States.

ONG JOO LIM JAMES

VICE PRESIDENT, SALES & LEASING

James joined Tuan Sing in June 2012. Prior to that, he had been in various senior positions with established real estate agencies including Jones Lang LaSalle, Chesterton International and Colliers International selling local and overseas resident projects for almost three decades.

LEOW MAY CIN

SENIOR MANAGER, FINANCE, SINGAPORE PROPERTY

May Cin joined Tuan Sing in April 2013. She has more than a decade's experience in financial management in the real estate industry in Singapore. May Cin holds a Bachelor of Accountancy Degree from Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants.

NG CHOONG HOW NICK

SENIOR VICE PRESIDENT, BUSINESS DEVELOPMENT

Nick joined Tuan Sing in March 2010 and has more than two decades of experience in the real estate industry performing agency works, project marketing and project consultancy. He holds a Bachelor of Science, Economics and Management Degree (Honours) from the University of London and a Specialist Diploma in Fund Management and Administration from Nanyang Polytechnic.

SIA WEE LONG
VICE PRESIDENT, PROJECTS

Wee Long joined Tuan Sing in April 2012. He has more than two decades of experience in building and infrastructure works covering Singapore, China, South Asia, Middle East and North Africa. Wee Long holds a Bachelor of Engineering (Civil) Degree from Nanyang Technological University, a Master of Business Administration Degree from University of Adelaide and a Master of International Construction Management Degree from Nanyang Technological University.

TAN POH HOON ERIC
SENIOR MANAGER,
GROUP FINANCE

Eric has been with Tuan Sing since March 2015. He has more than 15 years' experience in public accounting firms and listed companies in Singapore performing audit, liquidation, group reporting, corporate finance, reporting and compliance. Eric is a fellow member of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Singapore Chartered Accountants.

SHOLTO SMITH
GENERAL MANAGER,
HYATT REGENCY PERTH

Sholto joined the Hyatt Group in 1991. His career spanned more than two decades in a number of Hyatt hotels in London, UK, Almaty in Kazakhstan, Perth, Melbourne and Sydney in Australia. His last posting was in Siem Reap, Cambodia as the General Manager of Park Hyatt. During the period, he also acted as a board member of two charitable organisations in the city. Sholto holds a Diploma in Hotel Management from Bentley College, Perth, Western Australia.

ILAN WEILL
GENERAL MANAGER,
GRAND HYATT MELBOURNE

Ilan joined Grand Hyatt Melbourne in January 2011 after a five-year tenure in Grand Hyatt Mumbai. His career with Hyatt spanned almost three decades and has held positions including those as the General Manager across multiple Hyatt brands in Mexico, Guatemala and Argentina. Ilan holds a certificate in Business and Hotel Management from the Mt Scopus University in Jerusalem, Israel.

AWARDS & ACCOLADES

Lyndsey Jack, Director of Human Resources (middle) and Ilan Weill, General Manager (right) of Hyatt Melbourne received the award for "Outstanding Achievement in Training" in the 2015 Tourism Accommodation Australia (Victoria) Awards for Excellence.

Driving Performance Excellence

"The Group continues to be recognised for its operational excellence, garnering awards in 2015."

RECOGNITION FOR CORPORATE GOVERNANCE & TRANSPARENCY

Singapore Corporate Awards

- Singapore Corporate Awards 2014 – Best Annual Report (Gold) & Best Managed Board (Silver)
- Singapore Corporate Awards 2013 – Best Managed Board (Bronze)
- Singapore Corporate Awards 2012 – Best Investor Relations (Gold)
- Singapore Corporate Awards 2011 – Best Annual Report (Gold)
- Singapore Corporate Awards 2010 – Best Annual Report (Bronze)

Governance & Transparency Index

- 2015 (Top 1.6%) – 10th place amongst 639 listed companies
- 2014 (Top 1.6%) – 10th place amongst 644 listed companies
- 2013 (Top 3.3%) – 22nd place amongst 664 listed companies
- 2012 (Top 3.7%) – 25th place amongst 674 listed companies
- 2011 (Top 3.0%) – 20th place amongst 660 listed companies

Governance Evaluation for Mid and Small Caps ("GEMS")

- Top 10% of companies assessed for GEMS 2014 rankings

Securities Investors Association (Singapore) Investors' Choice Awards

- Runner-up for the mid and small capitalisation category for Singapore Corporate Governance 2015

Annual Report Competition ("ARC") Awards: Honoring Excellence in Annual Reports

- Tuan Sing Annual Report 2014 – Real Estate Development/Service Commercial/Industrial (Gold)
- Tuan Sing Annual Report 2013 – Property Development: Residential (Honors)
- Tuan Sing Annual Report 2012 – Real Estate Development/Service (Silver)
- Tuan Sing Annual Report 2011 – Real Estate Development/Service: Commercial/Industrial (Honors)

Nicole Pasqual, Director of Sales & Marketing (left) and Ilan Weill, General Manager (right) of Hyatt Melbourne proudly received the award for "Best Upper-Upscale Hotel in Australia" in the 2015 Hotel Management ("HM") Awards.

Grand Hyatt Melbourne was the Best Business Hotel in Melbourne in the 2015 Business Traveller Asia-Pacific Travel Awards.

RECOGNITION FOR BUILDING, DESIGN AND ARCHITECTURAL EXCELLENCE

Seletar Park Residence

- 2016 Asia Pacific Property Awards – Architecture Multiple Residence for Singapore

Mont Timah, Singapore

- Green Mark (Gold) Award by the Building Construction Authority ("BCA") of Singapore

Robinson Point, Singapore

- 2015 Top 10 most energy-efficient private office buildings by the BCA of Singapore
- Green Mark (Gold) Award by the BCA of Singapore

Lakeside Ville Phase III, China

- Green Mark (Gold) Award by the BCA of Singapore

Robinson Tower Redevelopment, Singapore

- 2014 *Le marché international des professionnels de l'immobilier* (MIPIM) Asia Awards – Best Futura Project (Silver)

RECOGNITION FOR CUSTOMER SATISFACTION AND SERVICE EXCELLENCE

Grand Hyatt Melbourne, Australia

- 2015 World Travel Awards – Australia's Leading Business Hotel
- 2015 Australian Hotels Association ("AHA") National Awards for Excellence – Best Marketed Hotel : Accommodation Division
- 2015 Business Traveller Asia-Pacific Travel Awards – Best Business Hotel in Melbourne
- 2015 Hotel Management ("HM") Awards – Best Upper-Upscale Hotel in Australia; Highly Commended in the Meetings and Conferencing Property Category
- 2015 Spice Magazine Hot 100 Hotels – Best Business Hotel
- 2015 Gourmet Traveller Hotel Guide – Best Breakfast
- 2015 TripAdvisor – Hall of Fame

AWARDS & ACCOLADES

Collins kitchen at Grand Hyatt Melbourne was voted third best hotel breakfast in the world in The Daily Mirror, a British national daily newspaper.

Grand Hyatt Melbourne, Australia (cont'd)

- 2015 Tourism Accommodation Australia (Victoria) Awards for Excellence – Outstanding Achievement in Training; Best Marketed Accommodation Provider; Concierge of the Year
- 2014 World Travel Awards – Australia's Leading Business Hotel
- 2014 Business Travellers Asia-Pacific Travel Awards – Best Business Hotel in Melbourne
- 2014 Spice Magazine Hot 100 Hotels – Top 5 Best Event Hotels in Australia
- 2014 Hotel Management ("HM") Awards – Best Upper-Upscale Hotel in Australia
- 2014 Weddings & Events of Australia – Hotel Reception Venue of the Year
- 2014 TripAdvisor – Certificate of Excellence

Hyatt Regency Perth, Australia

- 2015 Gold Plate Awards – Best Licenced Asian Restaurant
- 2014 Australian Hotels Association AON Hotel & Hospitality Awards for Excellence – Winner of Best Conference and Functions
- 2014 Australian Hotels Association (Western Australia) Accommodation Industry Awards – General Manager, Adam Myott, inducted into the Hall of Fame

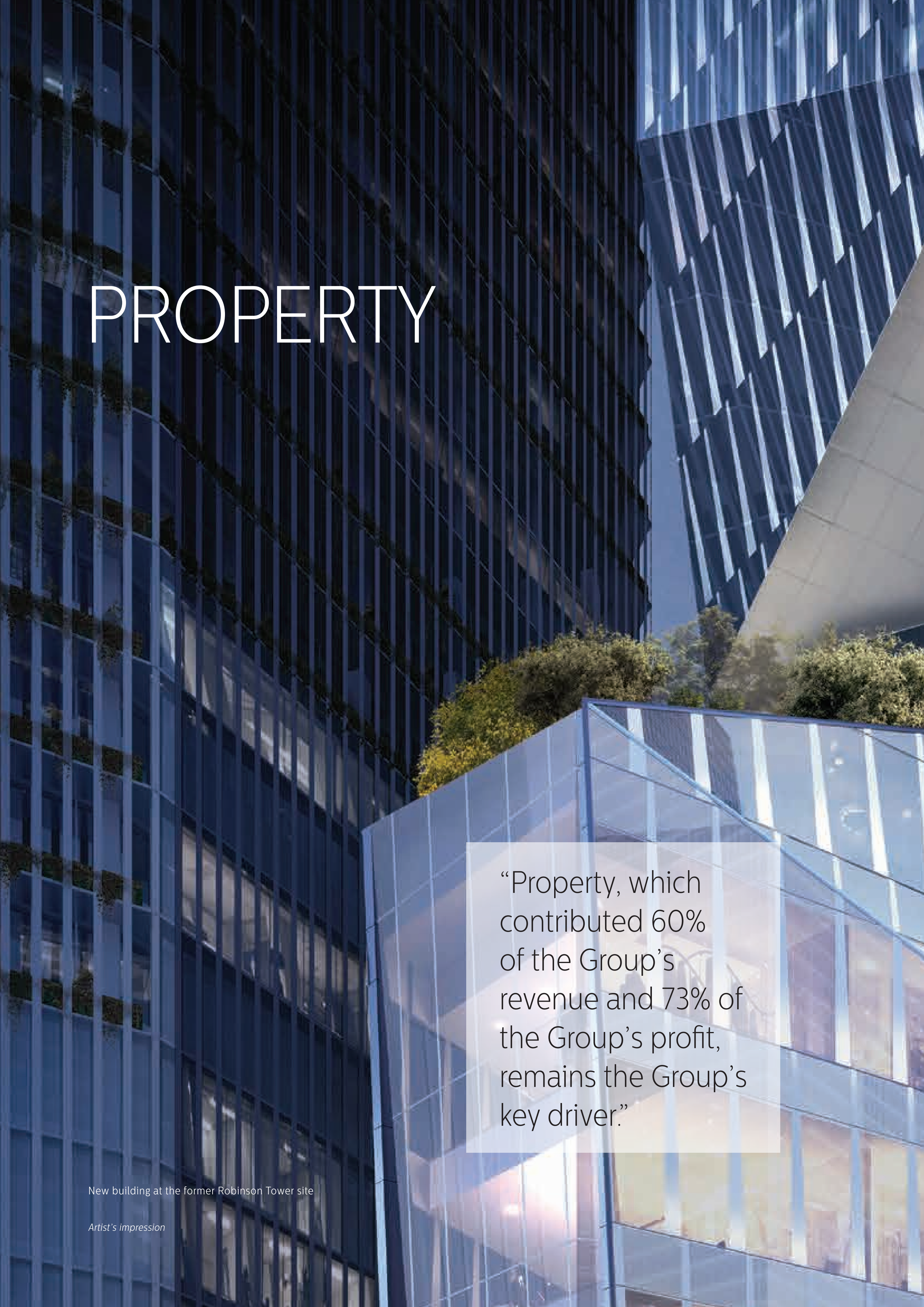
MANAGEMENT DISCUSSION AND ANALYSIS

CEO'S REVIEW OF OPERATIONS

Our Strategy Continued

Operations	Activities	Key Financials
Property 房地产	The Property segment focuses on development of and investment in prime residential, commercial and industrial properties. Tuan Sing is a recognised developer and owns a number of properties in prime areas in Singapore. This is in line with the Group's strategic direction to continue expanding its property business to spearhead future growth. 集团属下房地产板块致力于投资和开发优质住宅，商业和工业项目。传慎是知名的房地产开发商，传慎也在新加坡高尚地段拥有多项产业。这符合集团的战略方针，继续拓展房地产相关业务，引领未来增长。	**REVENUE** 2015 $404.0 M 2014 $203.0 M **PROFIT AFTER TAX** 2015 $50.4 M 2014 $36.6 M
Hotels Investment 酒店投资	The Group's Hotels Investment is represented by Grand Hotel Group ("GHG"), which owns two five-star Hyatt hotels in Australia, namely, Grand Hyatt Melbourne and Hyatt Regency Perth. The hotels are managed by Hyatt International and located in prime locations that cater to the business and tourism sectors in Melbourne and Perth. 酒店投资板块由澳洲的豪华酒店集团所代表。豪华酒店在墨尔本和柏斯拥有两间五星级酒店，即墨尔本君悦大酒店和柏斯凯悦酒店，由凯悦国际酒店集团管理，坐落于黄金地段以迎合商务和旅游客户群的需求。	**REVENUE – GHG** 2015 A$140.6 M 2014 A$137.8 M **PROFIT AFTER TAX – GHG** 2015 A$9.5 M 2014 A$22.0 M
Industrial Services 工业服务	The Industrial Services segment consists of 80.2%-owned SGX-ST listed subsidiary, SP Corporation Limited ("SP Corp") and 97.9%-owned Hypak Sdn Berhad ("Hypak"). SP Corp is primarily engaged in commodities trading and tyres distribution. Hypak is in the business of making polypropylene packaging bags in Malaysia. 工业服务板块主要包括集团持股80.2%的新交所上市子公司新加坡佳和有限公司和持股97.9% 的Hypak。新加坡佳和主营业务包括原料商品贸易以及轮胎分销。Hypak则在马来西亚从事聚丙烯包装袋的生产和销售。	**REVENUE** 2015 $128.3 M 2014 $140.3 M **PROFIT AFTER TAX** 2015 $1.3 M 2014 $1.8 M
Other Investments 其他投资	The Group holds a 44.5% interest in Gul Technologies Singapore Ltd ("GulTech"), and a 49% stake in Pan-West (Private) Limited ("Pan-West"). GulTech is a printed circuit board manufacturer with operations in Singapore and China. Pan-West is a retailer of golf-related products. In line with its strategic direction, the Group is not averse to divesting these investments when opportunities arise. 集团也持有联营公司高科技新加坡有限公司44.5%的股权和泛西集团49%的股权。高科技在中国和新加坡从事生产和销售电路板业务，泛西则是高尔夫及相关产品零售商。基于策略考量，集团不排除在适当时机脱售这些投资。	**REVENUE – GULTECH** 2015 US$242.9 M 2014 US$275.2 M **PROFIT AFTER TAX – GULTECH** 2015 US$22.5 M 2014 US$38.9 M

PROPERTY



"Property, which contributed 60% of the Group's revenue and 73% of the Group's profit, remains the Group's key driver."

New building at the former Robinson Tower site

Artist's impression

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY

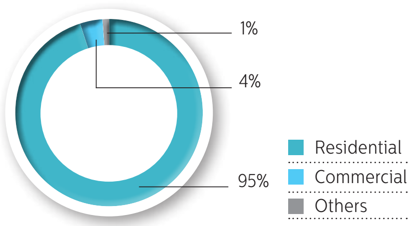
For the year under review, Property revenue increased 99% to $404.0 million and profit before tax and fair value adjustments improved 47% to $60.4 million. The increase was attributable to higher progressive revenue recognition on Seletar Park Residence, Sennett Residence and Cluny Park Residence. Seletar Park Residence received its Temporary Occupation Permit ("TOP") in August 2015 and obtained its Certificate of Statutory Completion in January 2016. As at the end of the year, Seletar Park Residence and Sennett Residence combined had been more than 95% sold and Cluny Park Residence had been about 50% sold.

Rental revenue from investment properties at $16.4 million remained comparable as last year. Robinson Point has been fully leased under various lease terms until years 2017 to 2018. For the redevelopment at the Robinson Tower site, main construction is expected to commence in 2Q2016. When completed in 2018, it is expected to boost the rental income further for the Group.

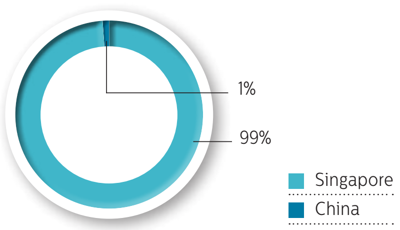
In China, the total number of units sold at Lakeside Ville Phase III, Shanghai remained at 168 or 98% of the total units.

Overall, the Property segment profit after tax increased 38% to $50.4 million. This was achieved despite an allowance for diminution in value of $8.9 million was made for some of development properties in Singapore and China, and lower net fair value gain of $1.2 million for investment properties in Singapore this year as compared to $3.3 million in the previous year. Property remained the key driver and accounted for 60% of the Group's total revenue and 73% of the Group's total profit after tax in 2015.

PROPERTY REVENUE BY TYPE
(TOTAL:$404.0M)



PROPERTY REVENUE BY COUNTRY
(TOTAL:$404.0M)

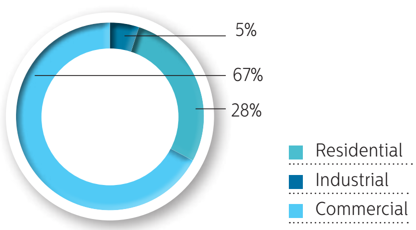


SINGAPORE PROPERTY

MARKET REVIEW

The Singapore property market has seen a sustained slowdown after the Government implemented property cooling measures. Private residential market in 2015 was characterised by fewer project launches, low sales volume and prices continued on a gradual downward trend. According to Urban Redevelopment Authority ("URA"), prices of private residential properties fell by 3.7% in 2015 compared with 4.0% decline in 2014. The number of units launched by the developers in 2015 dipped to 7,056 units from the 7,693 units in 2014. Current muted demand has also caused the office sector to slowdown in leasing activities. According to URA's Office Space Rental Indices for the Central Region, the fourth quarter of 2015 fell 1.8% as compared to the third quarter in 2015. Similarly, Industrial sector also showed sign of contracting. JTC Quarterly Market Report on Industrial Properties reported that industrial prices and rentals had fell by 1.7% and 2.1% in 2015 as compared to the previous year. In contrast, prices rose 3.5% and rentals fell by 2.1% over the whole of 2014.

PROPERTY PORTFOLIO BY VALUE
(TOTAL:$1,192.8M)



OPERATIONS REVIEW

Tuan Sing's three development properties are currently under different stages of construction. More than 95% of the total units in Seletar Park Residence and Sennett Residence, and about 50% of the units in Cluny Park Residence had been sold.

Seletar Park Residence is designed by SCDA and is a three-block, five-storey, 276-unit residential development occupying approximately 17,456 square metres of land with a basement car park and communal facilities. The 99-year leasehold development is located within the established Seletar Hills private estate, close to the Seletar Aerospace Park and near Yio Chu Kang MRT and Fernvale LRT stations. Residents will get to enjoy easy access to the rest of Singapore via ▶▶

www.seletarparkresidence.com

KEY FIGURES 2015:

REVENUE :	PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS :	PROFIT AFTER TAX :	DEVELOPMENT PROPERTIES :	INVESTMENT PROPERTIES :
$404.0 MILLION	$60.4 MILLION	$50.4 MILLION	$336.1 MILLION	$856.7 MILLION

PROPERTY

the Central Expressway and Tampines Expressway. The project was launched in March 2012 and as at 31 December 2015, 272 units had been sold or booked. The TOP was obtained in August 2015 and Certificate of Statutory Completion was obtained in January 2016. The Project had just won the Asia Pacific Property Awards under the Architecture Multiple Residence for Singapore category in 2016.

Sennett Residence comprises three blocks of 19-storey and one block of five-storey condominium housing (totalling 332 residential units) with two basement car parks, roof terraces and other facilities. The 99-year leasehold land occupies an area of approximately 8,664 square metres and is located immediately next to the Potong Pasir MRT station and overlooks the landed Sennett estate. Designed by MKPL Architects, Sennett Residence was launched in March 2013 and by 31 December 2015, 309 units had been sold. The project is scheduled to be completed by first half of 2016.

www.sennettresidence.com.sg

Cluny Park Residence is a 52-unit luxury residential development directly opposite the Botanic Gardens. It is the one and only condominium along Cluny Park Road. This freehold development occupies a land area of approximately 4,544 square metres is directly opposite Bukit Timah Gate of the Singapore Botanic Gardens and offers easy access via the Botanic Gardens MRT, just opposite the development. Designed by SCDA Architects, Cluny Park Residence was officially launched in March 2014. As at 31 December 2015, 24 units had been sold. The project is scheduled to be completed by end of 2016.

www.clunyparkresidence.net

Robinson Point was acquired in October 2013. It is a 21-storey freehold office building at 39 Robinson Road, in the heart of Singapore's Central Business District. The building comprises approximately 134,320 square feet of net lettable area, which include 3 retail units on the ground floor. The building offers 57 car parking lots bays at levels 3 to 5. Robinson Point was awarded the BCA Green Mark (GOLD) in 2013 and was rated the Top 10 most energy-efficient private office buildings by the BCA of Singapore. In 2015, the average occupancy rate was 92% and the average gross rental was around $7.91 per square foot per month. By the year-end, all spaces had been fully leased out under various lease terms until years 2017/2018.

Far East Finance Building is a 14-storey office building with shop space at part of the ground floor. The building is immediately adjacent to the site where Robinson Towers and International Factors Building was before its redevelopment. The Group owns the strata unit on the whole of 11th floor. In 2015, the average occupancy rate was 100% and average gross rental was around $6.12 per square foot per month.

The Oxley is a freehold ten-storey mixed commercial-cum-residential building along Oxley Rise which is in the prime District 9 and a few minutes' walk from the entertainment, shopping and hotel belt of Orchard Road. The building comprises commercial premises in a podium block from the first to the third storey, residential units located in a tower block from the fourth to the tenth storey and a three-basement car park. The Group was the developer of the building and currently owns the three-storey office space. The first and second floors are fully leased out to the Group's related parties and the third floor is where the corporate headquarters of the Group currently sits. In 2015, the average occupancy rate was 100% with average gross rental of around $7.83 per square foot per month.

Century Warehouse is an eight-storey freehold warehouse building at 100E Pasir Panjang Road, within close proximity to Pasir Panjang MRT station, Labrador Park MRT station and Alexandra Retail Centre, which provides a host of food and beverage and retail amenities. The Group owns 31 out of a total of 35 strata units in the building. In 2015, the average occupancy rate was 88% and the average gross rental was around $2.26 per square foot per month.

L&Y Building is a five-storey light industrial building with a basement car park at Jalan Pemimpin, within close proximity to Marymount MRT station. The Group owns three out of the total 24 strata units in the building which are currently leased to the Group's associates Pan-West and GulTech. In 2015, the average occupancy rate was 58% and the average gross rental was around $2.19 per square foot per month.

Robinson Tower Redevelopment
The Group commenced redevelopment of the previous Robinson Towers, its annex and the immediately adjacent International Factors Building as a single commercial development in June 2013. Designed by the internationally-acclaimed Kohn Pedersen Fox Associates and Architects 61, the proposed redevelopment on a 1,725 square metres site will comprise an office tower with a retail podium of a total planned gross floor area of 259,260 square feet and total lettable area of about 194,380 square feet.

The redeveloped Robinson Towers will feature high-ceiling, grade-A office space, a retail podium with shaped urban plaza at the entrance of the building, food and beverage spaces looking into the atrium and roof gardens, retail outlets highly visible from Robinson Road and Market Street, and urban windows revealing interior functions to the street. The new building, when completed in 2018, will offer a towering presence three times the height of its predecessor. We believe it will contribute positively to the skyline of the Central Business District in Singapore. The new building shall have energy and water saving features aimed at achieving Green Gold^{Plus} standards, thus reflecting Tuan Sing's green and sustainability efforts. The project won the 2014 Le marché international des professionnels de l'immobilier (MIPIM) Asia Awards – Best Futura Project (Silver). Main construction is scheduled to commence in 2Q2016 and TOP in 2018. The Group expects a recurring income stream from the rental proceeds once the new building is completed.

BUSINESS OUTLOOK

The private residential market is expected to be tougher in 2016 as the lackluster economic environment is likely to depress sentiment further. Adding to the woes are the United States Federal Reserve's decision to start normalising interest rates, which is expected to keep prospective buyers on the sidelines as they adjust to the new reality as well as the existing cooling measures imposed by the Government. Developers are expected to be more compelled to lower prices to meet buyer's expectations and some developers will be under pressure to clear inventory before their respective deadlines to avoid paying stamp duties and extension fees. Although the operating landscape is challenging, the Group has low stock of unsold units and does not face imminent regulatory fees.

As per Knight Frank, Singapore Real Estate Highlights, sentiments in the office and industrial property market is expected to remain weak. In the face of growing headwinds in the global and Singapore economies, companies are expecting weaker business performance and are looking for ways to be more cost efficient. As such, more companies have placed expansion plans on hold are also relooking their office space needs. Current muted demand for office space is expected to continue for the coming year, putting pressure on the office rent. Similarly, industrial property market will continue to face strong market competition with new influx of industrial spaces, landlords are increasingly aggressive in attracting new tenants while retaining existing tenants. Landlords that own dated building specifications are likely to accept a lower than market rents to secure tenants, or take the opportunity to introduce asset enhancements to improve its building quality. Given 2.9 million square metres of industrial space are estimated to come on-stream in 2016, downward rental pressure is set to continue with overall industrial rents likely to reduce.

CHINA PROPERTY

MARKET REVIEW

Amid slower economic growth, the Central Bank of China lowered both the interest rate and Reserve Requirement Ratio (RRR) for the fifth time in 2015. The five-year benchmark loan interest rate was lowered by 0.25 percentage point to 4.9%, while RRR was cut by 0.5 percentage point in October 2015. The further easing of mortgage rates boosted the confidence of buyers with increased demand in Shanghai's luxury residential market. Eased credit policies and sufficient market supply attributed to a surge in the sales volume of luxury homes in the fourth quarter of 2015. *(Source: Knight Frank)*

OPERATIONS REVIEW

The Group currently has no property development activities in China following its completion of Lakeside Ville III in Shanghai. It has two plots of land, one each in Fuzhou and Jiaozhou meant for mainly residential development. The Group currently provides property management services to Lakeside Ville Owners Association under a renewable contract expiring December 2017.

Lakeside Ville is an up-market residential project located in Qingpu District, Shanghai with a total land area of 378,812 square metres. The development was carried out in three phases. Phase I, comprising 173 units of villas and a clubhouse, was completed in December 2003 while Phase II, comprising 123 units of villas, was completed in December 2004. All units of Phase I and Phase II developments have been sold. Phase III comprised 148 units of quality condominiums, 24 units of three-storey townhouses and eight units of retail and commercial space. Lakeside Ville Phase III was awarded the Green Mark Gold Award by the BCA in 2011. The last phase of the project was completed in 2010 and 168 units or 98% of the residential units have been sold as at end December 2015.

Fuzhou Land is a piece of vacant and undeveloped land measuring 163,740 square metres and is situated in the mountainous ridge of the Shoushan Country, Jing'an District of Fuzhou, which is a rural part of the city. The site is about 400 metres above the sea level and is approximately 30 minutes' drive from the foot of the mountain to the city center. The Group plans to develop the site into luxury residences.

Jiaozhou Land is a plot of mainly residential site, about 30 minutes' drive from Qingdao City. The Group acquired the first plot of land of approximately 53,334 square metres in 2011, the second plot of land of approximately 65,910 square metres in 2013 and the third plot of land of 60,216 square metres in 2014. The third plot of land is currently pending for the issuance of the land title deeds. The Group intends to develop the site into residential development and master planning is currently underway.

BUSINESS OUTLOOK

China's economic growth slipped down to 6.9% in 2015 which was in line with the government's target of "approximately 7.0%". Nonetheless, growth fell short of the 7.3% observed in 2014 and marked the slowest pace since 1990. The Chinese leadership has promised structural reforms to boost long-term growth, and economic policy in 2016 will focus on supply-side reforms, while China's authorities will also rely on demand-side stimulus to cushion the current slowdown. The path of full liberalization in the Chinese Renminbi currency is far from smooth as the Chinese currency remains under pressure due to strong capital outflows amid concerns about the health of the economy.

Analysts at Barclays Research forecast 2016 GDP growth to slow to 6.0%. With the slowdown of China's economy, the Group remains cautious about its businesses in China given current economic environment. ■

HOTELS INVESTMENT

"We had full ownership of GHG as from December 2014, thus adding breadth to our asset base, revenue and earnings."

Ruco Wine Wall at Grand Hyatt Melbourne are befittingly charming and revitalising.

MANAGEMENT DISCUSSION AND ANALYSIS

HOTELS INVESTMENT

On 2 December 2014, the Group completed its acquisition of the remaining 50% interest in GHG. Henceforth, the Group had full ownership and control over GHG and accordingly full consolidation of the financial results of GHG in 2015.

In 2015, Hotels Investment recorded revenue of A$140.6 million and net portfolio income of A$42.8 million. Net income from hotel operations was up 2% to A$28.2 million as Grand Hyatt Melbourne and Hyatt Regency Perth registered a combined 4% improvement in Revenue Per Available Room ("RevPAR") with an increase in Melbourne offset by a decrease in Perth. However, net income from non-hotel operations (office, retail and carpark) was down 11% to A$14.6 million due mainly to underperformance in Perth office and carpark operations which in turn was caused by a slow-down in the mining industry in Western Australia.

Interest expenses decreased 28% to A$13.3 million from A$18.4 million a year ago; depreciation and amortisation increased 3% to A$7.2 million. In addition, a net fair value loss of A$8.8 million arising from non-hotel investment properties was recorded in the current year, as opposed to a net fair value gain of A$6.4 million a year ago. After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed profit after tax of S$5.2 million, as compared to S$13.0 million last year. This was due mainly to the absence of one-time GHG net acquisition gain of approximately S$9.1 million a year ago.

GRAND HOTEL GROUP ("GHG")

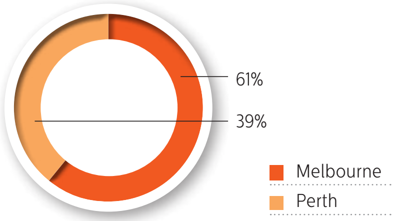
GHG owns two internationally-recognised five-star hotels managed by Hyatt International, namely, Grand Hyatt Melbourne and Hyatt Regency Perth together with their adjacent non-hotel components being retail, commercial and car parking.

The hotel management agreement with Hyatt International for Grand Hyatt Melbourne was for the period between 8 August 1996 and 31 December 2022. Whereas, management agreement on Hyatt Regency Perth had commenced on 1 July 1996 and will expire on 31 December 2026, after Hyatt International exercised the option to extend the agreement by another 10 years. GHG also had a master lease agreement with Wilson Parking for the car park within the Melbourne Grand Hyatt complex and management agreement with Secure Parking for the car park within the Perth Hyatt Regency complex.

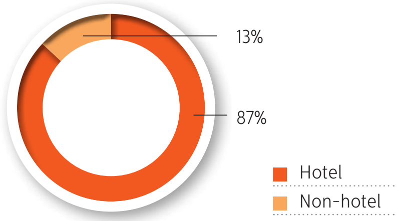
MARKET REVIEW

Australia's economic growth is languishing under the strain of the winding-down of the mining industry because of falling commodity prices. However, record low interest rates have helped to stimulate credit sensitive sectors such as retail and housing, and the depreciation of the Australian Dollar and a sharp fall in oil prices, both increases income growth and reduces the cost of travel, have buoyed demand for the Australian experience. ▶▶

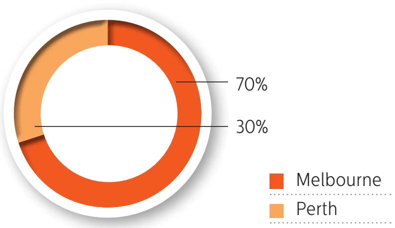
GHG REVENUE BY LOCATION
(TOTAL: A$140.6M)



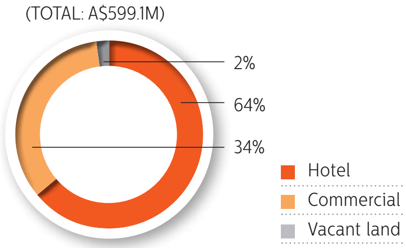
GHG REVENUE BY TYPE
(TOTAL: A$140.6M)



GHG PROPERTY PORTFOLIO VALUE BY LOCATION (TOTAL: A$599.1M)



GHG PROPERTY PORTFOLIO VALUE BY CATEGORY
(TOTAL: A$599.1M)



KEY FIGURES 2015:

GHG REVENUE : A$140.6 MILLION

GHG NET PROPERTY INCOME : A$42.8 MILLION

GHG PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS : A$20.0 MILLION

GHG PROFIT AFTER TAX : A$9.5 MILLION

GHG HOTEL PROPERTIES : A$382.8 MILLION

GHG NON-HOTEL PROPERTIES : A$216.3 MILLION

HOTELS INVESTMENT

In our two key markets, Melbourne continued to break new ground in terms of both occupancy levels and room rates with no new supply impacting our hotel. Its performance was boosted by the growth in Melbourne which is Australia's second most populous city and a major corporate centre for the financial, manufacturing, education and logistics industries. Melbourne is also renowned for its extensive annual calendar of festivals, exhibitions and major sporting events. Increased domestic and international visitation, as well as investment in tourism, convention and sporting infrastructure has underpinned investor confidence and Melbourne has emerged as Australia's accommodation development hot spot over the past ten years.

However in Perth, sentiment that surrounds almost anything resources-related was subdued. Occupancies across the broader Perth market have reduced over the past 18 months and there has been a noticeable shift in travellers accommodation behavior patterns from the perceived luxury hotels to the low category hotels in and around the city. *(Source: Deloitte Access Economics Tourism and Hotel Market Outlook 2015 Mid Year Update & JLL Hotel Destinations Asia Pacific – October 2015)*

OPERATIONS REVIEW

Grand Hyatt Melbourne is located within Melbourne's Central Business District at the "Paris End" on the southern side of Collins Street intersected with the eastern side of Russell Street and a rear frontage to Flinders Lane. The internationally recognised 5-star hotel, which opened in 1986 and extensively renovated in recent years, comprises a total of 548 guestrooms and suites over 34 levels. The hotel also offers four food and beverage outlets, 16 meeting rooms, a day spa, a fully equipped health/fitness club with swimming pool, tennis court, basketball court and golf driving area.

Non-hotel component comprises four retail tenancies fronting Collins Street, three retail tenancies fronting the Grand Hyatt Hotel Porte-Cochere (with return driveway to Russell Street), a basement tenancy and two car park basement tenancies with a total lettable area of 3,024 square metres The tenancies are a mixture of leases ranging from three to ten years. Some of the luxurious and high-end stores in the hotel's shopping complex include Bvlgari, Paspaley Peals and Emporio Armani. The basement car park comprises a total of 597 car bays. The car park is configured over 4 levels and has access from Russell Street and Finders Lane.

As an outstanding hospitality service provider, Grand Hyatt Melbourne received a number of awards in 2015. For details, please refer to the "*Awards and Accolades*" section of this Annual Report. In 2015, net property income for both hotel and non-hotel operations amounted to approximately A$28.5 million.

Hyatt Regency Perth is located at the eastern end of Perth's Central Business District on the southern side of Adelaide Terrace and the northern side of Terrace Road between Plain Street to the east and Bennett Street to the west. The hotel was completed in 1984 and forms an integrated 5-star hotel, office, retail, and parking complex with the adjacent commercial centre. It comprises 367 hotel rooms and suites over the upper nine levels. Facilities and amenities include a total of five food and beverage outlets, 15 conference/meeting rooms as well as recreation facilities including an outdoor swimming pool, fitness centre and a day spa.

Commercial centre, which caters for retail and office tenants, includes a three-level office in the building facing Terrace Road, Adelaide Terrace and Plain Street with a lettable area of 20,235 square metres, ground floor retail and commercial units with a total lettable area of 3,180 square metres, a squash centre and a car park which can accommodate approximately 1,018 cars. Lease terms are a mixture of leases ranging from three to ten years. Rent reviews typically include a combination of market reviews and fixed or CPI increases per annum. The major tenant is Fortescue Metals Group which occupies approximately 60% of the total office area. In 2015, net property income for both hotel and non-hotel operations amounted to about A$14.3 million.

www.melbourne.grand.hyatt.com

Grand Hyatt Melbourne's
Elegant Private Dining Room.

In 2015, Hyatt Regency Perth is honored to have received a Gold Plate Award – Best Licenced Asian Restaurant. This award have been conducted by The Catering Institute of Australia, is a well-regarded and highly successful hospitality industry awards program.

Perth Land consists of Lots 11 and 12 Terrace Road of vacant landholdings with freehold tenure and areas of 1,405 square metres and 1,667 square metres respectively. Both lots adjoin to the Hyatt Regency Perth hotel and are vacant lots capable of supporting future developments. The Group is currently exploring options for a better use of these plots of land.

www.perth.regency.hyatt.com

BUSINESS OUTLOOK

The outlook for domestic tourism reflects a composite of factors which are pulling, at least in some cases, in conflicting directions. The nation's economy is forecast to grow below trend over the next two years. The anticipation, therefore, would be that domestic corporate travel grows below trend also. Against these headwinds is an Australian Dollar depreciation-fuelled 25% improvement in relative prices as well as lower crude oil prices which may boost the affordability of air and road travel. On balance, domestic travel is forecast to grow at 2.7% p.a. to year 2017, modest relative to the results posted over the last 12 months but a considerable outperformance of longer term trends.

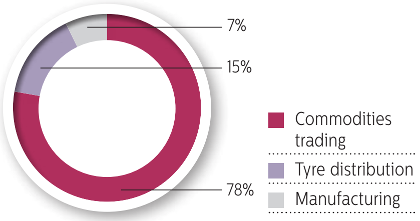
The medium term outlook for Melbourne's accommodation market remains positive. RevPAR growth is expected to remain robust over the next few years with the city expected to increase its share of national MICE demand following the closure of the Sydney Convention and Exhibition Centre in late 2013. There are a number of existing and recently announced projects which indicates that the supply pipeline in Melbourne is building once again. Furthermore, strong demands remain to continue on the back of steady growth of arrivals (China, Indonesia, India, Malaysia, Singapore and USA), new terminal at Tullamarine Airport to be fully operated in 2016 and no new hotel supply with direct impact to Grand Hyatt Melbourne.

The Perth market continues to be heavily influenced by uncertainty in commodity price and negative global economic trends affecting business and consumer sentiment which had a negative impact on the hotel's performance. *(Source: Deloitte Access Economics Tourism and Hotel Market Outlook 2015 Mid Year Update & JLL Hotel Destinations Asia Pacific – October 2015)* ■

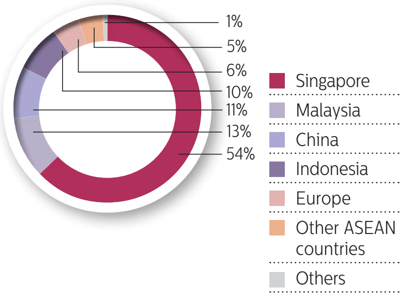
INDUSTRIAL SERVICES

The Group's Industrial Services segment is represented by SP Corp and Hypak. SP Corp is an 80.2%-owned subsidiary. Hypak is a 97.9%-owned subsidiary. In 2015, Industrial Services reported revenue of $128.3 million and profit after tax of $1.3 million. In comparison, revenue of $140.3 million and profit after tax of $1.8 million were reported in the previous year.

REVENUE BY TYPE
(TOTAL: $128.3M)



REVENUE BY COUNTRY
(TOTAL: $128.3M)



SP CORP is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). It principally engages in commodities trading and tyre distribution. For 2015, SP Corp recorded revenue of $119.7 million as compared to $131.9 million in 2014. As a result, profit after tax dipped 31% to $1.5 million, down from $2.1 million a year earlier.

The Commodities Trading Unit primarily carries out trading and marketing of a broad range of products including coal, rubber, metals as well as other commodities and products used by manufacturers in the energy, tyre, metal and automotive industries in Asia. It also handles the marketing and distribution of consumer products including feminine napkins, baby diapers, diaper pants, baby wet wipes and adult diapers produced by established manufacturers in China and Indonesia and provides in-house packaging for supermarkets and airlines.

Commodities Trading Unit reported lower revenue of $99.8 million in 2015 as compared to $104.1 million in 2014 due to a slump in commodities prices despite an increase in trading volumes for rubber and coal. Revenue for metals also declined mainly due to weaker demands and falling prices. Amid an anaemic outlook for the global economy, slowdown in China's growth forecasts and commodities supply gluts, demands for rubber, coal and metals are expected to remain downbeat. The Unit will continue to forge closer ties with its principals and customers to boost its commodities trading activities.

Tyre Distribution Unit distributes established tyre brands, namely, GT Radial and Gajah Tunggal from Indonesia; and GT Radial, Primewell and Runway from China, in ASEAN countries, except for Indonesia, Philippines and Thailand. Its principal suppliers, namely, PT Gajah Tunggal Tbk and Giti Tire Pte. Ltd. are the leading tyre manufacturers in ASEAN and China respectively. As the distributor for these brands, the Unit distributes a wide range of bias and radial tyres for trucks and buses and passenger cars. The Unit provides tyre management services in Singapore and offers a one-stop solution for both new and retread tyres.

In 2015, Tyre Distribution Unit's revenue of $19.9 million was lower as compared to $27.8 million in the previous year. Consequently, the Unit posted a loss of $0.7 million arising from lower revenue, partially offset by lower operating overheads and expenses. The persistently unfavourable market conditions which showed no sign of retreat had adversely impacted both the export and domestic markets of the Unit. The tyre distribution business is expected to remain challenging in view of intense price competition. The Unit is working closely with its principal suppliers to enhance its value propositions and strengthen its dealer network and presence in strategic markets. ▶▶

www.spcorp.com.sg

KEY FIGURES 2015:

SP CORP REVENUE :
$119.7 MILLION

SP CORP PROFIT AFTER TAX :
$1.5 MILLION

HYPAK REVENUE :
RM24.5 MILLION

HYPAK LOSS AFTER TAX :
RM0.5 MILLION

OTHER INVESTMENTS

HYPAK is a leading industrial packaging producer and supplier of polypropylene woven bags and laminated bags in Malaysia for products such as fertiliser, sugar, chemical, flour and feed meal. In 2015, Hypak reported revenue of RM24.5 million, compared to last year's RM21.7 million and a loss after tax of RM0.5 million, compared to loss of RM0.8 million in the previous year.

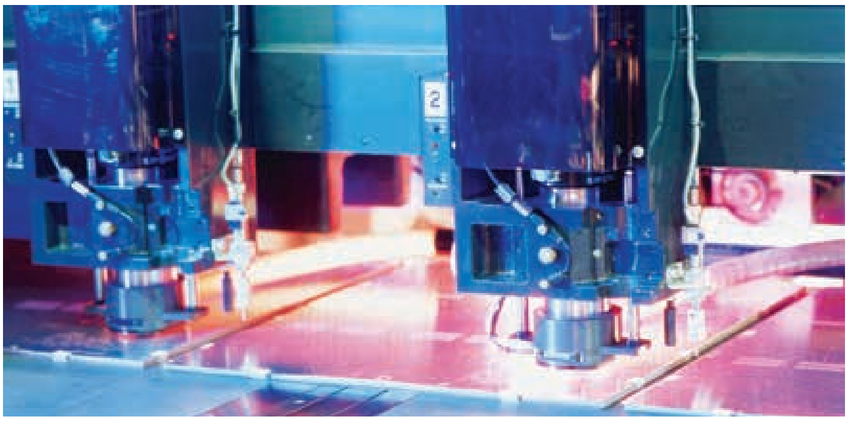
Sales revenue and margins were both higher in 2015 with the implementation of Malaysia GST since 1 April which placed Hypak on better competitive footing to gain higher market share. Bigger volume enabled production to achieve optimal capacity utilisation and higher productivity so to drive the costs of production down and to increase profit margins. The improved performance in 2015 was attributable also to the increased contribution from the new Radiant Barrier Film product which helped to spread overheads through cost-sharing.

The woven polypropylene bags market has been stable with no new players entering the market. Prices of woven polypropylene bags have increased since the implementation of GST. Hypak will continue to improve the profitability of its woven polypropylene bags businesses through higher sales volume, production productivity and efficiency, as well as engaging in cost optimisation activities. It is also developing a new product line of thermal insulation for local and export markets.

The Group holds a 44.5% interest in GulTech and a 49% interest in Pan-West. These holdings are classified under "Other Investments". In line with its strategic direction, the Group is not averse to divest its investments in these two entities when opportunity arises. For the full year 2015, Other Investments contributed a profit after tax of $6.7 million as compared to $11.5 million in the previous year, all from GulTech.

GULTECH is a respectable player in the printed circuit board ("PCB") market, serving customers in the automotive, computer peripheral, consumer electronics, telecommunication, healthcare and instrument & control. It was listed on SESDAQ in March 1997, transferred to the Main Board of SGX in July 2000, and was voluntary delisted from the Official List of Main Board of SGX-ST in January 2013. GulTech manufactures high-quality products in its facilities in Suzhou and Wuxi, China. Through innovative design and prototype expertise, GulTech continues to work in partnership with its multinational customers to provide leading-edge solutions in a highly-dynamic and fast-paced technological environment.

www.gultech.com



Drilling machine at GulTech Jiangsu.

The construction of a new plant on a land site of about 75,000 square metre which is adjacent to its existing Wuxi plant in China had been completed in year 2014. This allows GulTech to increase its production capacity and to grow with its top-tier long-term customers who are leaders in their respective industries.

GulTech reported revenue of US$242.9 million and profit after tax of US$22.5 million. GulTech's net profit attributable to shareholders was US$10.9 million despite challenging industry environment and start-up expenses for its new plant. This translated into a share of net profit (including fair value adjustments) of S$6.7 million for the Group.

On 31 December 2015, GulTech, through its wholly-owned subsidiary Gultech International Pte Ltd, entered into an agreement to acquire the remaining 38.6% shareholdings in GulTech (Suzhou) Electronics Co., Ltd ("GTSZ"). The acquisition was completed in February 2016 and GulTech's equity interest in GTSZ has been increased from the previous 61.4% to 100%. This would offer GulTech greater flexibility in managing its operations, capital structure and strategic initiatives.

PAN-WEST distributes golf-related lifestyle products, operating in excess of 15 on-course and off-course outlets and concessionaires across Singapore and Malaysia. Pan-West is distributor for some of the world's top golfing brands including Honma Golf, Cleveland Golf, Sun Mountain, Katana, IJP Design, Sligo, ASICS Golf and Skechers Golf. Pan-West also distributes High Definition Golf simulators. ■

www.pan-west.com

facebook.com/panwestsingapore

GROUP PROPERTY PORTFOLIO

PROPERTY – RESIDENTIAL

Name of property	Location	Estimated planned GFA (sq. ft.)	Tenure	No of units	No of units sold*	Estimated completion/ TOP date	Group's effective interest
Sennett Residence	Singapore	358,740	99 years	332	309	2016	100%
Cluny Park Residence	Singapore	75,320	Freehold	52	24	2016	100%
Seletar Park Residence	Singapore	289,140	99 years	276	272	2015	100%
Lakeside Ville (Phase III)	China	447,610	70 years	172	168	2010	100%
Fuzhou Land	China	Pending renewal of certificate	70 years	–	–	–	100%
Jiaozhou Land	China	Master plans stage	70 years (residential)/ 40 years (commercial)	–	–	–	100%

* Number of units sold or booked as at 31 December 2015.

PROPERTY – COMMERCIAL

Name of property	Location	Tenure	Lettable/ strata area (sq. ft.)	Group's effective interest
Robinson Tower Redevelopment Site	Singapore	999/99 (annex) years	194,380#	100%
Robinson Point	Singapore	Freehold	134,320	100%
The Oxley	Singapore	Freehold	29,820	100%
Far East Finance Building (11th floor)	Singapore	999 years	4,330	100%
No. 2950 Chun Shen Road Property	China	58 years	23,360	100%

The former Robinson Towers site is under redevelopment. Total lettable area refers to the estimated lettable area upon the completion of the redevelopment.

Seletar Park Residence, Singapore

Sennett Residence, Singapore
Artist's impression

Cluny Park Residence, Singapore
Showflat

Robinson Point, Singapore

PROPERTY – HOTEL

Name of property	Location	Land area (sq. m.)	Tenure	No of hotel rooms	No of carpark bays	Non-hotel lettable area (sq. ft.)	Group's effective interest
Grand Hyatt Melbourne	Australia	5,776	Freehold	548	597	32,550	100%
Hyatt Regency Perth	Australia	25,826	Freehold	367	1,018	252,040	100%

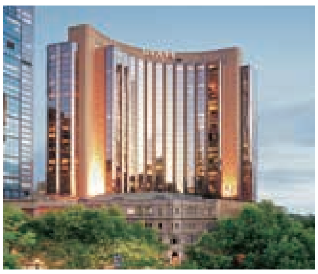
PROPERTY – INDUSTRIAL

Name of property	Location	Total lettable/ strata area (sq. ft.)	Tenure	Group's effective interest
Century Warehouse (31 strata units)	Singapore	50,480	Freehold	100%
L&Y Building (3 strata units)	Singapore	24,600	999 years	100%

INDUSTRIAL SERVICES & OTHER INVESTMENTS

Name of property	Location	Land area (sq. m.)	Tenure	Group's effective interest
Hypak Factory Building	Malaysia	19,100	84 years	97.9%
GulTech Suzhou Factory Building	China	40,455	50 years	44.5%#
GulTech Wuxi Factory Building	China	78,800	50 years	22.7%
GulTech Jiangsu Factory Building	China	75,500	50 years	44.5%

Group's effective interest increased from 27.3% to 44.5% in February 2016 following the completion by Gultech International Pte Ltd, a wholly-owned subsidiary of the Company's 44.5%-owned associated company, GulTech, of the acquisition of the remaining 38.6% shareholding in Gultech (Suzhou) Electronics Co., Ltd.

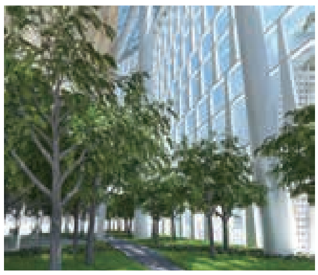


Grand Hyatt Melbourne, Australia

Hyatt Regency Perth, Australia

GulTech Jiangsu and Wuxi Factories, China

New Robinson Towers Roof Garden
Artist's impression



CFO'S REVIEW OF FINANCIAL PERFORMANCE

This review is intended to provide our shareholders with further insight into the financial performance and position of the Group, as well as an update on our financial strategy.

The Group's financial statements are prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS"). Management reviews the performance of the business principally on a consolidated basis whereby the Group's interests in associates and joint venture are shown as a single line item on the income statement and balance sheet and all subsidiaries are consolidated at 100%.

A summary of income statement and summary of balance sheet are included in the "*Additional information: How to understand our financial statements*" section of this report. Readers are also advised to read this review together with the consolidated financial statements presented on pages 101 to 176.

OVERVIEW

OUR FINANCIAL STRATEGY & TARGET

Liquidity	Flexibility	Strong Metrics
To maintain adequate cash to support business requirements and opportunities	To diversify source of financing of varying interest periods and loan durations	To build strong relationship with banking community, seek opportunities to broaden sources of funding and use non-recourse debt whenever possible
Cash & Bank Balance **$141.7M**	Undrawn Facilities **$362.1M**	Weighted Average Cost of All Financing **3.0%**
Cash & Cash Equivalents **$105.7M**	Secured Debt/Total Assets **0.47X**	

KEY PERFORMANCE INDICATORS

		2015	2014
Profitability – measures ability to generate earnings			
Revenue	$'M	677.1	354.8
Profit before tax and fair value adjustments	$'M	88.7	69.5
Profit after tax	$'M	69.1	61.6
Profit attributable to shareholders	$'M	68.8	61.2
Liquidity – measures ability to meet debt obligations			
Working capital	$'M	61.8	450.0
Operating cash flow	$'M	152.3	13.7
Free cash flow[1]	$'M	147.4	(91.9)
Efficiency – measures efficiency of using fund and managing assets			
Total assets	$'M	2,162.5	2,306.3
Shareholders' funds	$'M	876.8	802.9
Return on assets[2]	%	3.1	3.0
Return on shareholders' funds[3]	%	8.2	7.9
Debt leverage – measures capital employed and financial leverage			
Total borrowings	$'M	1,106.3	1,344.9
Net borrowings	$'M	964.6	1,092.6
Gross gearing[4]	times	1.25	1.65
Net gearing[4]	times	1.09	1.34
Shareholders' return – measures wealth creation for shareholders			
Earnings per share (excluding fair value adjustments)	cents	6.3	4.7
Earnings per share (including fair value adjustments)	cents	5.8	5.2
Net asset value per share	cents	74.4	68.3
Dividend per share	cent	0.6	0.5
Dividend payout ratio[5]	%	9.5	10.5
Dividend yield[6]	%	1.7	1.4

Definitions:

1. Free cash flow = operating cash flow + investing cash flow
2. Return on assets = profit after tax/average total assets
3. Return on shareholders' funds = profit attributable to shareholders/average shareholders' funds
4. Gross gearing = total borrowings/total equity; Net gearing = net borrowings/total equity
5. Dividend payout ratio = total dividend payout/profit attributable to shareholders (excluding fair value adjustments)
6. Dividend yield = dividend per share/ average share price during the year

FINANCIAL PERFORMANCE

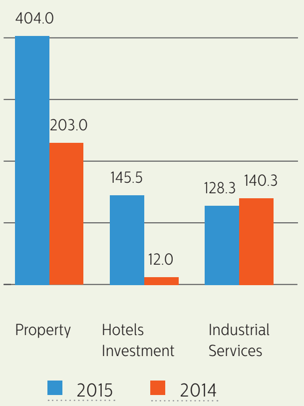
Group revenue rose by 91% to $677.1 million. This was attributable to progressive revenue recognition based on percentage of construction completion for units sold at Seletar Park Residence, Sennett Residence and Cluny Park Residence and the consolidation of revenue from currently wholly-owned GHG.

Gross profit increased on the back of higher revenue and better gross margin from GHG consolidation. Distribution costs were relatively unchanged as higher marketing expenses incurred in relation to the sale of units at Seletar Park Residence and Sennett Residence were mostly offset by lower costs from the Industrial Services segment. Administrative expenses increased reflecting higher legal fees relating to the termination of the previous main contractor at Seletar Park Residence and the consolidation of GHG's expenses. Other operating expenses comprised mainly an allowance for diminution in value of $8.9 million for development properties in Singapore and China. The Group's share of results (before fair value adjustments) of equity-accounted entities decreased to $6.8 million as GHG results had been consolidated since December 2014.

Profit before tax and fair value adjustments grew 28% to $88.7 million. Profit after tax (inclusive of fair value adjustments) rose 12% to $69.1 million after a net fair value loss of $8.0 million being recognised this year as compared to a net fair value gain of $6.5 million a year ago. After accounting for non-controlling interests' share of profit, the Group's net profit attributable to shareholders improved 13% to $68.8 million, from $61.2 million reported last year.

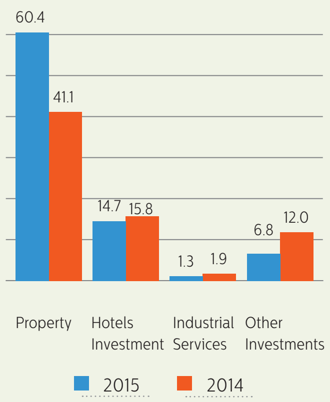
REVENUE AND PROFIT BY BUSINESS SEGMENT ("SBU")

Revenue ($'M)



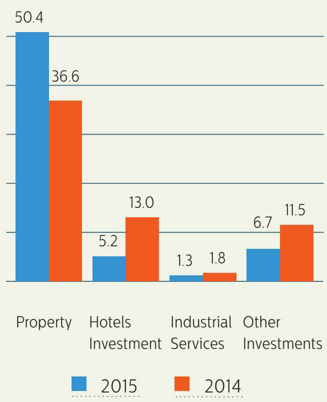
Revenue increased due to higher contribution from Property and consolidation of GHG's revenue

Profit before tax and fair value adjustments ($'M)



All business segments were profitable at operating level, led by Property and Hotels Investment

Profit after tax ($'M)



Property accounted for 73% of the Group' total profit after tax in 2015

GROSS PROFIT MARGIN BY SBU

	2015 %	2014 %
Property	20	26
Hotels Investment[1]	30	28
Industrial Services	5	5

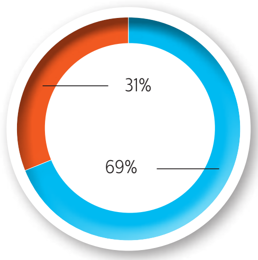
Note:

1. Revenue and gross margin reported under "Hotels Investment" and "Australia" relates to GHG's results after it was 100%-owned on 2 December 2014. Prior to that, the Group equity accounted for its 50% interest in GHG.

TOTAL REVENUE BY GEOGRAPHICAL LOCATION

	2015 $'M	2014 $'M
Singapore	469.2	255.2
Australia[1]	145.5	12.0
China	16.6	21.4
Malaysia	16.9	16.8
Indonesia	13.5	22.5
Europe	7.4	13.0
Other ASEAN Countries	6.8	12.2
Others	1.2	1.7

2015 REVENUE BY GEOGRAPHICAL LOCATION



Singapore accounted for 69% of the Group's revenue in 2015

Singapore
Outside Singapore

CFO'S REVIEW OF FINANCIAL PERFORMANCE

FINANCIAL POSITION

Group total assets of $2,162.5 million at 31 December 2015 represented a 6% or $143.8 million decrease from the previous year-end due to lower cash and bank balances after repaying certain development project loans and a decrease in carrying amount of development properties after completing Seletar Park Residence Project during the year.

The Group's total liabilities of $1,275.0 million represented a 15% or $218.2 million decrease from the previous year-end. This was attributable primarily to a reduction in bank borrowings after repaying certain development project loans.

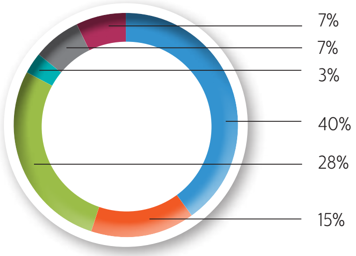
Accordingly, shareholders' funds grew 9% or $73.9 million to $876.8 million at 31 December 2015. The increase was primarily attributable to profit and balance sheet revaluation gain recognised, but reduced by foreign currency translation losses, cash flow hedge losses and the Company's payment of dividend to shareholders. Total equity (including non-controlling interests) amounted to $887.5 million, as compared to $813.0 million a year ago.

Net asset value per share rose to 74.4 cents, up 9% from 68.3 cents at the previous year-end.

The Group had 64% of its total assets in Singapore. Major overseas assets were in Australia and China. The Group's interest in GHG represented its assets in Australia, while development properties and cash and bank balances formed the bulk of the assets in China.

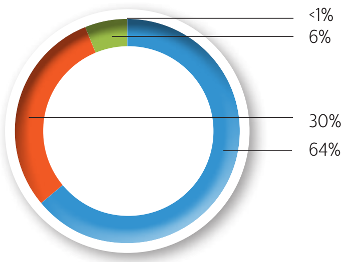
TOTAL ASSETS BY CATEGORY & GEOGRAPHICAL LOCATION

Total assets by category (2015: $2,162.5M)



- Investment properties
- Development properties
- Hotel properties
- Investments in equity accounted investees
- Cash and bank balances
- Other assets

Total assets by geographical location (2015: $2,162.5M)



- Singapore
- Australia
- China
- Others

ANALYSIS OF ADJUSTED NET PROFIT & EARNINGS PER SHARE ("EPS")

	Adjusted net profit ($'000) 2015	Adjusted net profit ($'000) 2014	Impact to EPS (cents) 2015	Impact to EPS (cents) 2014
Net profit attributable to shareholders (including fair value adjustments)	68,833	61,169	5.8	5.2
Addback:				
– Fair value loss/(gain)	8,049	(6,469)	0.7	(0.6)
– Tax impact on fair value loss/(gain)	(2,723)	1,050	(0.2)	0.1
Net profit attributable to shareholders (excluding fair value adjustments)	74,159	55,750	6.3	4.7

EARNINGS PER SHARE

Basic earnings per share were up 12% to 5.8 cents, as compared to 5.2 cents a year earlier. This reflects the increase in profit after tax, partly offset by the impact of additional shares issued under the Scrip Dividend Scheme.

To enable readers to appreciate the impact of fair value adjustments mainly arising from investment properties, profit attributable to shareholders and earnings per share before and after such adjustments are analysed in the above table. The adjusted earnings per share excluding fair value adjustments increased by 34% from 4.7 cents last year to 6.3 cents this year. This was attributable to the increase in the underlying net profit before fair value adjustments, offset by the impact of additional shares issued under the Scrip Dividend Scheme.

DIVIDEND & SHAREHOLDERS' RETURN

DIVIDEND

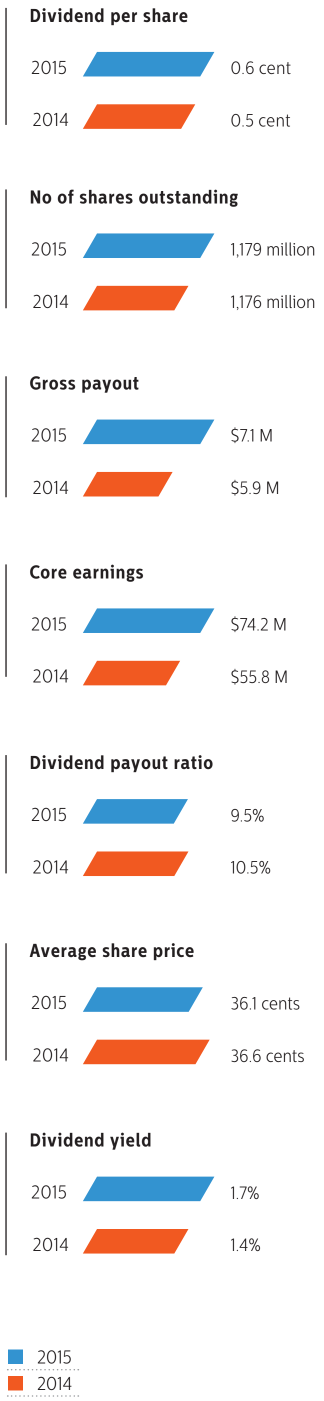
Subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company, a final one-tier tax exempt dividend of 0.6 cent per share, amounting to about $7.1 million, will be paid in respect of the financial year ended 31 December 2015. Shareholders will continue to have the opportunity to participate in the Scrip Dividend Scheme and receive their dividend in the form of the Tuan Sing shares as opposed to cash.

For the previous year ended 31 December 2014, a final dividend of 0.5 cent per share amounting to $5.9 million was paid on 24 June 2015. This had been satisfied by way of a cash payment of $4.9 million and issuance of 2,669,072 ordinary shares at an issue price of $0.363 per share.

The Group has been declaring dividends every year since 2009. Total gross payout amounts to $36.1 million, including $7.1 million proposed for FY2015.

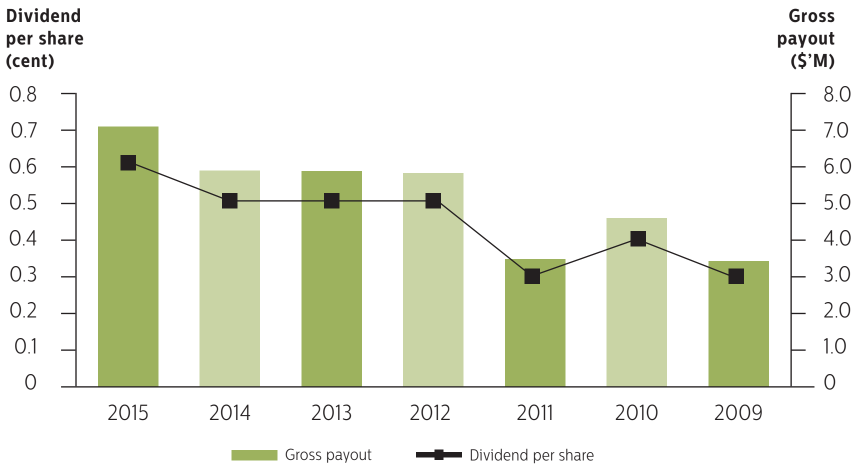
DIVIDEND PAYOUT AND DIVIDEND YIELD

The proposed dividend of 0.6 cent per share for 2015 represents dividend payout ratio of 9.5% based on core earnings which are the net profit before fair value adjustments. Based on the average share price of 36.1 cents traded during the year, the proposed dividend translates into a dividend yield of 1.7%. We are aware of the shareholders' wish for more dividends. However, we have to balance shareholders' desire to have a higher dividend versus sustainable annual returns and prudence to preserve cash and maintain sufficient working capital to support business growth. The proposed dividend is consistent with the Group's dividend policy which takes into consideration the need to conserve cash for its working capital and for future investments for long-term capital growth.



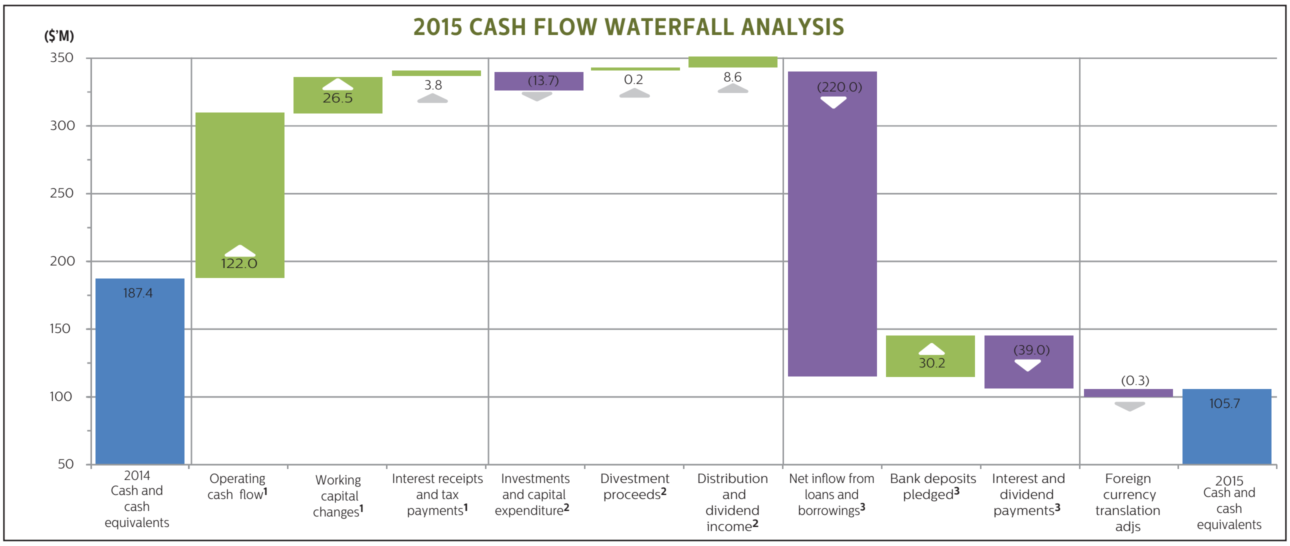
DIVIDEND PER SHARE AND DIVIDEND PAYOUT

	2015	2014	2013	2012	2011	2010	2009
Dividend per share (cent)	0.6	0.5	0.5	0.5	0.3	0.4	0.3
Number of shares (million)	1,179	1,176	1,173	1,161	1,154	1,146	1,138
Gross payout ($'000)	7,073	5,881	5,864	5,806	3,463	4,586	3,412
Cumulative payout ($'000)	36,085	29,012	23,131	17,267	11,461	7,998	3,412



CFO'S REVIEW OF FINANCIAL PERFORMANCE

CASH FLOW & LIQUIDITY



FREE CASH FLOW

One of the important drivers to sustain and increase shareholders value is free cash flow generation. We define free cash flow as cash from both operating activities (operating profit, change in operating working capital, finance income and tax) as well as investing activities (capital expenditure and investment). To maximise cash generation across the Group, our SBUs' management is required to continuously improve operating profits, manage interest income and tax, as well as optimise working capital and capital investment program.

The Group currently does not have central treasury and tax functions. As a general policy, SBUs are required to first apply cash generated from operating activities to repay their debt and tax commitment, and then provide a return to shareholders in the form of dividends. Remaining cash is used to fund capital expenditure and investment program. Any shortfall in the funding of capital investment will be funded from borrowings. As a result, this will impact our gearing ratios. We will have the authority to repurchase up to 10% of our issued share capital, should shareholders approve our proposed share purchase mandate in the forthcoming EGM.

CASH AND CASH EQUIVALENTS

As at 31 December 2015, cash and cash equivalents stood at $105.7 million, a lower sum as compared to $187.4 million in the previous year-end. This was due to net cash used of $228.8 million primarily for repaying certain development project loans. The funding of which was mainly from $152.3 million generated from operating activities. The Group's cash and cash equivalents at year-end had already excluded encumbered fixed deposits and bank balances of $36.0 million pledged to banks to secure credit facilities.

CASH FROM OPERATING ACTIVITIES

Higher operating cash flows were generated during the year as a result of more cash being received from progress billing following the completion of the Seletar Park Residence Project, coupled with higher interest receipt but offset partially by higher income tax payments.

	2015 $'M	2014 $'M
Operating cash flow[1]		
Profit before tax and fair value adjustments	88.7	69.5
Non-cash items	33.3	(41.2)
Operating cash flow before working capital changes	122.0	28.3
Working capital changes	26.5	(15.2)
Interest receipts and tax payments	3.8	0.6
	152.3	13.7
Investing cash flow[2]		
Investment and capital expenditure	(13.7)	(114.2)
Divestment proceeds	0.2	-
Distribution and dividend income	8.6	8.7
	(4.9)	(105.5)
Financing cash flow[3]		
Net inflow from loans and borrowings	(220.0)	(86.9)
Bank deposits pledged	30.2	-
Interest and dividend payments	(39.0)	(20.9)
	(228.8)	66.0

CASH USED IN INVESTING ACTIVITIES

Out of the investments and capital expenditure, $10.3 million was spent on redevelopment at the Robinson Towers site and remaining mainly on capital expenditure for the two hotels in Australia. In comparison, last year's investment and capital expenditure is mainly pertaining to acquisition of the remaining 50% interest in GHG. In addition, there was a dividend of $8.6 million received from GulTech whilst last year it was a distribution of $8.7 million from GHG when GHG was equity-accounted.

CASH USED IN FINANCING ACTIVITIES

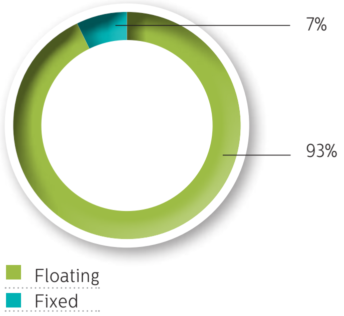
Net cash used in financing activities was $228.8 million, reflecting a net loan repayment of $220.0 million, interest payment of approximately $34.2 million and cash dividend paid to shareholders of $4.9 million, offset partially by a decrease in bank deposit pledged of $30.2 million. In contrast, financing activities last year accounted for a net cash inflow of $66.0 million, reflecting a net loan drawdown less interest payment and cash dividend paid to shareholders.

BORROWINGS & DEBT SECURITIES

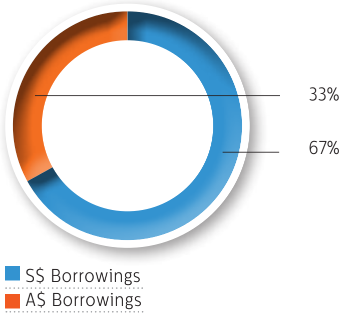
As of 31 December 2015, the Group had approximately $1,106.3 million of borrowings comprising long term borrowings of $677.4 million and short-term borrowings of $428.9 million. 93% of the Group's borrowings were secured except for the $80 million notes issued under the MTN Programme. The secured borrowings were obtained mainly for financing development projects and investment properties in Singapore and Australia. Singapore dollar borrowings represented 67% of total borrowings and the remaining 33% were in Australian dollars. Australian borrowings were structured under GHG and acts as a natural hedging against the Group's investment in Australia.

DEBT PROFILE ANALYSIS

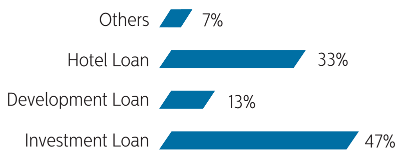
Interest rate profile



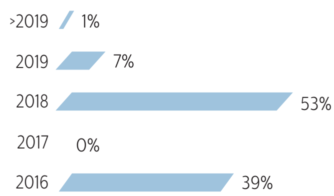
Total borrowings by currency



Total borrowings by loan type



Loan maturity profile



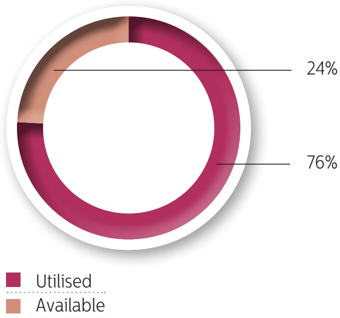
Note: The above analysis is based on total loans and borrowings outstanding as at 31 December 2015.

We borrow from a number of banks using a combination of floating and fixed interest rates depending on a number of factors including the time the debt is entered into, the tenor of the debt, the currency, the risk and the counter party involved. At present, 93% of our borrowings were on floating rates with varying tenures. Accordingly, interest on such loans will be subject to fluctuation in interest rates. To mitigate interest rate risk, we monitor the trend of interest rate movements closely. Where necessary, a variety of financial instruments may be used to hedge interest rate risks arising in the normal course of business. At present, we limit our hedging activities in respect of debt to two primary instruments – cross currency swaps and interest rate swaps.

In addition, Tuan Sing has established a S$900 million MTN Programme under which it can issue notes in series or tranches and may be denominated in Singapore dollars or other currency deemed appropriate at the time. The 1st tranche of S$80 million of fixed rate notes (the "Notes") were issued under the MTN Programme on 14 October 2014. The Notes are unsecured, bear a fixed interest rate of 4.50% per annum payable semi-annually in arrear, and will mature on 14 October 2019.

Weighted average debt maturity stood at 2.4 years. Debt maturity in 2016 is related mainly to project loans on development properties scheduled for completion in the next 12 months as well as loan related to Robinson Point which will be refinanced in 2016.

Total Credit Facility
($1,518.5 M)



CFO'S REVIEW OF FINANCIAL PERFORMANCE

CAPITAL STRUCTURE MANAGEMENT

ON CAPITAL STRUCTURE MANAGEMENT

In managing capital, our objectives are to maintain a capital structure which taking cognizance of a balance between performance, risk and flexibility. Leverage magnifies returns, both positive and negative. An increase in leverage will increase the risk of breach of covenants on borrowings facilities and may increase borrowing costs.

We have access to a range of funding options. We monitor the financial markets and decide which financing would best suit our business needs. We aim to avoid the risk of concentration. Hence, we have a fairly diversified source of funds and borrow both on secured and unsecured basis. To achieve an optimal capital structure, we may from time to time issue new shares, obtain new borrowings, sell assets to reduce borrowings, or pay or adjust the amount of dividend payment, or return capital to shareholders.

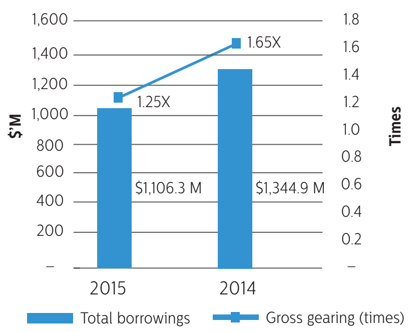
Having easy access to flexible and cost effective financing is important to us. It allows us to respond quickly to opportunities. The operating cashflow, divestment proceeds, if any, from low yielding or non-core assets, secured borrowings and unsecured bonds that may be issued from time to time should provide adequate sources of funding for the Group to grow its business in the foreseeable future.

ON DEBT FINANCING

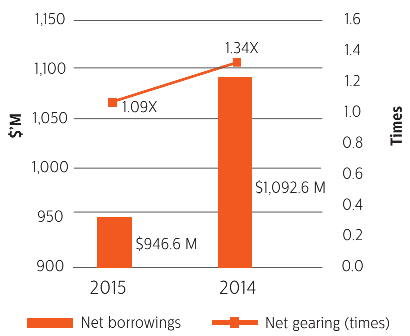
We use a combination of short-term and long-term debt to finance our operations. Our long term investments are financed by long-term debt as well as internally generated funds. This debt is normally in the same currency as the underlying project and the repayment terms are designed to match cash flows expected from that project.

Our ability to access reasonably-priced debt from banks or in the capital markets is dependent, in part, on the quality of our credit ratings. Although we do not engage credit rating agency at the moment, we believe our reputation for having a culture of good governance and transparency will be attractive to lenders and investment community when we need financing. This would allow us to raise funds at short notice and at competitive rates. This is particularly so when we are able to offer quality assets as pledge and show convincing income and cash flow projections for the project/loan period.

GROSS GEARING



NET GEARING



ON GEARING

We manage our mix of equity and debt financing to achieve the right balance between enhancing returns for shareholders and the risk of higher leverage. In deciding on our level of leverage, we weigh up the potential increased return obtainable from greater leverage (through borrowing to buy property) against the risks of having more debt.

Group-wise, we use gross gearing ratio (debt as a percentage of total equity) and net gearing ratio (net debt as a percentage of total equity) to measure our leverage. As at 31 December 2015, gross gearing ratio improved to 1.25 times and net gearing ratio to 1.09 times. Last year, it was 1.65 times and 1.34 times respectively. This was attributable primarily to a reduction in bank borrowings after repaying certain development project loans. Separately, the Group also monitors regularly its ability to service interest charges, to repay loans when due and the net cash flow of its investments so as to maintain an efficient capital structure.

At operating level, however, loan to property or assets value ratio is generally used to reflect the strength of our operational business and reliability of cash flows, where we are comfortable that overall returns will be enhanced without exposing the Group to undue risk. With the expected project TOP of Sennett Residence and Cluny Park Residence in 2016, we expect the gearing ratios to reduce significantly after repayment of the relevant project loans.

TREASURY MANAGEMENT

Treasury management is carried out by the respective business units in accordance with established group policies and guidelines. Policies and guidelines have been regularly updated to take into account changes in the operating environment. Working capital requirements and capital expenditures are funded by a mix of short-term and long-term loans. New investments are structured with an appropriate mix of equity and debt after careful assessment of relevant risks.

We monitor working capital requirement, forecast and cash flow at each level of operations. We also watch out for loan covenants compliance, and maintain a mix of loan durations and interest periods. This monitoring process includes *inter alia* quarterly cash flow projections on a rolling sixteen-month basis. We closely monitor relevant emerging regulations which may potentially impact the way that we obtain our finances or introduce any operating constraints. We are kept updated of the latest development in debt markets and to arrange new financing as opportunities arise. Our consistent approach has helped us to build a long-term relationship with debt providers which we value.

Cash and cash equivalents and undrawn committed facilities are maintained for immediate availability. Our unsecured revolving credit facilities provide flexibility to support the operations of our business, with the ability to draw and repay at short notice without additional cost. Maturity dates of our facilities are well spread out and up to year 2026.

FINANCIAL RISK MANAGEMENT

Please refer to "*Business Dynamics & Risk Factors Statement*" section of this Annual Report and note 33 to the Financial Statements. We believe in having a robust financial management system and adequate financial discipline to mitigate the financial risks enumerated therein.

SENSITIVITY ANALYSIS

Sensitivity analyses on currency and interest rate changes and associated risks are discussed in note 33 to the financial statements. Other sensitivity analyses are discussed below:

EXCHANGE-RATE EXPOSURE

The Group is affected by translation effects as the Group has operations outside of Singapore. Significant exchange gains or losses may arise when the assets and liabilities in foreign currencies are translated or exchanged into Singapore dollars for financial reporting or repatriation purposes. The translation exposure is primarily related to currencies in those regions where the Group's substantial operations exist, that is, Australian dollar ("AUD"), Renminbi ("RMB") and United States dollar ("USD"). A 5% appreciation or depreciation in AUD, RMB and USD against the Singapore Dollar at 31 December 2015 would have an impact of approximately $11.3 million, $5.7 million and $5.5 million increase or decrease on the Shareholders' funds respectively.

DEVELOPMENT PROPERTIES

For sales of partly completed development properties in Singapore that use the standard form of Sales and Purchase Agreement prescribed in the Singapore Housing Developers (Control and Licensing) Act (Chapter 130) and meet the criteria for continuous transfer of control and the significant risks and rewards of ownership under the progressive payment scheme, profit is recognised upon the signing of sales contracts and payment of the first installment which corresponds to 20% of the estimated profit attributable to the actual contracts signed. Subsequent recognition of profit uses the percentage of completion method based on actual percentage of physical completion achieved during the year.

For sale of partly completed development properties in Singapore under deferred payment scheme and overseas development properties, profit is recognised upon completion of construction, and when legal title passes to the buyer or when equitable interest in the property vests upon release of the handover notice to the buyer, whichever is earlier.

As of 31 December 2015, the incremental impact on the Group's profit before tax for every 5% of physical completion, excluding those development properties that had either fully completed its construction or have yet to commence construction is $4.7 million. For projects which have been launched for sales, every additional 1% of the total saleable area sold would contribute an estimated $0.4 million to the Group's profit before tax. This is based on estimated profit margin and properties available for sale as at 31 December 2015.

INVESTMENT PROPERTIES

The Group's investment properties comprise mainly Robinson Point, three floors of commercial space in The Oxley, 31 strata units (out of 35 strata units) within Century Warehouse, 3 strata units (out of 24 strata units) within L&Y Building and 1 strata unit within Far East Finance Building in Singapore, non-hotel commercial space (office, retail and car park) adjacent to Grand Hyatt Melbourne and Hyatt Regency Perth in Australia, as well as No. 2950 Chun Shen Road Property in China. Profit before tax could be sensitive to changes in their respective occupancy and rental rates.

Assuming that the current rental rates are maintained, every 1% change in occupancy rate would impact total rental income by approximately $0.3 million. In respect of committed leases and lease renewals, full year's impact on rental income for every 10% change in effective rental rates from new rates negotiated is about $2.8 million.

FAIR VALUE ADJUSTMENTS

The volatility of financial results caused by fair value adjustments of the Group's property portfolio is an inherent systemic issue that the Group cannot avoid as these assets form a significant portion of the Group's total asset base. Although there is no real cash flow impact arising from such accounting treatments, a decrease in property valuation may cause certain loan-to-value bank covenants being negatively affected.

In addition to the investment properties held in Singapore, the Group also has interests in investment properties in Melbourne and Perth, Australia, through its investment in GHG. The investment properties in Australia are within the hotel property complexes held to earn rental and/or capital appreciation. Earnings contributed by these investment properties may fluctuate from year to year due to fair value adjustments. For every 1% change in capital value, the impact on fair value adjustments from the investment properties held by the Group is approximately $10.8 million.

CRITICAL ACCOUNTING POLICIES

Tuan Sing's financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") and are on the historical cost basis except for the revaluation of certain non-current assets and financial instruments that have been measured at their fair values and amortised costs respectively at the end of the reporting period. The Group's significant accounting policies are discussed in note 2 to the financial statements.

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of financial statements requires management to exercise its judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions which affect the reported amounts of assets, liabilities, income and expenses. The Group's critical accounting judgments and key sources of estimation uncertainty are discussed in note 3 to the financial statements.

Additional Information: How to understand our financial statements

SUMMARY OF INCOME STATEMENT

Revenue increased by 91% to $677.1 million. The increase was attributable to higher revenue from the Property segment in relation to progressive revenue recognition based on percentage of construction completion for units sold at Seletar Park Residence, Sennett Residence and Cluny Park Residence as well as the consolidation of revenue of GHG following the Group's acquisition of the remaining 50% interest in GHG on 2 December 2014.

Gross profit improved on the back of higher revenue and better gross margin from GHG consolidation.

Other operating income was significantly lower due to the absence of last year's one-off negative goodwill gain of $26.9 million and the associated acquisition costs of $17.8 million related to the GHG acquisition recorded in other operating expenses. For FY2015, other operating income included $1.3 million of forfeited deposits on abortive sales and compensation for early termination of leases by the tenants.

Administrative expenses increased reflecting higher legal fees incurred relating to the termination of the previous main contractor at Seletar Park Residence and the consolidation of GHG's expenses.

Other operating expenses comprised mainly an allowance for diminution in value of $8.9 million for development properties in Singapore and China.

The Group's share of results (before fair value adjustments) of equity-accounted entities includes share of results of GHG (pre-acquisition in December 2014) and GulTech. The decrease was due primarily to the consolidation of GHG's results since 2 December 2014.

Finance costs were significantly higher due largely to the consolidation of GHG's finance costs and additional finance costs relating to borrowings taken out for its acquisition. The increase was partially offset by finance costs capitalised as project costs to the Group's on-going development projects and redevelopment of the Robinson Towers site. In addition, the impact of an increase in the base interest rate in Singapore was mitigated partly by the repayment of certain project loans.

Fair value losses in 2015 arose mainly from the Group's non-hotel investment properties in Perth amidst a weak macro-economic environment, mitigated partially by fair value gain in Melbourne and Singapore which property market remains promising.

	2015 $'000	2014 $'000
Revenue	**677,122**	**354,765**
– Property	404,025	203,022
– Hotels Investment	145,479	12,023
– Industrial Services	128,342	140,347
– Corporate and Others	(724)	(627)
Cost of sales	(535,259)	(286,139)
Gross profit	**141,863**	**68,626**
Other operating income	3,420	29,177
Distribution costs	(4,355)	(4,230)
Administrative expenses	(25,672)	(16,202)
Other operating expenses	(10,085)	(23,426)
Share of results of equity accounted investees	6,803	19,985
Finance income	4,258	4,760
Finance costs	(27,529)	(9,186)
Profit before tax and fair value adjustments	**88,703**	**69,504**
Fair value adjustments	(8,049)	6,469
Profit before tax	**80,654**	**75,973**
Income tax expenses	(11,535)	(14,387)
Profit for the year	**69,119**	**61,586**

SUMMARY OF BALANCE SHEET

	2015 $'000	2014 $'000
Cash and bank balances	141,717	252,270
Trade and other receivables	134,390	87,420
Inventories	3,641	4,487
Development properties	336,132	414,153
Property, plant and equipment	395,149	397,886
Investment properties	1,076,909	1,082,932
Investments in equity accounted investees	71,511	62,981
Deferred tax assets	3,045	4,179
Other non-current assets	11	14
Total assets	**2,162,505**	**2,306,322**
Loans and borrowings	1,106,334	1,344,872
Trade and other payables	117,214	107,134
Income tax payable	7,914	5,830
Deferred tax liabilities	42,320	35,016
Derivative financial instruments	904	–
Other non-current liabilities	362	423
Total liabilities	**1,275,048**	**1,493,275**
Total shareholders' funds	**876,805**	**802,918**
Total non-controlling interests	**10,652**	**10,129**

Lower cash and bank balances after repaying certain development project loans and a decrease in carrying amount of development properties after completing Seletar Park Residence Project during the year.

Increase was largely due to unbilled receivables of $44.9 million related to the remaining sales consideration on completed development properties for sale.

The decrease in development properties was due mainly to Seletar Park Residence's TOP during the year as well as an allowance for diminution in value of $8.9 million for development properties in Singapore and China.

The decrease in investment properties was due mainly to fair value losses on the non-hotel properties held by GHG and AUD translation losses, but mitigated partially by the increase in capitalised expenditures and interest cost for the Robinson Towers redevelopment site.

The decrease was due to a net loan repayment of $220.0 million and lower carrying value of AUD-denominated borrowings as a result of the depreciation of AUD against SGD.

The increase reflects profit and balance sheet revaluation gain recognised, but reduced by foreign currency translation losses, cash flow hedge losses and the Company's payment of dividend to shareholders. Under the Tuan Sing Scrip Dividend Scheme, 2.7 million new shares were issued on 24 June 2015 and accordingly, the Company's share capital increased by approximately $1.0 million to $170.2 million at year-end.

MANAGING RISK IN DELIVERING OUR STRATEGY

"Risk management is a key strategic process and an essential element of our corporate governance."

Tuan Sing continues to explore and develop opportunities to sustain earnings and to drive long-term increase in shareholders' value. In doing so, we are exposed to certain risks. Hence, our ability to prevent, detect and manage risks is crucial for an effective governance and control of the business.

Our Enterprise Risks Management ("ERM") framework is designed to be in line with "ISO31000 – Risk Management Principles and Guidelines" and the recommended practices under "Risk Governance Guidance for Listed Boards" issued by Corporate Governance Council on 10 May 2012. It outlines the principles, process, tools, risk categories and types, key responsibilities, reporting requirements and communication timelines within the Group and intends to provide reasonable assurance that the Group's objectives can be achieved and its obligations to customers, shareholders, employees and society can be met.

In this discussion, we attempt to outline the Group's approach in managing risks. Key risks in 2015 have been identified through the risk management system and are summarised & reviewed in the "*Business Dynamic & Risk Factors Statement*" section of this Annual Report.

OUR RISK MANAGEMENT PRINCIPLES

At Tuan Sing, risk management is an integrated process that supports informed decision-making throughout the Group. Our integrated approach recognises the need for clear, timely direction and decision from the Board of Directors, senior management and our business unit management (i.e. SBUs), where appropriate. Risk management is also embedded into the day-to-day decision-making and operational activities (i.e. operational risk management).

The top-down approach (i.e. strategic risk management) involves a review of the external environment in which we operate and the extent of our risk appetite. The result will then guide the actions we will take in executing our strategy. Key risk indicators have been identified for each of our principal risks and are used to monitor our risk exposure. These key risks are reviewed quarterly by the Audit and Risk Committee to ensure that the activities of the business remain within our risk appetite.

The bottom-up approach (i.e. operational risk management) involves identifying, managing and monitoring risks at the "front line" level. This way, risk management is embedded in our everyday operations. Control of this process is through maintaining of risk registers by all SBUs. These risk registers are aggregated and reviewed by the CEO and CFO, with significant and emerging risks escalated for the Board and the Audit and Risk Committee's consideration as appropriate. This process complements the top-down view by helping us to identify our principal risks and ensuring that operational risks are fully considered in determining the risk appetite and the corresponding strategy of the business.

ANNUAL REVIEW OF RISK GOVERNANCE AND OVERSIGHT STRUCTURE

Under the ERM framework, the Board has overall responsibility for assessing and managing risks with a particular focus on determining the nature and extent of significant risks it is willing to take in achieving its strategic objectives, especially those that would threaten its solvency or liquidity. The Audit and Risk Committee oversees the adequacy and effectiveness of the Group's risk management and internal control systems.

The CEO and CFO are responsible in implementing the Company's strategy, strengthening the Group's risk management culture, ensuring the overall framework of risk management is comprehensive and responsive to changes in the business, and managing the internal audit function. They regularly review the completeness and accuracy of risk assessments, risk reporting and the adequacy of risk mitigation efforts.

The CEO and CFO, in turn, place reliance on their SBUs teams to monitor and manage operational risks on an ongoing basis, and to identify emerging risks. The risk registers provide a framework for all relevant staff to recognise their shared responsibility for an effective management of risks on a regular and timely basis.

Our ERM system is designed to provide reasonable, but not absolute, assurance that the Group's assets are safeguarded, the risks facing the business are being assessed and all information that may be required to be disclosed is reported to the Board through the Audit and Risk Committee. We have reviewed the current ERM framework and are of the view that it remains appropriate for the year 2015.

MANAGE RISK IN DELIVERING OUR STRATEGY

We remain focused on property and hotel segments to drive growth. In pursuing our corporate strategies and business goals, we acknowledge that it is necessary to take certain risks that we believe are manageable and appropriate in relation to expected opportunities. However it should be within our risks appetite by taking into consideration our assessment of the macro-environment that we are operating in. We use key risk indicators to ensure that the activities of the business are within our risk appetite.

FOCUS ON COMPLIANCE MANAGEMENT: ASSURANCE AND RE-ASSURANCE

The Group places considerable importance on maintaining a strong control environment to ensure that risks are managed and business strategies are executed. Policies and procedures, delegation of authority, minimum internal controls and Code of Ethics have been defined and put into practice by all SBUs. Together with compliance with laws and regulations, these established procedures and internal guidelines form the control environment of Tuan Sing for which employees are accountable for their compliance.

In addition, the Group has since 2006 established a whistle-blowing policy under which employees and outsiders could, through well-defined and accessible channels, raise concerns in confidence about possible improprieties in matters of business activities, financial reporting or other matters to the Whistle-blowing Committee. The Committee is bound to report, within certain established timeline, the results of its investigation to the Audit and Risk Committee.

On a quarterly basis, the head of SBU is required to submit management representation letters to the CEO and CFO to confirm the effectiveness of the financial reporting, risk management, compliance and internal control systems in their respective units. Such submissions form the basis of the quarterly representation letters presented by the CEO and CFO to the Audit and Risk Committee. Compliance checklist and declaration on ethics by all employees have also been implemented at the end of each year to promote accountability.

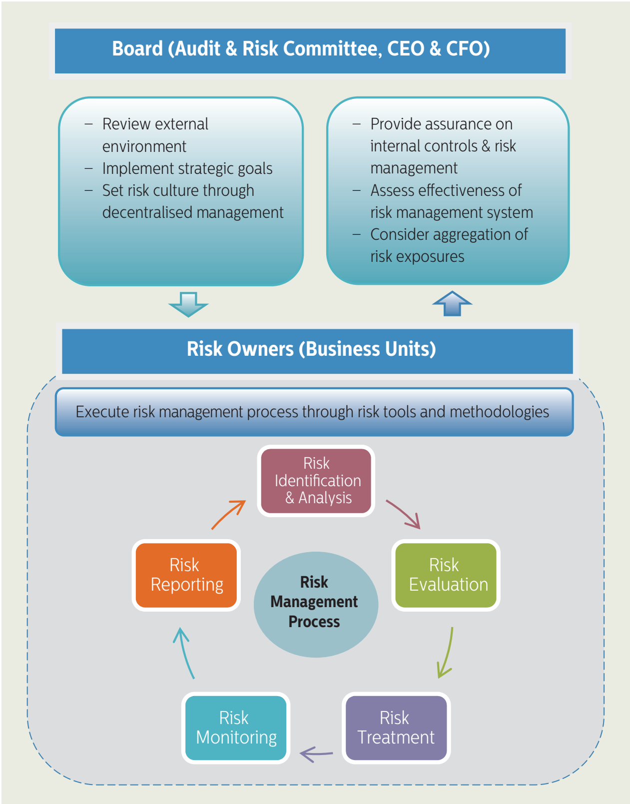
The Internal Audit function is outsourced to PricewaterhouseCoopers which provides independent checks on operational issues and risk controls and reports directly to the Audit and Risk Committee.

RISK MANAGEMENT IN ACTION: RISK RELATING TO PERSONAL DATA PROTECTION

The Personal Data Protection Act (PDPA) 2012 in Singapore and the Privacy Act in Australia regulate the collection, use, disclosure, transfer and security of personal data. The Group is exposed to personal data protection risk and should keep personal data in our possession secure from unauthorised access, modification, disclosure, use, copying, whether in hardcopy or electronic form. Furthermore, this risk may expose the Group to fines, payment of damages, or legal suits for non-compliance.

During the year, the Audit and Risk Committee directed the management to undertake a review of the implications of the PDPA in relation to the Group's operations in Singapore, and any equivalent legislation in relation to the Group's operations in Australia. The Group aims to create a secured personal data protection policy for employees and stakeholders in 2016.

RISK ASSESSMENT AND OVERSIGHT STRUCTURE



BUSINESS DYNAMICS & RISK FACTORS STATEMENT

> "We use key risk indicators to ensure that the activities of the business are within our risk appetite."

KEY RISK PROFILE 2015

We list the 24 key risks that have been identified. While our risk appetite and risk profile remains broadly unchanged in 2015, our risk exposures towards "business continuity risk" and "interest rate risk" had increased from the overall group perspective. In addition, the changing business environment has caused us to closely monitor the impact on our risk landscape.

NO THREAT TO GOING CONCERN

After making due inquiry, we are satisfied that as on 31 December 2015, there were no risks that could affect the ability of the Group to continue as a going concern in the next twelve months.

RISK MATRIX TABLE

CONSEQUENCE / LIKELIHOOD	Rare	Unlikely	Possible	Likely	Almost Certain
Extreme	* Compliance				
High		* Liquidity	* Business continuity		
Major	* Financial management	* Strategy * Investment	* Interest rate		
Moderate	* Derivative financial instrument * Insurance		* Competition * Industry * Processing, sourcing & execution	* Reputation * Macroeconomic & political * Price	* Foreign exchange * Tax
Low		* Alliance * People * Work health & safety	* Credit * Capital structure	* Social & environmental * Regulatory	
Negligible					

RISK EXPOSURE & APPETITE TABLE

Risk Level	Action Requirements
Extreme	Not acceptable: * Immediate action required * Must be managed by senior management with a detailed treatment plan
High	Senior management attention: * Senior management attention needed and management responsibility specified * Treatment plans to be developed * Must be monitored on regular frequency
Medium	Tolerable: * Management responsibility must be specified * Treatment plans to be developed * Ongoing monitoring and review
Low	Acceptable: * Manage by routine process / procedures * Consider of additional controls only if they are clearly quantifiable cost benefit * Ongoing monitoring and review
Negligible	Acceptable: * Manage by routine process / procedures * Unlikely to require specific application of resources

BUSINESS & STRATEGY RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
Strategy risk	
• The Group is exposed to risks associated with its expansion plans. • Expansion involves the financial burden of setting up new business units and dealing with unfamiliar rules and regulations in foreign countries or nuances in customer service expectations. • Such expansion plans may divert management's attention. Page 5, Our Business Strategy	• New investment proposal is evaluated carefully to ensure that it is in line with the corporate strategy and investment objectives and that it can meet the relevant hurdle rates of financial returns in addition to consideration of other relevant risk factors. • Evaluation includes macro and project-specific risks analyses, due diligence and sensitivity analysis on key assumptions. Each investment proposal is reviewed and approved eventually by the Board.
Competition risk	
• Our relative size may be a disadvantage in the highly competitive property development industry. Hence, the Group may be more vulnerable to external shocks and negative occurrences specific to its operations. • The real estate markets in both Singapore and China are rapidly changing and the Group has to respond to them swiftly and effectively more so than other bigger players. • The Australian hospitality industry where our hotels are situated is highly competitive. Any completion of new hotels or renovation of competing hotel would reduce the competitiveness of older or existing properties. Page 5, Our Business Strategy	• The Group strives to maintain competitiveness through differentiation of its products and leveraging on its brand name and thereby moving away from the mass market. • Tuan Sing is a recognised developer with proven track records and reputation associated with award-winning projects. • The Group's hotel properties offer choice locations and excellent services of their class. • Long term management agreements in place with Hyatt International for hotel operations enhance the profile of our hotel properties.
Industry risk	
• The Group is exposed to inherent risks in property developments. • Delays in the completion of projects and cost overruns may arise from adverse weather, labour shortage, poor performance of main contractors, industrial accidents or work stoppages and delays in obtaining regulatory approvals. • The Group is also exposed to the hotel industry's supply and demand cycle and the state of the property market in Australia. • Reductions in room rates and occupancy levels would adversely impact the results of Group.	• Policies and procedures are in place to cover project management process. • Project budget is established, approved and used by the project team to monitor progress. All variation orders are to be approved by the CEO. • Hyatt management monitors industry demand and supply factors. Room rates are adjusted as and when necessary to optimise returns.
Macroeconomic & political risk	
• Changing macroeconomic and political conditions in the countries where the Group operates may adversely affect the Group's performance. • The property development business depends heavily on the continued health of the real estate market in Singapore and China. • Changes in government policies and regulations affect the market demand, land title acquisition, planning and design, construction hours and financing, etc.	• The Group monitors key economic indicators and keeps itself updated on potential changes of policies by the authorities. • The Group remains optimistic of the medium and long-term outlook for the property markets in Singapore and China.
Regulatory risk	
• Operations are subject to changes in prevailing laws and regulations in the relevant jurisdictions, particularly in the areas of corporate law, competition law, consumer protection and environment law.	• The Group maintains close working relationship with advisors, consultants and local authorities so as to keep abreast with any changes. • Local business units are required to appraise head office of material regulatory developments in a timely manner.

BUSINESS DYNAMICS & RISK FACTORS STATEMENT

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
Reputation risk	
• The Group may face negative publicity if there are mishandling of transactions or events. Page 1, Our Vision and Mission Page 5, Our Value Statement Page 6, Our Business Philosophy Page 66, Investor Relations Page 70, Supply Chain Management	• The Group values its reputation and has put in place an open communication programme to ensure timely and effective communication with its key stakeholders. • Clear mission statement and guiding principles are in place to guide our operations. • During the year, Investor Relations Policy was established, approved by the Board, and published in our corporate website to further strengthen our communication with stakeholders.
Business continuity risk	
• Property and Hotels Investment businesses are capital intensive and rely heavily on external financing at commercially acceptable interest rate and terms. • Property development business relies on obtaining land plots and executing the projects to their fruition and successfully marketing the units within a certain timeframe and achieving profitability that commensurate with the risks involved. Page 64, Sustainability at Tuan Sing	• A S$900 million MTN Programme had been in place since 2013 so that we could fund business expansion at short notice, diversify our sources of funding and to raise our profile to potential investors. • Property portfolio has been diversified to provide a platform of growth and generate recurring income stream. • Business development and project management functions have been strengthened.

FINANCIAL RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
Liquidity risk	
• Renewal or additional debt-financing on favourable terms is subject to prevailing external factors including global and local economic conditions, credit and capital market sentiments, etc. Page 46, CFO's Review of Financial Performance Page 172, Note 33(d) - Financial Risk Management, Liquidity Risk	• The Group monitors and maintains a level of cash and cash equivalents deemed adequate to finance its operations. • The Group manages debt financing proactively to ensure financing requirements are met as and when required. • High-level cash flow projections, free cash pool structure, debt maturity profile and available bank facilities are actively reviewed to ensure efficient management of liquidity position from Group's perspective. • Great emphasis is placed on the timely execution of the on-going projects to ensure that significant proportion of our property projects are sold and cash being realised as early as possible.
Capital structure risk	
• Inefficient capital or weakness in financial management capability could impact the Group's ability to provide adequate returns to the shareholders. Page 46, CFO's Review of Financial Performance Page 174, Note 33(f) - Financial Risk Management, Capital Risk	• The Group conducts regular reviews to ensure optimal capital structure by taking into account future capital requirements and capital efficiency, prevailing and projected profitability, projected operating cash flows and projected capital expenditure and expectations for strategic investment opportunities. • The Group monitors periodically its gross gearing and net gearing ratios and their trends. • To achieve an optimal capital structure, the Group may from time to time issue new shares, obtain new borrowings, sell assets to reduce borrowings, or pay or adjust the amount of dividend payment, or return capital to shareholders.

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
Derivative financial instrument risk	
• Market conditions may move against the assumptions the Group adopts at the time of hedging transactions, an inherent risks. Page 166, Note 31 – Commitment, Derivative Financial Instrument	• Derivative financial instruments are only used to manage interest rate fluctuation on floating rate debts or foreign currency exposure, or to comply with certain bank covenants. • Hedging is to meet actual operational requirements, not for speculative purpose.
Price risk	
• Revenue and profit recognition for development properties and fair value adjustments for investment properties are lumpy. • Residential property prices and demands in Singapore and China are subject to rounds of government cooling measures. Page 46, CFO's Review of Financial Performance	• This is an inherent systemic risk that the Group could not avoid. • Reduce the gestation period of a property launch and locking in an acceptable price range as early as is operationally possible. • For investment properties, rental periods are generally of two to three years duration. • Diversify the property portfolio to different types of use and countries.
Credit risk	
• Credit risk arises when counterparties default on their contractual obligations resulting in financial loss to the Group. Page 171, Note 33(c) - Financial Risk Management, Credit Risk	• Standard operating procedures are in place which extending pre-approved credit terms to only credit-worthy customers and monitoring credit risk on a regular basis. • Major collectability issues are highlighted in monthly operation reports.
Foreign exchange risk	
• Exchange gains or losses may arise when the assets and liabilities in foreign currencies are translated or exchanged into Singapore dollars for financial reporting or repatriation purposes. Page 168, Note 33(a) - Financial Risk Management, Currency Risk	• Natural hedging is used extensively including matching sale and purchase or matching asset and liability of the same currency and amount whenever practicable. • Currency translation risk is inherent for operations outside Singapore, non-cash in nature and is therefore not hedged.
Interest rate risk	
• The Group is exposed to interest rate fluctuations from bank borrowings. Page 170, Note 33(b) - Financial Risk Management, Interest Rate Risk	• The Group keeps abreast of the trend of interest rate movements. • A variety of financial instruments, including interest rates of different durations, interest rate swaps, caps and forwards, may be used to hedge interest rate risks arising from normal course of business.
Tax risk	
• The Group is exposed to vagaries of tax interpretations or changes at short notice in foreign jurisdictions.	• The Group monitors changes in tax rulings in different countries on periodic basis. • Tax provisions are made in strict compliance to the rules so as to reduce under-accrual in the book of accounts. • During the year, the Group launched Transfer Pricing Documentation Master File to provide a guideline on transfer pricing for subsidiaries across different countries.

BUSINESS DYNAMICS & RISK FACTORS STATEMENT

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
Financial management risk	
• Other than the Group's policies and guidelines and the internal audit function which has been outsourced, the Group relies on self-assessment, review and reporting process from the business units to ensure that transactions are carried out in conformity with the accounting standards and Group accounting policies and that the internal controls are adequate and effective. • This system may not prevent or detect all frauds or misstatements in a timely manner. • Changes in conditions or operations may cause system effectiveness to vary time to time. Page 170, Note 33(b) - Financial Risk Management, Interest Rate Risk	• Adequate internal controls over financial reporting are reviewed regularly. The process has already been embedded within our corporate governance structure. • On a quarterly basis, business units' operating and finance heads are to report the results of their self-review in their management representation letter. • Quarterly management representation letter also serves as a platform for all business units' operating and finance heads to highlight any transactions and/or events which may have material or potential financial impact to the Group.
Investment risk	
• Higher returns are usually accompanied with higher risk and uncertainty. Therefore, the Group has to strike a balance in making an investment.	• All investments are reviewed to ensure that they are in line with the Group's strategic focus, meet the relevant risk-adjusted hurdle rate of return and pass other risk assessments. • The delegation of authority limits sets the threshold of major investment proposals beyond which only the Board's Tender Committee or the Board, as appropriate, may approve.

OPERATIONAL RISKS

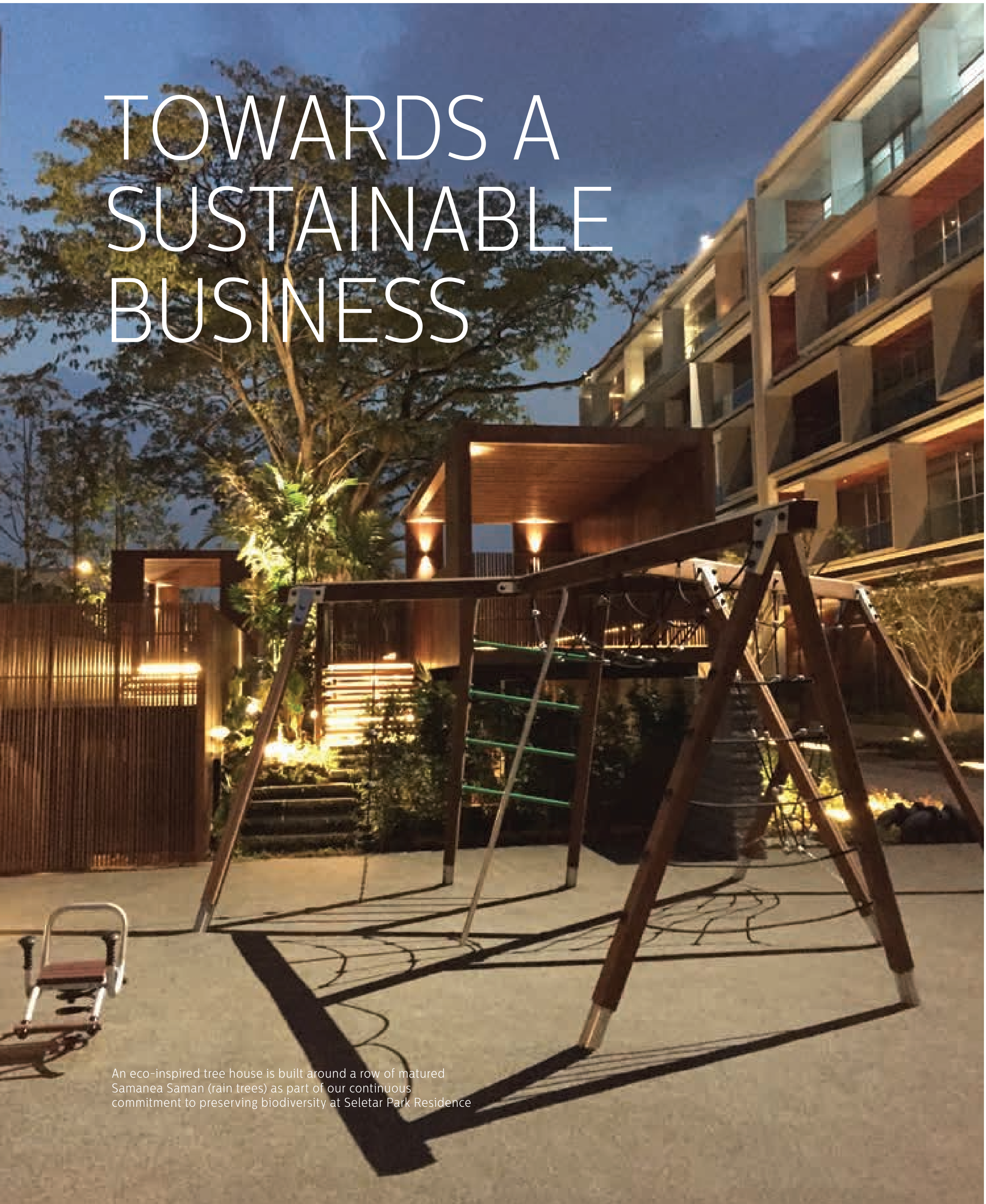
DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
Alliance risk	
• Business associates or joint venture partners' medium or long term interest may not necessarily be aligned with the Group. • Change in business associates' policies and personnel may lead to its inability or unwillingness to fulfil obligations.	• The Group agrees with business associates in advance on well thought rights, duties and obligations of each party. • The Group maintains cordial working relationship with business partners.
Social & environment risk	
• Heightened awareness by the public and environmental agencies concerns may increase the Group's operating expenses in the treatment of industry discharges. Page 71, Environmental Initiatives	• Being socially responsible is an integral part of our business philosophy. • The Group adopts environmental-friendly practices across countries, and regularly review it to bring them in line with global standards and best practices in the market and acts promptly to remedy shortcomings identified. • The Group provides eco-themed amenities and nature-inspired landscaping at development projects and is committed to meet green building requirements for our projects.
People risk	
• The Group depends on the services of key personnel for business continuity. • Succession plan execution is a challenge given the size of the Group. Page 68, Labour Practice & Conducive Workplace	• The Group provides a safe working environment that is open, honest, fact-based, efficient and collaborative and which to provide employees with career development opportunities and work-life balanced so as to ensure that human capital are nurtured and retained. • Attractive reward and bonus are given to outstanding performers within the Group. • Succession plans for senior management are regularly reviewed.

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
Process, sourcing & execution risk	
• Property development projects take 3-5 years to complete. Delays in the project completion and cost overruns may arise from labour & material shortage, poor performance of contractors, or delay in obtaining necessary regulatory approvals, industrial accidents, etc. • The Group relies heavily on third-party contractors and consultants for various services.	• Operating manuals, standard operating procedures, delegation of authority matrix are in place. • Project costs and project timeline are closely monitored through regular project meetings with consultants, suppliers and contractors. • Project control sheets are prepared for the on-going projects and are monitored on a monthly basis. Costs overruns are highlighted to the senior management and the Board.
Work health & safety risk	
• The Group is exposed to work health and safety risks of employees arising from incidents in the production process, pandemics, etc. Page 68, Labour Practice & Conducive Workplace	• The Group cultivates a safety culture at all levels including the setting up of employees' safety council, where appropriate. • Refresher drills on fire safety, emergency evacuation and first aid response are conducted regularly. • Disease pandemic preparedness plan is in place to safeguard the health and welfare of employees and to ensure quick resumption of critical business functions.
Insurance risk	
• Properties owned are subject to risks (e.g., war, outbreak of contagious diseases, environmental breaches) that may not be insurable or the premium prohibitive or damage suffered may not be fully compensated by insurance proceeds.	• The Group conducts insurance review with insurance brokers on an annual basis to ensure adequate and comprehensive insurance coverage.

COMPLIANCE RISKS

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
Compliance risk	
• There have been rapid changes in laws, regulations and practices making compliance more complicated. • The Group's internal control systems and related framework may not be kept up-to-date in time.	• Internal controls, risk management and corporate governance frameworks, control self-assessment processes have all been in place and are reviewed on an annual basis. • Whistle-blowing policy and annual declaration by staff on ethics have been implemented. • External auditors are engaged for statutory audit and internal auditors are engaged to conduct annual review and report to the Audit and Risk Committee.

SUSTAINABILITY AT TUAN SING



TOWARDS A SUSTAINABLE BUSINESS

An eco-inspired tree house is built around a row of matured Samanea Saman (rain trees) as part of our continuous commitment to preserving biodiversity at Seletar Park Residence

MANAGING SUSTAINABILITY AT TUAN SING

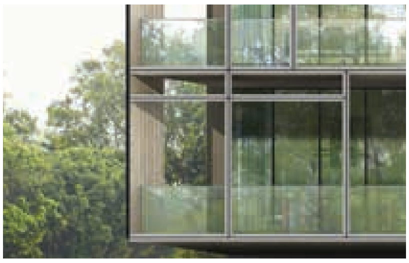
As a public-listed company, Tuan Sing is in the business of making profit and creating long-term value for its shareholders. This cannot be accomplished without understanding the need of our many stakeholders that contributes to Tuan Sing's success. We would like to help our customers, employees and communities to prosper together, keep people surrounding us happy and the community environment free from harm. This is how we run our businesses which go beyond financial and operational performance. We aim to strike a balance on our triple bottom line of Profit, People and Planet: The triple bottom line concept of success is embedded as our core values.

Growing sustainable PROFIT

Our commitment to business excellence is underpinned by maintaining a high standard of corporate governance and strengthening risk-centric culture to support long-term value creation for our shareholders.

Caring for PEOPLE

We are committed to nurturing and developing our employees. We instil a culture of passion, talent and commitment which are the cornerstones of our success.



Nurturing our PLANET

We give back to communities wherever we operate through our multi-faceted approach towards corporate social responsibility. We cultivate a green mindset among our employees and encourage them to volunteer for charitable cause and to adopt a sustainable lifestyle.

Scope of report

We prepare our Sustainability Report 2015 by reference to the Global Reporting Initiative's ("GRI") guidelines. Based on the GRI's recommended approach to reporting, this report covers key areas of sustainability, namely Economic, Environment, Labour, Society and the following:

Corporate Governance (Page 81 to 100)	Managing Risk in Delivering Our Strategy (Page 56 to 57)	CFO's Review of Financial Performance (Page 46 to 55)	Labour Practice & Conducive Workplace (Page 68 to 69)
• Governance and ethical business • Legal and regulatory compliance	• Comprehensive risk management framework	• Profitability and returns for shareholders	• Employee development • Safe & conducive working environment
Investor Relations (Page 66 to 67)	**Supply Chain Management (Page 70)**	**Environment Initiatives (Page 71 to 72)**	**Community Involvement (Page 73 to 74)**
• Timely and effective communication with investors	• Engagement strategy with key stakeholders	• Environmental protection	• Participation of charitable cause and employee volunteerism

Sustainability contact

The journey towards sustainability is a continuous one. Over time, our report will expand and provide more in-depth disclosure. We value the feedback extended by our stakeholders as an important way of improving our sustainability practices. If you have any comments or feedback, please contact us at ***http://www.tuansing.com/contactus/feedback.aspx***

INVESTOR RELATIONS

"We strive to foster long-term relationship with our shareholders and the investment community to build continued confidence in the Company."

Tuan Sing strives to foster long-term relationship with its shareholders and the investment community so as to build their continued confidence in the Company. We engage the investor community in an open and transparent manner using various communication platforms. In our efforts to enhance and improve communication channels and adopt best practices in the market, Investor Relations Policy was formally established during the year. The Policy has been uploaded on the Company's website at ***www.tuansing.com***.

COMMITTED TO HIGH STANDARD OF CORPORATE DISCLOSURE

In line with our commitment to high standard of corporate disclosure, we release quarterly results announcements (together with the accompanied presentation slides and press releases in English and in Chinese) to the SGX-ST within 30 days from the end of each quarter. Additional information was disclosed voluntarily in the releases so as to enhance readers' understanding of our results. We believe these disclosures are beyond a mere compliance with regulatory requirements. We have also continuously improved on the presentation and contents of our annual reports so as to provide readers with a better understanding of the Group.

Since 2013, apart from reporting quarterly results announcements within one month of the quarter close, we also worked hard and managed to get the full statutory financial statements audited in time for release within one month of the year-end.

PROACTIVE COMMUNICATION WITH INVESTORS

Tuan Sing takes a proactive approach and regularly engages in timely communication with its shareholders, investors, analysts, the media and members of the general public. We are committed to ensure that all our shareholders and investment community have easy access to clear, reliable and meaningful information of the Group's business so as to enable them to make informed investment decisions. All announcements, press releases and presentation slides are disseminated via SGXNET to the SGX-ST and simultaneously up-loaded on our corporate website to ensure timely and fair disclosure.

Our corporate website is kept updated regularly. Included therein is a separate "*Investor Relations*" section featuring past financial results announcements, press releases, investor presentations, webcasts as well as downloadable annual reports, shareholders circulars and presentation slides. The section also allows financial information to be downloaded in Excel format to make it easier for investors to perform their own analysis. Since 2014, webcasts on the Group's half-year and full-year financial results have been uploaded to our website. Shareholders and members of the public may make enquiry and provide feedback via the website.

PROMOTE GREATER SHAREHOLDERS PARTICIPATION

Tuan Sing encourages shareholders participation at its shareholders' general meetings. Such meetings are held at city venues which are convenient and accessible to shareholders. Every shareholder is entitled to appoint up to two proxies to attend and vote on his/her behalf and no limit is imposed on the number of proxies for nominee companies. This is to facilitate shareholders holding shares through nominee companies to attend the general meeting.

Tuan Sing held its last Annual General Meeting ("AGM") at NTUC Centre on 9 April 2015. The AGM was well attended by many shareholders and observers. The Group CFO made a presentation to provide an overview of the Group's performance at the beginning of the meeting, Board members attended and answered queries, clarified issues and addressed concerns from shareholders. There was open discussion and lively dialogue among shareholders, the Directors and senior management during and after the meetings.

ACCOLADES FOR CORPORATE TRANSPARENCY AND GOVERNANCE

Tuan Sing has been consistently ranked among the top few companies in the Governance and Transparency Index (GTI). GTI was jointly launched by The Business Times and the Centre for Governance, Institutions and Organisations. It assesses companies on their corporate governance practices as well as the timeliness, accessibility and transparency of their financial results. Based on the latest ranking published on 19 August 2015, Tuan Sing was ranked 10th position among 639 listed companies in Singapore. Tuan Sing was the only mid-cap company to have achieved this as the other nine companies are all in the large-cap league.

At the Investors' Choice Awards organised by the Securities Investors Association (Singapore) this year, Tuan Sing was awarded runner-up for the Singapore Corporate Governance under the mid and small capitalisation category.

GOVERNANCE AND TRANSPARENCY INDEX

Tuan Sing was the only non-big-capped company to have attained the top 10th position amongst 639 listed companies at the Governance and Transparency Index ("GTI") 2015.

Tuan Sing places strong emphasis on strengthening relationships with its shareholders and the investment community.

Financial publications

Tuan Sing publishes its annual report in both printed and CD-Rom format. Annual Report in PDF format may be downloaded at ***www.tuansing.com*** while printed annual reports may be requested via email to ***ir@tuansing.com***.

In addition to the annual report, quarterly financial results, presentations and press releases are available on the Company's website for downloading. Webcastings are also available at our website.

Shareholder services

Shareholders should notify the CDP (for CDP account holders) or Share Registrar (for script holders) on matters relating to their shareholding, such as account statement, transfer of shares, lost or misplaced share certificates, dividend payment and change of address.

The Central Depository (Pte) Limited

11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589
Tel: (65) 6535 7511

Share Registrar

B.A.C.S. Private Limited
8 Robinson Road, #03-00 ASO Building,
Singapore 048544
Tel: (65) 6593 4848 Fax: (65) 6593 4847

Queries

For investor queries and information:
http://www.tuansing.com/contactus/feedback.aspx

Scan the QR code to access Tuan Sing's Investor Relations page

MAXIMISE LONG-TERM VALUE FOR SHAREHOLDERS

Tuan Sing continued to work towards maximising returns for shareholders. For the past five years, we have delivered a cumulative profit attributable to shareholders of $331.8 million. Our earnings per share averaged 5.7 cents per annum during the 5-year period. In tandem, net asset value per share grew at a Compounded Average Growth Rate ("CAGR") of approx. 10% p.a. from 52.7 cents in 2011 to 74.4 cents in 2015. Please refer to our "*Five-Year Performance*" section in this Annual Report.

The Group had also declared dividends every year since 2009. Total gross payout amounted to $36.1 million, including $7.1 million or 0.6 cent per share which was recommended by the Board of Directors for the financial year ended 31 December 2015. ■

2015 Full Year
Result Announcement Webcast
28 January 2016

Timely and fair disclosure

Tuan Sing's corporate governance is underpinned by a strong culture of transparency and timely disclosure. Since 2014, webcasts on the Group's half-year and full-year financial results have been conducted and uploaded to our website.

Scan the QR code to access the Group CFO's webcast on the Group's full year results.

LABOUR PRACTICE & CONDUCIVE WORKPLACE

> "We recognise that employees are the Group's most important asset for the continued and sustained growth of the Company."

We also believe that a happy and satisfied employee tends to share positive information about the company. As such, we endeavour to provide our employees with a safe and happy work environment and care for them so that they can be at their best.

A SAFE WORKING ENVIRONMENT

We strive to continuously enhance the safety of our work environment. New employees are briefed on the safety aspect during orientation programme. We have safety and health committees in GHG and GulTech tasked to regularly review safety and health issues. As a result, appropriate capital expenditure had been incurred to improve work safety. A pandemic preparedness plan had also been in place that can be activated with short notice in Singapore and China. Our two hotels in Australia have specific pandemic preparedness plans for each potential high risk pandemic such as but not limited to Ebola, tuberculosis, measles and Zika.

FAIR AND MERIT-BASED EMPLOYMENT

All employees are given equal opportunities to excel in their career with the Group, regardless of their background. Recognising that older workers can continue to contribute to the well-being of the Company by sharing their wealth of experiences with younger colleagues, it is our practice to continue re-employing employees beyond their retirement age.

The Company adopts an open performance appraisal approach and constantly review the appraisal criteria to reflect more closely the changing expectations of different category and nature of employees. The last review was in early 2014.

The Company's remuneration package comprises both fixed and variable components. The variable component is performance-based and is determined based on the Company's performance, business unit's performance as well as each individual's performance. Key performance indicators are agreed with the employees at the beginning of each year. They are designed to motivate employees and align their interests with that of the Company. That is to say, as an employee's position moves higher, more weight will be assigned to the assessment of performance of that employee's function and the Company. Further, variable portion of remuneration of an employee increases as the employee moves up in the corporate ladder.

EMPLOYEE RELATIONS

Employees are updated regularly on their respective business units' performance as well as the Group's. We have an open door policy to facilitate and encourage formal and informal interaction and discussion among employees at all levels.

Our open performance appraisal system promotes two-way communication, allowing employees to discuss freely on their past performance and their future career aspiration, thus ensuring a better job match and happier employees on the whole.

Committed to having a team of happy employees, employee grievances are dealt with promptly. Whistle-blowing policy has been in place for years and made known to all employees. A Whistle-blowing Committee ("WBC") had been tasked to look into any feedback from our employees on unfair practices, corruption and misconduct.

EMPLOYEE DEVELOPMENT

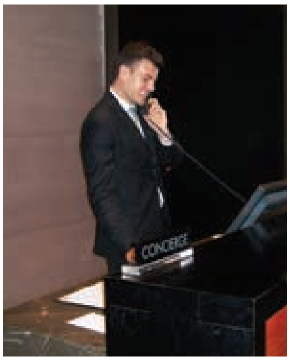
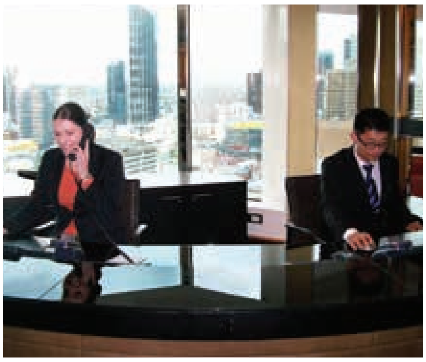
Committed to be an employer of choice, Tuan Sing strives to develop employees to reach their maximum potential through training, job rotation and internal promotion opportunities. Training needs for each employee are identified annually and mutually agreed with for implementation in the ensuing years. We encourage employees to equip themselves with relevant job-related skills and to share with their fellow colleagues, knowledge and skills that they gain from trainings. Eligible employees are also granted sponsorship for higher studies and examination leaves.

SUCCESSION PLANNING

Tuan Sing strives to continually groom and retain a diverse and robust talent pool to ensure that our employees are ready for the future needs and strategies are in place to handle change. Employees are also given priority whenever there is a job vacancy within the Group. Quite a number of employees have benefited from this, broadening their skill-set across business functions.

EMPLOYEE CODE OF CONDUCT

Tuan Sing upholds a strong belief in integrity and professionalism in the conduct of our business activities and expects our employees to embrace, practice and adopt these values. To ensure employees understand the Group's philosophy in this aspect, an Employee Handbook that provides guidelines on Code of Conducts is available to all employees through intranet. As a constant reminder to employees that they should act in the best interest of the Group and avoid situations that may create conflict of interest, employees are required to make an annual declaration on whether they had been involved in any situation of conflict of interest and if they had complied with the Code of Conduct and Practices.


Embracing a culture of service excellence at our hotels.

EMPLOYEE WELLNESS AND WORK-LIFE BALANCE

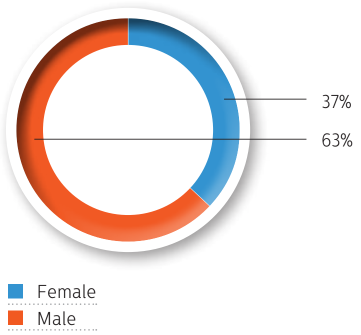
We treat our employees as members of a big family and gather regularly to celebrate the birthdays of our employees. We promote a holistic and balanced lifestyle for our employees by observing a five-day work-week and are constantly trying our best to help them achieve a balance between work commitments and personal needs. In Grand Hyatt Melbourne, the staff kitchen was revamped extensively with a new kitchen working station, a new bench and sitting corner with recycled timber for the employees to chill out. Staff changing rooms were also renovated with new, aesthetically looking lockers for the employees to keep their belongings.

The Tuan Sing Wellness Programme offers our employees with corporate sponsored gym membership free-of-charge. Employees are also free to use the swimming pool and jacuzzi facility available at the corporate head office's premises. Complimentary basic health screenings are made available for employees and their family members annually. Fairly comprehensive health screening packages were also offered at preferential corporate rates.

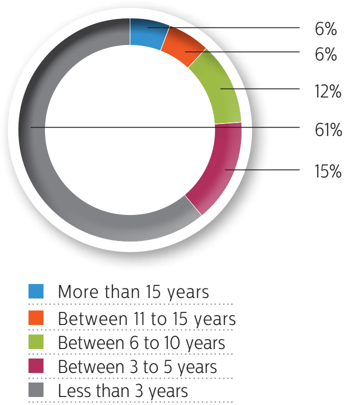
Our employees in Australia get complimentary hotel stay at participating Hyatt hotels worldwide.

EMPLOYEE PROFILE 2015

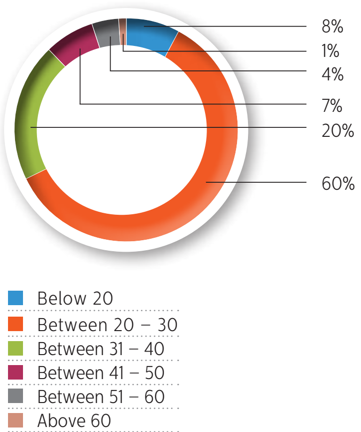
Employees by gender



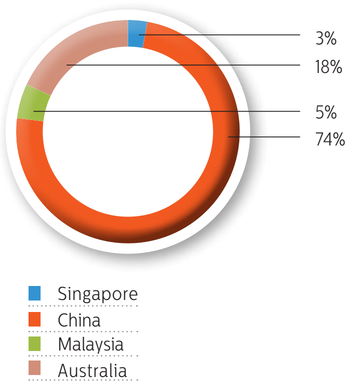
Employees by years of service



Employees by age band



Employees by country



Note:
Including HQ, subsidiaries and associates.

SUPPLY CHAIN MANAGEMENT

"We continued our efforts to broaden our influence on sustainability across the supply chain."

Donald Conn, the Director of Food & Beverages of Grand Hyatt Melbourne is pictured here having proudly received the award for "Best breakfast in Melbourne" from the Gourmet Traveller Australian Hotel Guide.

ENGAGEMENT WITH SUPPLIERS

Working closely with suppliers, consultants, contractors and vendors, we endeavour to be a reliable and trustworthy business partner. Various policies and practices are in place to ensure that these business relations are aligned with our business value and standards including sustainable practices.

We select our suppliers, consultants, contractors and vendors based on their ability to complement our commitment to producing high quality products and services while adhering to high environment, health and safety standards or similar practices. In this respect, suppliers and contractors who put in place social, environmental and occupational health and safety management policies or practising ISO14001 and OHSAS18001 certification into their business practices are preferred by us and accorded higher priority in the selection process. Our main contractors for the on-going projects at Sennett Residence and Cluny Park Residence had applied to the Building and Construction Authority of Singapore ("BCA") for assessment under the Construction Quality Assessment System ("CONQUAS"). BCA will assess their performance in the quality of the projects based on their structural, architectural and mechanical & electrical works.

DELIVERING QUALITY DEVELOPMENT PROJECTS

We have been delivering innovative, aesthetically pleasing and quality units in all our development projects. Our award-winning developments in Singapore include Seletar Park Residence, Mont Timah and Botanika residential development. Mont Timah won several awards including Best Residential Design (Cluster Housing) at the SIA Architectural Design Awards, Best Housing at the South East Asia Property Awards and PAM Award Gold (Overseas) at the PAM (Pertubuhan Akitek Malaysia) Awards. Botanika clinched the SIA Architectural Design Award for Best Residential Design. The recent award is for our Seletar Park Residence which was just completed in August 2015. The development won the Asia Pacific Property Awards under the category of Architecture Multiple Residence for Singapore.

Furthermore, in line with our continuing efforts to promote environmental sustainability, Mont Timah, Robinson Point and Lakeside Ville III in China were developments awarded with the Green Mark (Gold) by the Building and Construction Authority ("BCA") of Singapore.

FOCUS ON CUSTOMER SATISFACTION AND SERVICES EXCELLENCE

We focus on providing high level of customer satisfaction. As an example, our two hotels in Australia, Grand Hyatt Melbourne and Hyatt Regency Perth, provide service where a stay at our hotel goes beyond just paying for a room for the night. The two hotels strive to continually delivering a superior customer overall staying experience to them. They also implemented personalised service by a managerial level employee to important guests upon their arrival.

Our commitment to excellence in customer service is recognised by various bodies and the two hotels have received a number of prestigious awards over the years. For some of our most recent awards and accolades, please refer to the "*Awards & Accolades*" section of this Annual Report.

SUSTAINABILITY REPORT

ENVIRONMENT INITIATIVES

"We strive to adopt best practices in its business operations, and aims to conduct its business in a socially acceptable and ethical manner."

We continue with our practice of minimising environmental impact for our business activities and operation. We seek energy-efficient processes and technologies, resource conservation and pollution prevention in our property development and hotel operations. We also implement whenever appropriate energy-efficient features, water conservation practices and other measures towards reducing resource depletion, greenhouse gas emission and waste generation.

GREEN BUILDING: ENERGY-SAVING AND INNOVATION

As a property owner, we recognise the impact our buildings may have on the well-being of tenants. We aim to let all our new buildings in Singapore meeting the Building and Construction Authority of Singapore's ("BCA") Green Mark Gold rating. An example is our Robinson Point which was awarded the Green Mark Award (Gold) by BCA. The building has green features which include high performance façade glass, energy efficient air conditioned plant, lighting systems and mechanical ventilation system, naturally well ventilated car park, sub-meters and water meters that track energy and water consumption by tenants, water efficient fittings and recycling waste management system and indoor air quality tests. This year, Robinson Point was named by BCA as one of the Top 10 most energy-efficient private office buildings. This award is given to commercial building to recognise their efforts in sustaining energy performance and achieving greater environmental sustainability for their buildings. Selection criteria include building annual occupancy rate, air-conditioned area, air-conditioning system's lifespan and functions within the building.

As part of its commitment to encourage and sustain environmental conservation, the building has in place an environmental policy plan and strategy. Management is continuously reviewing the building processes and improvement works will be implemented to further enhance the energy efficiency of the building.

GREEN DEVELOPMENT: ADOPTING GREEN TECHNOLOGY AND SUSTAINABLE DESIGN

Guided by the philosophy that every building should be developed to harmonise and improve the environment, we take a proactive approach towards environmental management. We aim to minimise environmental impact through energy-efficient features, energy and water conservation measures, recycling programme and preserving biodiversity by adopting green building technologies and building design practices in our redevelopment project.

We have in the past and will continue with preserving matured trees in situ so that the trees will form part of the completed development. We also introduce ancillary features such as tree houses serving as amenities to the completed residential developments. With the eco-inspired Tree House in Seletar Park Residence, Tuan Sing has not only created a place where residents are proud to call home, but more importantly, a green icon on the Singapore map. To this respect, we take great pride in having property developments that leave an impression on the cityscape or with environmentally-sustainable designs and features.

The former Robinson Towers site, which is currently undergoing redevelopment, is designed to achieve Green Mark GoldPlus rating under the BCA Green Mark Scheme. One of the significant benefits of Green Mark buildings is the efficient use of key resources such as energy and water. This will reduce the need for non-renewable resources which in turn will reduce the carbon footprint. Energy-efficient air-conditioning system, lifts and escalators systems as well as water-efficient water fittings will be fitted in the new building. During its construction, there will be extensive use of eco-friendly and sustainable materials complying with the Singapore Green Label Certificate. The building will include an excellent building envelope system using high performance glazing, thus minimising heat gain into the building. There will also be extensive use of LED lightings on all areas within the building. Provision of greenery such as rooftop gardens with lush landscaping at roof terraces on different levels will also be included in the design.

GREEN INITIATIVES AT HOTEL OPERATIONS: POWER USE, LAND FILL REDUCTION, WATER SAVING

The manager of our two Hyatt hotels is committed to and has launched sustainability targets that would become the key driver of its energy, waste and water initiatives in the coming years up to year 2020 – *Our 2020 Vision: "A Sustainable Plan for a Sustainable Planet"*.

At Grand Hyatt Melbourne, way back in 2008 when it embarked on the guest rooms refurbishment project, it had already taken into consideration the occupancy control of air-conditioning and lighting within each guestroom so as to achieve energy savings. This initiative delivered annual savings of approximately 352,000 Kwhr per annum. The corridor lighting was also replaced with LED lamps. This alone returned a reduction of 464,200 Kwhr per annum, as these fixtures are being turned on 24 hours non-stopped.

In 2009, the upgrading of the hotel's building management (BMS) system which automate the operation of plant equipment and the addition of an energy management system, underpinned by an energy audit, enabled the hotel to monitor and control various aspects of its plant thereby allowing for better control of the energy-consuming assets. Electricity consumption was reduced by 846,789 Kwhr/Year.

In 2014/15, Hyatt Melbourne completed the replacement of its two hot water boilers and was able to down size the capacity of each boiler by 22%. This project has provided on average 16% savings towards the gas consumptions each month. The hotel also commissioned its first LED lighting project, addressing all lighting in

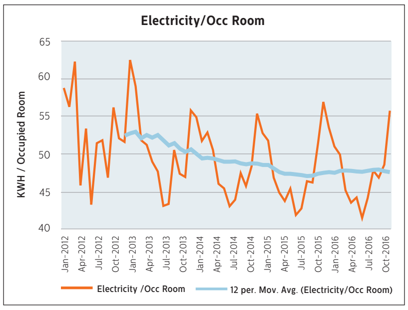
ENVIRONMENT INITIATIVES

the back of house areas, 1410 fittings in total. This project was a great milestone in moving forward with LED technology, delivering energy savings equivalent to 436,000 Kwhr per annum. In 2015, the hotel began replacing LED lighting within the guestrooms, along with specific filter and coil maintenance of the AHU plant.

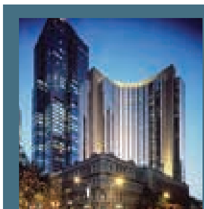
In the area of waste management, since 2007 the hotel has been actively recycling commingled waste, cardboard and paper. This initiative was extended into the guestrooms, increasing recycling to 20%. In 2015, the purchase of a food waste composter together with a hotel-wide training to the employees as part of a new waste management plan has reduced 22% of the hotel's total waste.

At Hyatt Regency Perth, "Environment Committee" meets monthly and implements means to increase employees' awareness of the impact the hotel could have on the environment and the need to more effectively manage the hotel waste. In 2015, Hyatt Perth Regency's power saving initiative includes the LED lighting rolling-out throughout hotel. It is also reviewing the car park's cost versus its pay back on the LED lighting upgrade. It also actively drives reductions in land-fill by separating food waste from its waste system back in May 2014. This has reduced its landfill by approximately 75%. In 2015, more than 134.1 tonne of food waste were removed from the site and separated from other waste. This equates to a 10% increase on the previous year since it started.

GRAND HYATT MELBOURNE ENERGY CONSUMPTION TREND (CONT'D)



Notes:
KWH – Kilowatt hours
Occ room – Occupied room



Grand Hyatt Melbourne

47 Kwhr
Less energy consumptions per occupied room.

5.2 m^3
Less gas utilised per occupied room.

CO_2e 175 kg/m^2
Reduction of carbon foot-print by 32%.

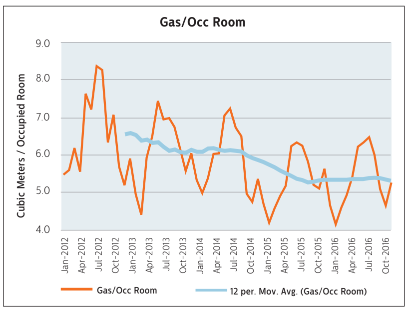
20%
Increase in waste recycling.

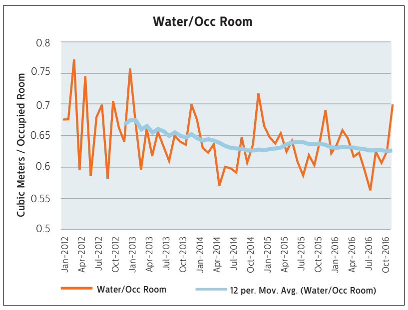
48%
Diversion of waste from landfill.

With these initiatives in place, Hyatt Melbourne has currently accomplished 48% diversion of waste from landfill, exceeding Hyatt International's 2020 sustainability goal of 40%. It has also reduced CO_2e emissions by 100 tonnes annually.

The hotel's commitment to both the sustainable operation of the business and the environment has generated energy savings which led to reducing its carbon foot-print by 32 % (CO_2 175 kg/m2 per year) between year 2006 and 2014. This reduction exceeded the hotel's 2020 goal by 6%. Consumption between August 2013 & October 2015 was reduced from 51 to 47 Kwhr/Occupied Room for electricity and 6.1 to 5.2 Cubic m/Occupied room for gas. Since the hotel embarked on capturing the energy consumption data in 2006 we have seen a decline of 22% (Energy 1,372 MJ/m2 per year) in consumption positioning it well in achieving the 2020 goal of a 25% reduction.

GRAND HYATT MELBOURNE ENERGY CONSUMPTION TREND





GREEN MINDSET FOR OUR PEOPLE

We cultivate a green mind set among our employees to spur them towards adopting a sustainable green and environmentally-friendly culture. We have our Corporate Intranet promoting go-green practices and ideas to our employees and to integrate green awareness in our daily work life so as to reduce energy consumption, increase waste recycling and use sustainable supplies.

This year is the fifth consecutive year that Forest Stewardship Council™ ("FSC™") certified environmental-friendly paper is used for printing this annual report. We also give preference to the use of timber and plywood from responsible sources. Our eco efforts are also evident in the Tuan Sing issuing annual reports in Compact Disc-Read Only Memory (CD-ROM) format since 2009. We believe the benefits derived from this move outweigh the negative effects of making CDs.

SUSTAINABILITY REPORT

COMMUNITY INVOLVEMENT

"Acting as a good corporate citizen, we contribute to the communities wherever we operate."

Tuan Sing believes in fulfilling its role as a good corporate citizen, impacting and contributing positively to communities where it operates. We also encourage our employees to play meaningful roles in their communities, volunteer their time to various causes and also give financial support to less fortunate groups in the society. By taking part in these activities, Tuan Sing continues to contribute to the wellbeing of the communities and brings happiness to our less privileged brethren.

ENGAGING EMPLOYEES IN THE COMMUNITY

For the fourth consecutive year, Tuan Sing joined hands with RSVP Singapore, a non-profit organisation, to organise a Company-sponsored event at NEWater centre under the Taste of Enriching Lives of Seniors Programme ("ELSP"). ELSP is a programme caters to seniors who live in one-room or two-room flats and not staying with their family members or have no family members. On 6 October 2015, more than thirty seniors took part in the structured activities that were specially designed to boost their physical, mental and emotional well-being. Our staff joined the event and spent time with the seniors. The seniors were treated to a sumptuous lunch before engaging in singing and dancing, Huicun pugilistic exercise, passing paper-ball game and table-setting craftwork activities. The centre was lit up by the senior's laughter and our employees are proud that they have made a difference to them on that day. A heartening experience indeed.

Anna Ng, CEO's Secretary, engaged seniors with the craftwork activities.

Peter Kock, Vice President, Property Management, was seen encouraging seniors to participate in the singing session.

COMMUNITY INVOLVEMENT

GIVING BACK TO THE COMMUNITY

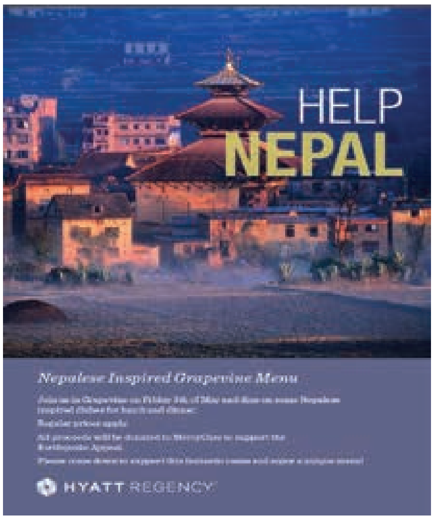
In 2015, Grand Hyatt Melbourne was the host venue for the Red Ball Gala Dinner in which 700 attendees joined the premiere party. A$745,000 was raised on the night in support of the operation of Red Cross House, the Center for Disaster Recovery. Grand Hyatt Melbourne was also the sponsor and event partner on a gala 2015 dinner with 568 guests attended and a sum of A$225,000 was raised to fund the Olivia Newton-John Cancer and wellness Centre which provides medical care, treatment and research programs.

On the Mother's Day in May 2015, some hotel employees took part in the national fun run and walk in the Mother's Day Classic Charity and raised funds for breast cancer research.

Hotel employees took part in the fun run and walk in the Mother's Day Classic Charity.

OVERSEAS OUTREACH PHILANTHROPY

In mid-2015, Hyatt Regency organised another year's successful fundraising BBQ for the Leukaemia Foundation's "World Greatest Shave" in their ongoing mission to raise funds for those suffering from leukaemia, lymphoma, myeloma and other related blood disorders.



Hyatt Regency Perth hosted a BBQ for employees' silent auction and meal donations to raise funds for the victims of the April 2015 earthquake in Nepal.

CORPORATE INFORMATION

CORPORATE DATA

BOARD OF DIRECTORS

Ong Beng Kheong, Chairman
William Nursalim alias William Liem, CEO
Choo Teow Huat Albert
Chow Kok Kee
David Lee Kay Tuan
Michelle Liem Mei Fung
Ng Siow How

AUDIT AND RISK COMMITTEE

Choo Teow Huat Albert, Chairman
Chow Kok Kee
David Lee Kay Tuan

NOMINATING COMMITTEE

Choo Teow Huat Albert, Chairman
Chow Kok Kee
Michelle Liem Mei Fung
Ng Siow How
Ong Beng Kheong

REMUNERATION COMMITTEE

Chow Kok Kee, Chairman
Choo Teow Huat Albert
Michelle Liem Mei Fung

WHISTLE-BLOWING COMMITTEE

William Nursalim alias William Liem, CEO
Chong Chou Yuen, CFO
A member of Corporate Secretarial
Email: ***whistle-blowing@tuansing.com***

SHARE REGISTRAR

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8 Robinson Road #03-00
ASO Building
Singapore 048544
Tel: (65) 6593 4848
Fax: (65) 6593 4847

GROUP EXTERNAL AUDITORS

Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809
Tel: (65) 6224 8288
Fax: (65) 6538 6166
Partner-in-charge: Loi Chee Keong
Date of appointment of Partner-in-charge: 9 April 2015

GROUP INTERNAL AUDITORS

PricewaterhouseCoopers LLP
8 Cross Street #17-00 PWC Building
Singapore 048424
Tel: (65) 6236 3388
Fax: (65) 6236 3300
Partner-in-charge: Ng Siew Quan

PRINCIPAL FINANCIERS

United Overseas Bank Limited
DBS Bank Limited
Australia and New Zealand Banking Group Limited

SHARE LISTING INFORMATION

Counter name: Tuan Sing
SGX code: T24
Bloomberg code: TSH SP

CORPORATE STRUCTURE

TUAN SING HOLDINGS LIMITED

PROPERTY

100% Asiaview Properties Pte Ltd
100% Asplenium Land Pte. Ltd.
100% Bauhinia Land Pte. Ltd. — 100% Qingdao Shenyang Property Co., Ltd.
100% Clerodendrum Land Pte. Ltd.
100% Dillenia Land Pte. Ltd.
100% Episcia Land Pte. Ltd.
100% Golden Cape Investments Ltd
100% Harrison Properties Pte. Ltd.#
100% Megaton Investments Pte Ltd
100% Oxley Development Pte Ltd
100% Pemimpin Properties Pte. Ltd.
100% Robinson Point Limited — 100% 39 Robinson Road Pte. Ltd.
100% Silveridge Investments Pte Ltd — 100% Shelford Properties Pte Ltd
100% Sing-Hu International Pte Ltd
100% Superluck Properties Pte Ltd
100% TSH China Holdings Pte Ltd
- 100% Premiera Development Pte. Ltd.
- 100% Shanghai Shenyu Interior Decoration Limited Liability Company — 100% Fujian Ji'Xing Real Estate Development Co. Ltd
- 100% Yewglade Pte Ltd
  - 91%
- 9% Habitat Properties (Shanghai) Ltd.
- 100% Shanghai Shenjia Property Management Co., Ltd.

100% Tuan Sing (China) Investments Limited#
- 30%

70% Shanghai Xin Min Real Estate United Development Co., Ltd.#
70% Maylands Investment Pte Ltd

HOTELS INVESTMENT

100% TSH Australia Holdings Pte Ltd
- 100% Tuan Sing (Australia) Pty Limited — 50%
- 100% Tuan Sing Real Estate Pty Limited — 50%

Grand Hotel Group – Grand Hotel Company Pty Ltd
- 100% GH Operations Pty Ltd
- HR Operations Pty Ltd
- Grand Hotel Management Pty Ltd
- GHG Capital Pty Ltd

INDUSTRIAL SERVICES

- 80.2% SP Corporation Limited*
  - 100% SP Performance Pte. Ltd.
    - 100% Performance Retreads Sdn. Bhd.
  - 100% SP Energy Pte. Ltd.
    - 100% Soil & Foundation (Pte) Limited#^
    - 100% SP Mining & Engineering Pte. Ltd.
      - 99% PT. SP Mining & Engineering
    - 1% PT. SP Mining & Engineering
  - 100% Globaltraco International Pte Ltd
  - 100% SP Resources International Pte. Ltd.
  - 100% SP Global International Pte. Ltd.
- 97.9% Hypak Sdn. Berhad

OTHER INVESTMENTS

- 100% TS Planet Sports Pte. Ltd.
  - 49% Pan-West (Private) Limited
    - 100% Pan-West (Malaysia) Sdn. Bhd.
    - 30% D'Votz Sdn. Bhd.#
    - 100% Pan-West China Holdings Pte. Ltd.
      - 100% Pan-West (Shenzhen) Co. Ltd#
- 100% TS Technologies Pte Ltd
  - 44.5% Gul Technologies Singapore Ltd
    - 100% Gultech International Pte Ltd
      - 100% Gultech (Suzhou) Electronics Co., Ltd
    - 100% Gultech China Pte. Ltd.
      - 100% Gultech (Jiangsu) Electronics Technologies Co., Ltd
      - 51% Gultech (Wuxi) Electronics Co., Ltd
        - 100% Gultech Wuxi Electronics Co (HK), Limited
  - 100% Pacific Consultants Pte. Ltd.

* public listed company
\# in members' voluntary liquidation
^ expected to be dissolved by 17 March 2016
incorporated outside of Singapore

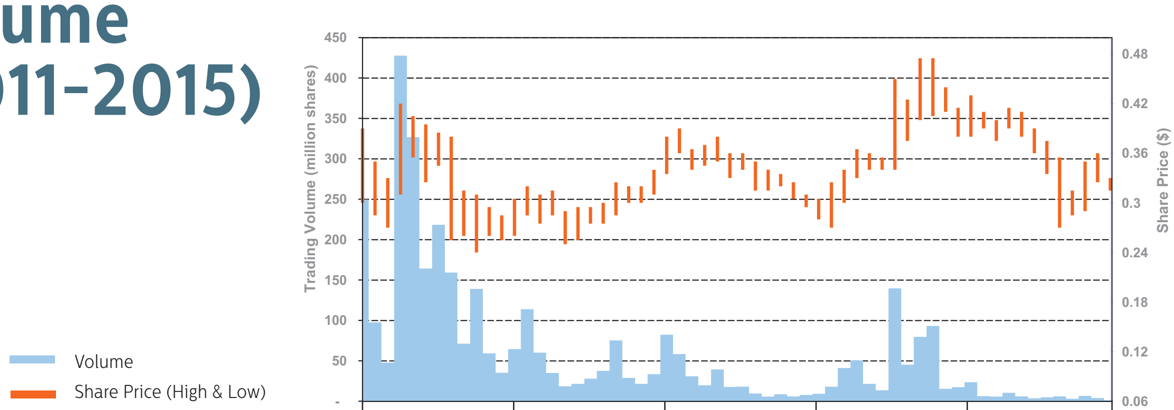
ON THE STOCK MARKET

Share Price and Trading Volume (2011-2015)

Market: Singapore Stock Exchange ("SGX")
Sector: Real Estate Management and Development

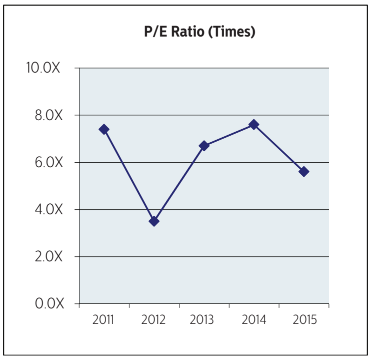
SGX Code: T24
Bloomberg Code: TSH SP

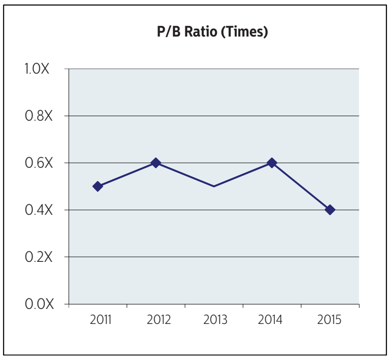
TSH SP SHARE PRICE AND TRADING VOLUME 2011-2015



	2011	2012	2013	2014	2015
Last transacted (cents)#	26.0	33.5	30.0	39.5	32.5
High (cents)	42.0	34.0	38.5	47.5	42.5
Low (cents)	24.0	25.5	29.5	27.0	28.0
Average (cents)##	31.8	29.2	34.1	36.6	36.1
Market capitalisation ($'M)	300.1	389.0	351.8	464.6	383.1
Trading volume (million shares)	1,995.0	539.0	305.2	545.1	82.5
Number of shares issued (million shares)	1,154.3	1,161.3	1,172.7	1,176.2	1,178.8
P/E Ratio (times)	7.4X	3.5X	6.7X	7.6X	5.6X
P/B Ratio (times)	0.5X	0.6X	0.5X	0.6X	0.4X

Notes:
Last transacted share price at year-end
Average closing price of all trading days during the year





Definitions:
P/E Ratio: Last transacted share price/earnings per share
P/B Ratio: Last transacted share price/net asset value per share

SHARE PRICE PERFORMANCE (1-YEAR)

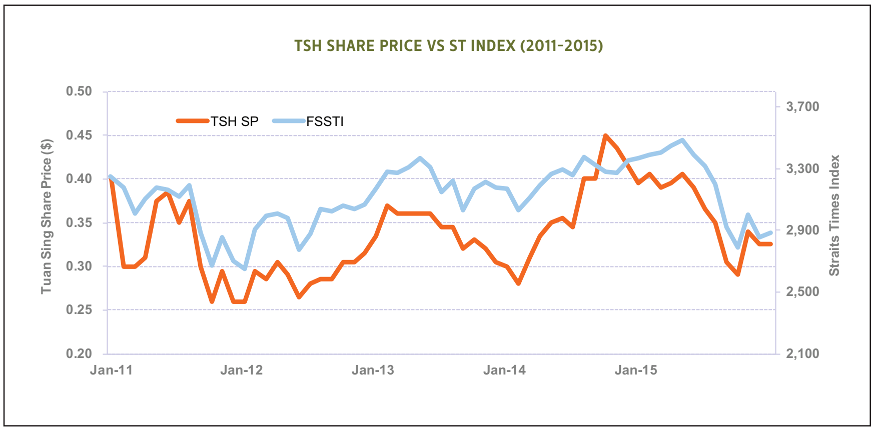
TSH SHARE PRICE VS. ST INDEX & ST REAL ESTATE INDEX (2015)

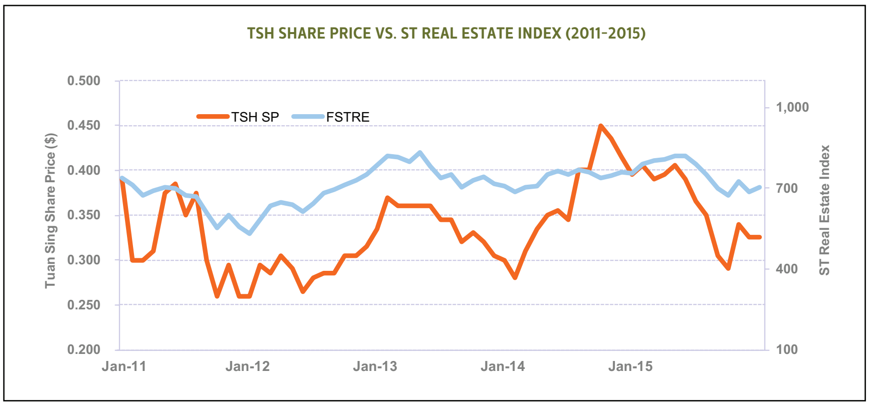
Share Performance	3M2015	6M2015	9M2015	FY2015
Period Commencing	**2/1/2015**	**2/1/2015**	**2/1/2015**	**2/1/2015**
Period Ending	**31/3/2015**	**30/6/2015**	**30/9/2015**	**31/12/2015**
Tuan Sing (TSH SP)	-2%	-10%	-28%	-20%
Straits Times Index (FSSTI)	2%	-2%	-17%	-14%
ST Real Estate Index (FSTRE)	6%	4%	-11%	-8%

SHARE PRICE PERFORMANCE (5-YEAR)

TSH SHARE PRICE VS. ST INDEX & ST REAL ESTATE INDEX (2011 - 2015)

Share performance	1-year	2-year	3-year	4-year	5-year
Period Commencing	**2/1/2015**	**2/1/2014**	**2/1/2013**	**3/1/2012**	**3/1/2011**
Period Ending	**31/12/2015**	**31/12/2015**	**31/12/2015**	**31/12/2015**	**31/12/2015**
Tuan Sing (TSH SP)	-20%	8%	-7%	20%	-17%
Straits Times Index (FSSTI)	-14%	-9%	-10%	7%	-11%
ST Real Estate Index (FSTRE)	-8%	-1%	-11%	30%	-5%





Bloomberg ticker symbols:
TSH SP: Tuan Sing
FSSTI: Straits Times (ST) Index
FSTRE: Straits Times (ST) Real Estate Index

Note:
Share price displayed in the graph are closing prices of active trading days.

Source:
Bloomberg

FINANCIAL CALENDAR

Financial Year ended 31 December 2015

30 APRIL 2015
First quarter financial results for the period ended 31 March 2015

30 JULY 2015
Half year financial results for the period ended 30 June 2015

29 OCTOBER 2015
Third quarter financial results for the period ended 30 September 2015

28 JANUARY 2016
Full year financial results for the year ended 31 December 2015

31 MARCH 2016
Dispatch of 2015 annual report

29 APRIL 2016
46th Annual General Meeting

9 MAY 2016
Books closure date

24 JUNE 2016
Proposed payment date for 2015 first and final tax-exempt dividend

Financial Year ending 31 December 2016

28 APRIL 2016
Proposed first quarter financial results for the period ending 31 March 2016

28 JULY 2016
Proposed half year financial results for the period ending 30 June 2016

27 OCTOBER 2016
Proposed third quarter financial results for the period ending 30 September 2016

31 JANUARY 2017
Proposed full year financial results for the year ending 31 December 2016

CORPORATE GOVERNANCE AT A GLANCE

Governance	Implemented and Presented in Annual Report
BOARD MATTERS	
Board size	
■ The Board comprises 7 members	Guidelines 2.1 and 2.5 of the Corporate Governance Report ("CG Report")
Board independence	
■ Independent Directors make up more than one-third of the Board ■ Comprehensive description of how the Company assesses the independence of its Directors which include being independent from shareholders ■ Independent Directors who have served on the Board beyond nine years	Directors' Profile Guidelines 2.1, 2.2, 2.3 and 2.4 of CG Report
Board competencies	
■ The Board comprises members with diverse qualifications and backgrounds ■ The Chairman, an Independent Director and the Executive Director, possesses experience in the property industry	Directors' Profile Guideline 2.6 of CG Report
Directorships or chairmanships held by the Company's Directors in listed companies	
■ Information on Directors' directorships/chairmanships in listed companies, both current and those held over the preceding 3 years	Directors' Profile Guideline 4.7 of CG Report
Role separation between CEO & Chairman	
■ The Chairman is a Non-Executive Director and unrelated to the CEO ■ Roles and responsibilities of the Chairman	Guidelines 3.1 and 3.2 of CG Report
Board/committee meetings and attendance during the year	
■ Board met 6 times ■ Audit and risk committee met 8 times ■ Remuneration committee met once ■ Nominating committee met twice ■ Tabulation of Directors' attendance at all meetings	Guideline 1.4 of CG Report
Nominating committee	
■ Majority of the members are independent including the chairman	Guideline 4.1 of CG Report
Selection of Directors	
■ The Company has in place a process seeking candidates with the relevant skills/experience	Guideline 4.6 of CG Report
Limits on the number of directorships	
■ The Company has internal guidelines which stipulate that Directors should not hold more than 3 other directorships in unrelated listed companies/major corporations ■ All Directors complied with this internal policy	Guideline 4.4 of CG Report
Board and individual Director appraisal	
■ The process and criteria used for assessment	Guidelines 5.1, 5.2 and 5.3 of CG Report

CORPORATE GOVERNANCE AT A GLANCE

Governance	Implemented and Presented in Annual Report
Continuous training and development of Directors	
■ Directors are informed of relevant training programs, seminars and workshops organised by professional bodies and organisations; some of which were attended by Directors	Guideline 1.6 of CG Report
Board's approval for matters including material transactions	
■ Internal guidelines have been established for (a) matters requiring Board's approval (b) board members who have a conflict of interest in a particular item to recuse from the discussion ■ Key activities of the Board during the year	Guideline 1.5 of CG Report
Information to the Board	
■ The Company has in place a process for furnishing information to the Board ■ Directors have separate and independent access to the Company Secretary & executives ■ Board's access to independent professional advice	Guidelines 6.1, 6.2, 6.3 and 6.5 of CG Report
REMUNERATION MATTERS	
Remuneration committee	
■ All members are non-executive with the majority, including the chairman, being independent	Guideline 7.1 of CG Report
Structure for Non-Executive Director fees	
■ Framework for Non-Executive Directors' fees is presented	Guideline 7.2 of CG Report
Remuneration structure of Executive Director & top 5 executives	
■ Fixed and variable components ■ Incentives in the form of bonus ■ Performance measures – specific key performance indicators	Guideline 8.1 of CG Report
Disclosure of remuneration of Directors & top 5 executives	
■ Full disclosure for remuneration of all Directors including the CEO ■ Remuneration of top 5 executives in bands of $100,000	Guidelines 9.2 and 9.3 of CG Report
Disclosure of employee related to Directors/CEO	
■ Disclosure is made for employees related to Directors ■ Remuneration committee has access to professional advice	Note (2) of Guideline 9.3 of CG Report Guidelines 7.3 and 9.4 of CG Report
ACCOUNTABILITY AND AUDIT	
Audit and risk committee	
■ All members are non-executive with the majority, including the chairman, being independent	Guideline 12.1 of CG Report
Competencies of audit and risk committee	
■ Committee chairman and members have had related experience in accounting and finance	Guideline 12.2 of CG Report Directors' Profile

<table>
<tr><th>Governance</th><th>Implemented and
Presented in Annual Report</th></tr>
<tr><td>Risk management and internal controls</td><td></td></tr>
<tr><td>■ Assessed and managed key risks, including operational risks
■ Process and framework used to assess the adequacy of internal control systems and risk management
■ Statement by the Board on the adequacy of the internal controls and risk management systems
■ Assurance to the Board from the CEO and CFO on the Company's financial records and financial statements</td><td>Guidelines 11.1, 11.2 and 11.3 of CG Report
Managing Risk in Delivering Our Strategy
Business Dynamics & Risk Factors Statement
Sustainability at Tuan Sing</td></tr>
<tr><td>Internal audit function</td><td></td></tr>
<tr><td>■ Internal auditor complies with the PricewaterhouseCoopers Global Internal Audit Services methodology which in turn is aligned to IIA standards
■ Internal audit function and its adequacy and effectiveness
■ Breakdown of fees paid to internal auditors for audit and non-audit services</td><td>Guidelines 13.1, 13.2, 13.3, 13.4 and 13.5 of CG Report</td></tr>
<tr><td>Independence of external auditors</td><td></td></tr>
<tr><td>■ Breakdown of fees paid to external auditors for audit and non-audit services</td><td>Guideline 12.6 of CG Report
Note 25 of the Notes to the Financial Statements</td></tr>
<tr><td>Compliance with legislative and regulatory requirements</td><td></td></tr>
<tr><td>■ Early adoption of the undertaking pursuant to Listing Rule 720(1) by Directors and executive officers</td><td>Guideline 10.2 of CG Report</td></tr>
<tr><td>Whistle-blowing policy</td><td></td></tr>
<tr><td>■ Disclosure on key details of the Company's whistle-blowing policy</td><td>Guideline 12.7 of CG Report
Corporate Governance in Action</td></tr>
<tr><td>COMMUNICATION WITH SHAREHOLDERS</td><td></td></tr>
<tr><td>Timeliness of release of financial results</td><td></td></tr>
<tr><td>■ Announced quarterly financial results and full-year audited results within 30 days</td><td>Guideline 15.2 of CG Report
Investor Relations</td></tr>
<tr><td>Corporate website</td><td></td></tr>
<tr><td>■ The Company's website is provided in the Annual Report and a link is provided on the SGX's website
■ An Investor Relations Policy has been established in 2015 and published on the Company's website
■ The Company's website also has a clearly dedicated "Investor Relations" link and the investor relations contact is provided
■ The latest financial results and annual report are available on the Company's website</td><td>Guidelines 15.1, 15.2 and 15.4 of CG Report
Investor Relations</td></tr>
<tr><td>Briefings on results announcement</td><td></td></tr>
<tr><td>■ Presentation materials are posted on SGXNet and the Company's website
■ Webcast of the Group's half-yearly and full-year results is available on the Company's website</td><td>Guideline 15.2 of CG Report
Investor Relations</td></tr>
</table>

CORPORATE GOVERNANCE AT A GLANCE

Governance	Implemented and Presented in Annual Report
Soliciting and understanding views of shareholders	
■ Other than general meetings, the Company will meet analysts and fund managers as appropriate. There is also a "Feedback and Queries" template established on the Company's website ■ The Company also attends to shareholders' queries made via electronic mail or telephone	Guideline 15.4 of CG Report
Shareholder participation	
■ No limit is imposed on the number of proxies for nominee companies ■ Annual Report is sent to shareholders 28 days before the AGM ■ Full information is provided on each agenda item for the AGM ■ Voting on all resolutions is conducted by poll at the AGM and the results are announced via SGXNet and posted on the Company's website under "Investor Relations"	Guidelines 14.3, 15.2 and 16.5 of CG Report Notice of AGM
ADDITIONAL GOVERNANCE PRACTICES	
Risk committee	
■ Risk management is overseen by the audit and risk committee with the assistance of the internal auditor	Guideline 11.4 of CG Report
CEO and CFO certification of financial statements	
■ Representation issued by the CEO and CFO	Guideline 10.1 of CG Report CEO & CFO's Responsibility Statement
Code of conduct and practices	
■ Description of the Company's code of conduct and practices	Corporate Governance in Action
Percentage of share capital to be offered – S161 of the Act	
■ 10 percent	Notice of AGM
Policy on dealings in securities	
■ Directors and staff are prohibited to deal in the Company's securities one month and two weeks before the announcement of full-year results and the first, second and third quarter financial results till the day of such announcements	Corporate Governance in Action
Dividend policy	
■ Is published in the website and in the annual report ■ Established the Tuan Sing Holdings Limited Scrip Dividend Scheme	Guideline 15.5 of CG Report Corporate Governance in Action

CORPORATE GOVERNANCE REPORT

"Tuan Sing is committed to achieving a high standard of corporate governance as we believe that good governance supports long-term value creation. Here you will find examples of our governance in action."

The Board and Management firmly believe that good corporate governance is key to the integrity of the Group and essential to the long-term sustainability of the Group's businesses and performance. The Board and its committees have established policies and rules on good governance, and they are guided by their respective written Terms of References.

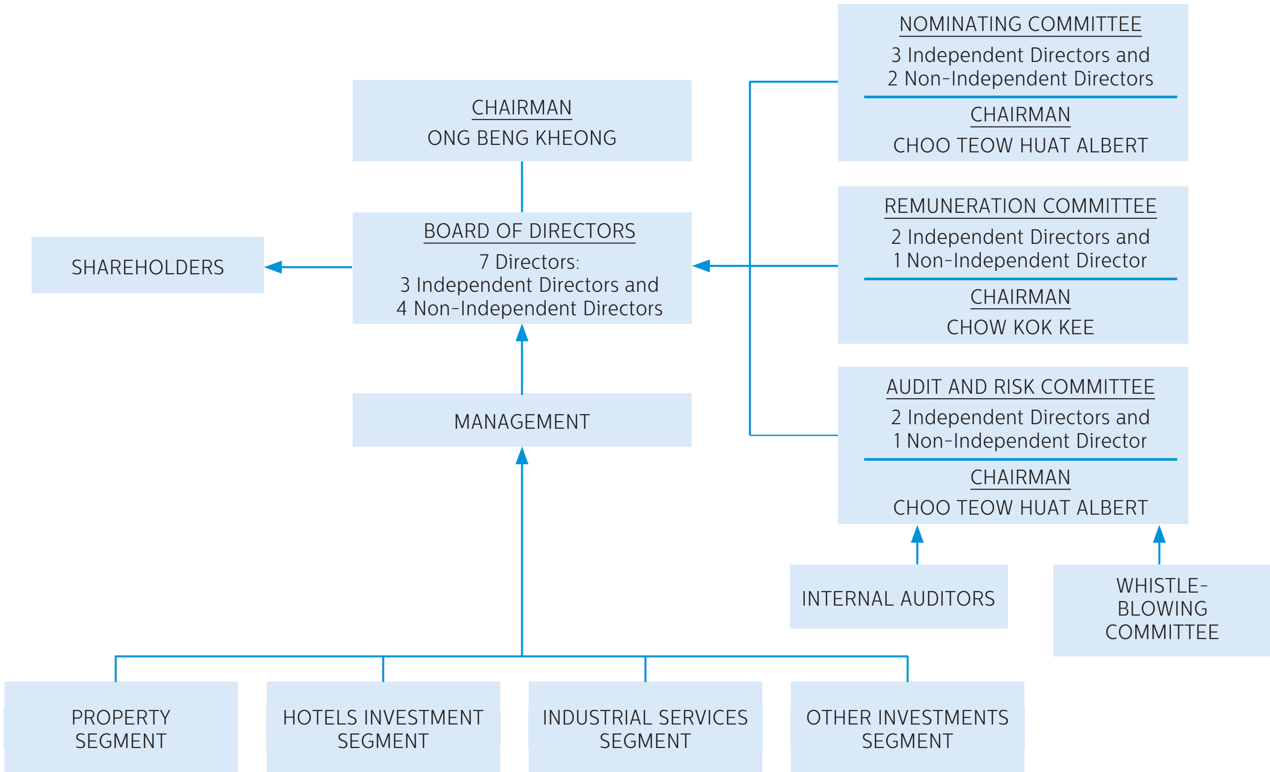
Welcome to the Corporate Governance section of our Annual Report

COMPLIANCE WITH THE CODE

The Board, after making due inquiries, believes that the Company has complied in all material aspects with the principles and guidelines as set out in the Code of Corporate Governance 2012 (the "Code"). We show details of our compliance in this report.

As required by the Listing Manual of the Singapore Stock Exchange Securities Trading Limited ("SGX-ST"), this report has been prepared with specific reference to each Guideline of the Code.

CORPORATE GOVERNANCE STRUCTURE



I. BOARD MATTERS

The Board plays a pivotal role in overseeing the Group's overall strategy and business direction and is collectively responsible for the Group's long-term success. The Management has been providing Directors with full and timely information to assist the Directors in the fulfilment of their responsibilities.

PRINCIPLE 1: EFFECTIVE BOARD TO LEAD AND CONTROL THE COMPANY

Guideline 1.1

Board's Role

The Board oversees the effectiveness of the Management as well as the corporate governance of the Company with the objective of maximising long-term shareholder's value and protecting the Company's assets. Every Director acts in good faith and exercises independent judgement in the best interests of shareholders.

The key roles of the Board include, *inter alia*, providing entrepreneurial leadership, setting corporate strategies and objectives, monitoring Management's performance, reviewing the Group's financial performance, risk management processes and systems, human resource requirements, and sustainability considerations including corporate governance practices to ensure improvement of the Company's businesses as well as to safeguard shareholders' interests. The Board is also responsible to set values and standards (including ethical standards) for the Company and is mindful of the Company's social responsibilities; more details of which are presented in the "Sustainability Report" section of this Annual Report.

Guideline 1.2
Objective Decision Making

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group and works with the Management to make objective decisions in the interest of the Group.

The Company has in place a financial authority matrix and approval guidelines for investments, divestments, corporate exercises and arrangements. New investments and banking facilities (including non-cash facilities and corporate guarantees and funding arrangement to non-wholly owned entities), business acquisitions and divestments exceeding certain thresholds limits require the approval of the Board.

Guideline 1.3
Delegation Of Authority To Board Committees

The Board is supported by a number of committees to assist it in the discharge of its responsibilities and to enhance the Company's corporate governance framework. These committees include the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Audit and Risk Committee ("ARC"). Each Board committee has its own specific Terms of Reference setting out the scope of its duties and responsibilities, rules and regulations, and procedures governing the manner in which it is to operate and how decisions are to be taken.

The Board approves transactions exceeding certain thresholds, while delegating authority for transactions below those limits to Board committees and the Management via a structured Delegation of Authority matrix. This matrix is reviewed on a regular basis and accordingly revised when necessary. More details on the Board's delegation are presented below. The Board committees and the Management remain accountable to the Board.

Guideline 1.4
Meetings Of Board And Board Committees And Directors' Record of Attendance

The Board and its committees met regularly based on schedules planned one year ahead so as to ensure maximum attendance by all participants and as warranted by particular circumstances. On occasions when Directors were unable to attend meetings in person, telephonic means were used as allowed under the Company's Articles of Association. To enable members of the Board and its committees to prepare for the meetings, agendas were circulated at least seven days in advance and most materials dispatched one week before the meetings.

To limit paper wastage, the Company no longer provides hard copy meeting papers and Directors are instead provided with tablet devices to enable them to access and read Board and Board committee papers prior to and during meetings. This initiative also enhances information security as the documents are locked with passcodes for Directors to download to their tablet devices.

A record of the Directors' attendance at meetings during the financial year ended 31 December 2015 is set out below:

2015 Meeting Attendance	Board		Audit and Risk Committee		Remuneration Committee	Nominating Committee		General Meeting
	Scheduled	Non-Scheduled*	Scheduled	Non-Scheduled	Scheduled	Scheduled	Non-Scheduled	Scheduled
Total Number of Meetings	**5**	**1**	**4**	**4**	**1**	**1**	**1**	**1**
Ong Beng Kheong	5	–	–	–	–	1	–	1
William Nursalim alias William Liem	5	–	–	–	–	–	–	1
Choo Teow Huat Albert	5	1	4	4	1	1	1	1
Chow Kok Kee	5	1	4	4	1	1	1	1
David Lee Kay Tuan	4	–	3	4	–	–	–	1
Michelle Liem Mei Fung	4	–	–	–	1	1	–	1
Ng Siow How	2	1	–	–	–	1	–	1

** Independent Directors' Meeting*

During the year, Independent Directors also met regularly amongst themselves and on ad hoc basis with the CEO and senior management team as well as other non-executive directors to discuss challenges facing the Group. Such informal meetings are not included in the above table.

Guideline 1.5
Internal Guidelines On Matters Requiring Board Approval

The Company has established guidelines governing matters that require the Board's approval.

The Delegation of Authority matrix provides clear direction to Management on matters requiring the Board's specific approval which include:

(a) material acquisition and disposal of assets/investments

(b) corporate/financial restructuring/corporate exercises

(c) budgets/forecasts

(d) delegation of authority matrix, policies & procedures

(e) material financial/funding arrangements and providing of corporate guarantees

Internal guidelines have been established which require all Board members who have a conflict of interest in a particular agenda item to abstain from participating in the relevant Board discussion.

Key Activities of the Board – 2015

Regular agenda items included:

- Reports of the ARC, NC and RC
- CEO's monthly management report, quarterly updates on the businesses including risk profile
- Quarterly updates on financing and cash flow projection
- Approval of quarterly announcements and year-end financial statements
- Conflict of interest and IPT transactions Register
- Whistle-blowing register
- Disclosure of Directors' interests pursuant to Sections 156/165 of the Companies Act, Cap. 50

Other key agenda items considered during the year:

- Proposed acquisitions, including land and properties
- Proposed disposals, including land and properties
- Financing, new banking relationship
- Business strategy
- Investor Relations Policy
- Proposed restructuring of shareholders loan for investment in subsidiaries
- Simulated Enhanced Auditor's Report (2015) for the early adoption of the concept
- Form of undertaking with regard to Directors and executive officers in compliance with Appendix 7.7 of the Mainboard Rules
- Material developments relating to accounting, legal, regulatory and/or corporate governance issues

Matters reserved for Board Approval:

- Documents for distribution to shareholders and the Annual Report and Accounts
- Annual budgets & business plan
- CEO's KPIs & performance

Guideline 1.6

Continuous Training And Development Of Directors

It is our *modus operandi* to provide new Directors a detailed and thorough induction, including meeting with key management personnel, given an overview of their specific areas of responsibility within the business, and where necessary an opportunity to visit the Company's key properties and developments. The Company also offers Directors opportunities to update and refresh their knowledge on an ongoing basis, to enable them to continue fulfilling their roles as Board members and Committee members effectively. This includes training opportunities and further visit to the Company's properties, as required.

During the year, Management also kept the Directors up-to-date on pertinent developments in the business including changes in laws and regulations, code of corporate governance, financial reporting standards and industry-related matters. To enable the Directors to equip themselves to effectively discharge their duties and to enhance their skills and knowledge, the Management informed the Directors of relevant training programs, seminars and workshops organised by various professional bodies and organisations. Training attended by Directors in 2015 include the "Director and CFO Forum" organised by the Institute of Singapore Chartered Accountants ("ISCA"), together with the Accounting and Corporate Regulatory Authority, the Singapore Institute of Directors, the Singapore CFO Institute and the Singapore Exchange Ltd ("SGX") where experts shared their insights on the recent regulatory, auditing and financial reporting developments in Singapore.

Guideline 1.7

Letter To Director On Appointment

Upon appointment of each Director, a letter setting up his/her duties and responsibilities is issued to the Director. Directors are given appropriate orientation and briefings by the Management on the business activities of the Group, its strategic directions, and the Company's corporate governance policies and practices when they are first appointed to the Board.

No new Director was appointed during the year under review.

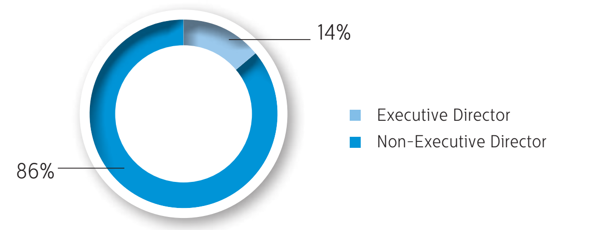
PRINCIPLE 2: INDEPENDENT ELEMENT ON THE BOARD

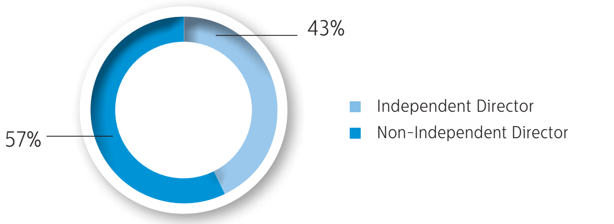
Guideline 2.1

Independent Element Of The Board

The NC determines the independence of each Director annually. An Independent Director is one who has no relationship with the Company, its related companies, its 10% shareholders (as defined in the Code) or its officers that can interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgement to the best interests of the Company.

Currently, there are seven Directors in the Board comprising six Non-Executive Directors and one Executive Director. Amongst the Non-Executive Directors, three are independent. The NC conducted its annual review of the Directors' independence and was satisfied that the Company complies with the guideline of the Code which provides that at least one-third of the Board is made up of Independent Directors.





Guideline 2.2

Composition Of Independent Directors On The Board

As the Chairman is not an Independent Director, the NC is reviewing the composition of Independent Directors and has plans to increase the independent element so as to comply with the relevant guidelines of the Code.

Guideline 2.3

Independence Of Directors

The NC, in its deliberation as to the independence of a Director, took into account examples of relationships as set out in the Code, considered whether a Director had business relationships with the Group, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgements.

The NC has assessed the independence of Messrs Choo Teow Huat Albert, Chow Kok Kee and Ng Siow How, and is satisfied that there is no relationship or other factors such as gifts or financial assistance, past association, business dealings, representative of shareholder, financial dependence, relationship with the Group or the Group's management, etc. which would impair their independent judgement.

Guideline 2.4

Independence Of Directors Who Have Served On The Board Beyond Nine Years

The Board recognises that Independent Directors may over time develop significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole. When there are such Directors, the Board will review rigorously their continuing contributions and independence and may exercise its discretion to extend the tenures of these Directors.

During the year, Messrs Choo Teow Huat Albert and Chow Kok Kee having served on the Board as Independent Directors for more than nine years, voluntarily submitted themselves for assessment on their independence status by the other Directors. All the other Directors participated in this assessment of Mr Choo and Mr Chow. After due consideration and with the concurrence of the NC, the Board continues to regard Mr Choo and Mr Chow as independent. Both Mr Choo and Mr Chow have demonstrated the ability and preparedness to make independent judgement and/or decisions on matters with the interest of the Company at heart without undue reliance, influence or consideration of the Group/Company's interested parties such as the Chairman and CEO of the Board, other non-independent directors, controlling shareholders and/or their associates and the Group/Company's management.

Guideline 2.5

Composition And Size Of The Board

The NC conducted its annual review on the composition of the Board which comprises members of both genders and from different backgrounds whose core competencies, qualifications, skills and experiences are extensive.

Taking into account the scope and nature of the operations of the Group, it is the NC's considered opinion that the current Board composition and size are appropriate and as a group, the Directors provide relevant competencies to facilitate effective decision making for the existing needs and demands of the Group's businesses. Details of the Directors' qualifications, background and working experience, principal commitments and shareholdings in related corporations are found under the "Directors' Profile" section of this Financial Report. The Board's decision-making process is not dominated by any individual or small group of individuals.

Nevertheless, the NC has recommended to the Board to consider the appointment of additional Independent Director(s) so as to comply with the relevant guidelines of the Code.

A summary of the current composition of the Board and its committees is set out below:

No.	Name	Status	Board	Nominating Committee	Remuneration Committee	Audit and Risk Committee
1.	Ong Beng Kheong	NED, NID	C	M		
2.	William Nursalim alias William Liem	ED, NID	M			
3.	Choo Teow Huat Albert	NED, ID	M	C	M	C
4.	Chow Kok Kee	NED, ID	M	M	C	M
5.	David Lee Kay Tuan	NED, NID	M			M
6.	Michelle Liem Mei Fung	NED, NID	M	M	M	
7.	Ng Siow How	NED, ID	M	M		

Legend:

C: Chairman ED: Executive Director ID: Independent Director
M: Member NED: Non-Executive Director NID: Non-Independent Director

Guideline 2.6

Competency Of The Board

The NC conducted its annual review of the competency matrix of the Directors taking into account their respective areas of specialisation and expertise, and was satisfied that members of the Board as a whole possess the relevant core competencies in areas such as accounting and finance, legal, property, strategic planning, business and management experience. In particular, at least one Independent Director has experience in property industry. The Executive Director possesses 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.

Guideline 2.7

Role Of Non-Executive Directors

The Non-Executive Directors actively participate in setting strategies and goals for the Company and regularly assess the performance of Management. As Non-Executive Directors constitute a majority of the Board, objectivity on such deliberations is assured.

Guideline 2.8

Regular Meetings Of Non-Executive Directors

During the year, Independent Directors met regularly and on an ad hoc basis with the CEO and senior management team as well as other Non-Executive Directors to discuss challenges facing the Group. The Company also benefited from the Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board committees meetings.

PRINCIPLE 3: CLEAR DIVISION OF RESPONSIBILITIES AND BALANCE OF POWER AND AUTHORITY

Guideline 3.1

Separate Role Of Chairman And CEO

The Company has a clear division of responsibilities at each level of the Company, with the non-executive Chairman and the CEO having separate roles to ensure an appropriate balance of power, increased accountability and a greater capacity of the Board for independent decision-making.

The division of responsibilities between the Chairman, Mr Ong Beng Kheong and the CEO, Mr William Nursalim alias William Liem, is also clearly established in the Terms of Reference of the Board. The Chairman manages the business of the Board whilst the CEO and his management team translate the Board's decisions into executive action. The CEO has executive responsibilities for the Group's businesses and is accountable to the Board.

There is no familial relationship between the Chairman, Mr Ong and the CEO, Mr Liem.

Guideline 3.2

Roles And Responsibilities Of Chairman

The Chairman is responsible for the management of the Board. He leads the Board, encourages Board's interaction with Management, facilitates effective contribution of Non-Executive Directors, encourages constructive relations among the Directors, and promotes corporate governance.

Prior to each Board meeting, the Chairman determines the agenda for the meeting and instructs the Company Secretary to disseminate it to all Directors at least 7 days before the meeting. He leads the meetings and ensures full discussion of each agenda item, as appropriate. The Chairman ensures that Board members engage the Management in constructive debate on various matters including strategic issues. He also oversees the quality and timeliness of information flow between the Management and the Board.

Guideline 3.3

Appointment Of Lead Independent Director

The Lead Independent Director may be appointed by the Board to serve in a lead capacity to coordinate the activities of the Non-Executive Directors in circumstances where it would be inappropriate for the Chairman to serve in such capacity. The Lead Independent Director also assists the Chairman and the Board to assure effective corporate governance in managing the affairs of the Board and the Company.

Considering the Company's current business operations and a board size of only seven members with three being Independent Directors, the appointment of a Lead Independent Director for the year under review is not necessary. Nevertheless, the Board will annually examine the need for such appointment.

Guideline 3.4

Lead Independent Director To Lead In Periodical Meetings Amongst Themselves

Although no Lead Independent Director has been appointed, the Company's Independent Directors conferred among themselves when necessary, without the presence of the other Directors, and the Independent Directors did provide feedback to the Chairman after such meetings as appropriate. In addition, Independent Directors also met regularly and on ad hoc basis with the CEO and senior management team as well as other Non-Executive Directors to discuss challenges facing the Group.

PRINCIPLE 4: FORMAL AND TRANSPARENT PROCESS FOR THE APPOINTMENT OF DIRECTORS TO THE BOARD

Guideline 4.1

NC Membership And Key Terms Of Reference

The NC consists of the following five members with the majority, including its chairman, being Independent Directors:

- Mr Choo Teow Huat Albert, chairman
  (Independent and Non-Executive)
- Mr Chow Kok Kee
  (Independent and Non-Executive)
- Mr Ng Siow How
  (Independent and Non-Executive)
- Mr Ong Beng Kheong
  (Non-Independent and Non-Executive)
- Ms Michelle Liem Mei Fung
  (Non-Independent and Non-Executive)

The NC is guided by its written Terms of Reference which stipulates that its principal roles include, *inter alia*, maintaining a formal and transparent process for the appointment of new Directors to the Board, determining the independence of Directors and the appropriate Board size, reviewing and approving the appointment of key management personnel of the Group.

Key Terms of Reference of the NC are listed in the Appendix to this Report. During the year, the NC held two meetings including one non-scheduled meeting for the selection and appointment of a new Company Secretary.

Guideline 4.2

Responsibilities Of NC

Key responsibilities of the NC include making recommendations to the Board on relevant matters such as the process for evaluating the performance of the Board as a whole. It also ensures compliance with the Company's Articles of Association which stipulates that at each AGM, one-third of the Board is required to retire and that every Director (including the CEO who is the sole Executive Director) shall retire from office at least once every three years. In this aspect, the NC has recommended and the Board has agreed for the following Directors to retire and seek re-election at the forthcoming AGM:

(a) Mr William Nursalim alias William Liem

(b) Mr Chow Kok Kee

Upon re-election, Mr William Nursalim alias William Liem shall remain as the CEO of the Company whilst Mr Chow Kok Kee shall remain as chairman of the RC and a member of the ARC and NC.

The NC has also endorsed the provision of training and professional development programs for the Board in the manner as described under Guideline 1.6.

Guideline 4.3

NC To Determine Directors' Independence

The NC conducted an annual review of the independence of the Directors as mentioned under Guidelines 2.3 and 2.4 above based on their declarations of independence (or otherwise), which were drawn up based on the guidelines provided under the Code. As and when circumstances require, the NC will also assess and determine a Director's independence.

Guideline 4.4

Commitments Of Directors Sitting On Multiple Boards

In assisting the NC to determine whether Directors who sit on multiple boards have committed adequate time to discharge their responsibilities towards the Company's affairs, internal guidelines have been established to address the competing time commitments faced by Directors serving on multiple boards. In this respect, the Company's current policy stipulates that if a Director is an executive director or a key management personnel of another listed company or a major corporation, he/she should preferably not hold more than three other directorships on unrelated listed companies and/or major corporations. For the year under review, no director has exceeded this stipulation.

The NC has reviewed each Director's outside directorships and their principal commitments as well as each Director's attendance and contributions to the Board. Despite the multiple directorships of some Directors, the NC is satisfied that the Directors spent adequate time on the Company's affairs and have carried out their responsibilities.

Guideline 4.5

Appointment Of Alternate Directors

Currently, the Company does not have any alternate director.

Guideline 4.6

Process For The Selection And Appointment Of New Directors

The Company has in place a process for selecting and appointing new Directors. This process includes, *inter alia*, an evaluation of the candidate's capabilities and how the candidate fits into the overall desired competency matrix of the Board. The NC may recourse to both internal sources as well as external sources to draw up a list of potential candidates. Short-listed candidates would be required to furnish their curriculum vitae stating in detail their qualification, working experience, employment history, in addition to completing certain prescribed forms to enable the NC to assess the candidate's independence status and compliance with the Company's established internal guidelines.

For the year under review, no new Director was appointed to the Board.

Guideline 4.7

Information On Directors

Key information of each member of the Board including directorships and chairmanships both present and those held over the preceding three years in other listed companies, other major appointments, academic/professional qualifications, memberships/chairmanships in the Company's Board committees, date of first appointment, last re-election and other relevant information, can all be found under the "Directors' Profile" section of this Annual Report.

All Directors, including the Chairman of the Board and CEO, submit themselves for re-election at regular intervals of about once every three years. One-third of the Directors will retire at the Company's AGM each year. Profile of the Directors seeking election or re-election is provided on the notice of AGM.

PRINCIPLE 5: ASSESSMENT OF THE EFFECTIVENESS OF THE BOARD

Guideline 5.1

Board Performance

The Company has implemented a formal process to evaluate the performance of the Board as a whole and its ability to discharge its responsibilities in providing stewardship, corporate governance and oversight of Management's performance.

The annual process of evaluating the performance of the Board and individual Directors is as follows:

- The questionnaire for the annual evaluation of the Board is completed by all Board members;
- The evaluation of individual Directors' performance is also performed at the same time by Directors based on, amongst others, a Board Competency Matrix to assess Directors' respective areas of specialisation and expertise, and general consideration of such factors as mentioned under Guideline 5.3.

The evaluation of individual Directors is differentiated between Executive Directors and Non-Executive Directors. Individual Executive Directors are evaluated by Non-Executive Directors, *inter alia*, through assessment of their performance against certain key performance indicators set by the relevant Board Committees.

For the year under review, all Directors participated in the evaluation by providing feedback to the NC in the form of completing a Board Performance Assessment checklist. To ensure confidentiality, the evaluation returns completed by all Directors were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review and discussion. The NC has reported to the Board on its review of the Board's performance for the year.

Guideline 5.2

Performance Criteria For Board Evaluation

The NC has implemented a process for evaluating the effectiveness of the Board as a whole and its Board Committees, the contribution by each individual Director to the effectiveness of the Board, and the effectiveness of the Chairman of the Board.

The NC has established objective criteria to evaluate the Board's performance. This includes comparing the Company's share price performance with its peers in the industry, the Singapore Straits Times Index and a benchmark index of its industry peers over a five-year period. Other performance criteria employed are financial indicators such as Return on Assets, Return on Equity and Economic Value Added of the Group over a five-year period. More relevant and meaningful criteria would also be used when applicable.

Guideline 5.3
Evaluation Of Individual Director

Evaluation of individual Director's performance is a continuous process. For the year under review, the NC took note of each individual Director's attendance at meetings of the Board, Board committees and at general meeting(s); participation in discussions at meetings; knowledge of and contacts in the regions where the Group operates; the individual Director's functional expertise and his/her commitment of time to the Company and took such factors into consideration in the annual process of evaluating the performance of the individual Directors.

PRINCIPLE 6: BOARD MEMBERS SHOULD BE PROVIDED WITH COMPLETE, ADEQUATE AND TIMELY INFORMATION

Guideline 6.1
Board's Access To Information

To enable the Board to make informed decisions and to fulfil its responsibilities, the Management provides complete, accurate and adequate information in a timely manner. A system of communication between the Management and the Board and Board committees has been established and improved over time.

The Board, its committees and every Director have separate and independent access to the Management and are free to request for additional information as needed to make informed decisions.

Guideline 6.2
Provision Of Information To The Board

In addition to the annual budget and business plans submitted to the Board for approval, the Board was provided with monthly management reports analysing operational performance complete with variances between the actual results, corresponding period of the previous year and the budget, with appropriate explanation. Further, there were periodic reports on cash flow forecast, performance forecast, risks assessment, scenarios analysis, Board memoranda and related materials.

Guideline 6.3
Board's Access To The Company Secretary

The role of the Company Secretary is clearly defined which includes, *inter alia*, advising the Board on all governance matters as well as ensuring that all Board procedures are followed and that applicable rules and regulations are complied with.

Under the direction of the Chairman, the Company Secretary ensures good information flow to and within the Board and its committees and between the Management and Non-Executive Directors.

Directors have separate and independent access to the Company Secretary through electronic mail, telephone and face-to-face meetings. During the year, the Company Secretary attended all meetings of the Board and its committees and the minutes of such meetings were promptly circulated to all members of the Board and Board committees.

Guideline 6.4
Appointment And Removal Of Company Secretary

The appointment and removal of the Company Secretary are subject to the approval of the Board as stipulated in the Company's Terms of Reference of the Board. The former Company Secretary who was appointed in November 2005 resigned on 5 June 2015.

With the recommendation by the NC and approval by the Board, the Company has outsourced the role of Company Secretary on even date. The newly appointed Company Secretary is supported by the Company's in-house corporate secretarial team.

Guideline 6.5
Board's Access To Independent Professional Advice

In the furtherance of their duties, Directors may seek independent professional advice, where appropriate, with such expense borne by the Company.

II. REMUNERATION MATTERS

Matters concerning remuneration of the Board, senior executives and other employees who are related to the controlling shareholders and/or our Directors (if any) are handled by the RC whose primary function is to establish formal and transparent policies on remuneration matters in the Company.

Matters which are required to be disclosed in the annual remuneration report have been sufficiently disclosed in this Report and in the Financial Statements of the Company and of the Group.

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Guideline 7.1
Remuneration Committee

The RC comprises the following Directors, all of whom are non-executive and the majority, including its chairman, being independent:

- Mr Chow Kok Kee, chairman
  (Independent and Non-Executive)
- Mr Choo Teow Huat Albert
  (Independent and Non-Executive)
- Ms Michelle Liem Mei Fung
  (Non-Independent and Non-Executive)

The RC is guided by its written Terms of Reference, which clearly set out its authority and duties. Key Terms of Reference are listed in the Appendix to this Report.

During the year under review, the RC held one scheduled meeting.

Guideline 7.2
Remuneration Framework

To attract, retain and motivate Directors and employees, the RC establishes appropriate remuneration frameworks for the Directors and employees of the Company. Such frameworks are being reviewed periodically to ensure that they remain relevant.

The framework for Non-Executive Directors' fees (on per annum basis unless otherwise indicated) is as follows:

Roles	Members (per annum)	Chairman (per annum)
Board of Directors	$40,000	Additional $40,000
Audit and Risk Committee	$15,000	Additional $15,000
Other Committees	$6,000	Additional $6,000
Attendance Fee	$1,000 per meeting	
Overseas Engagement Fee	$2,000 per trip	
Special or Ad-hoc Project(s)	Appropriate sum depending on complexity and time involved, as recommended by the Board after the completion of the projects and approved by shareholders in a general meeting	

Directors' fees are established annually for the Chairman and the other Directors. Additional fees are paid for participation in Board Committees. The level of fees takes into account the size and complexity of the Company's operations, and the responsibilities and workload requirements of Directors. The fees are submitted to shareholders for approval at each AGM. The CEO, being an Executive Director, does not receive Director's fee.

The RC reviewed and approved the remuneration package (which includes salaries, allowances, bonuses and benefits-in-kind) of the Executive Director after considering *inter alia* the achievement of his KPIs. In addition, the RC reviewed the performance of the Group's senior executives (excluding those employed by the listed subsidiary which has its own remuneration committee), taking into consideration the CEO's assessment of and recommendation for bonus and remuneration.

No member of the RC was involved in deciding his own remuneration.

Guideline 7.3

RC's Access To Advice On Remuneration Matters

The RC has access to the advice of the Company's Head of Human Resources, who attended the RC meetings held during the year. It did not require the services of an external remuneration consultant during the year but has purchased the Hay Group's January 2015 Issue on Board Remuneration and Practice in Singapore and the Hay Group's Singapore Top Executive Remuneration Report 2015. During the year, the RC also reviewed remuneration reports prepared by some major consulting groups. Nevertheless, the RC has explicit authority to investigate any matter within its Terms of Reference and to seek external expert advice should such need arise.

Guideline 7.4

Service Contract

The Company's obligations in the event of termination of service of Executive Director and key management personnel are contained in their respective employment letters. The RC was satisfied that termination clauses therein are fair and reasonable to the respective employment class and are not overly generous.

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

Guideline 8.1

Remuneration Of Executive Director And Key Management Personnel

The RC reviews and approved the overall annual increment and bonus of the Company. It also approved the remuneration of key management personnel annually. The Company's remuneration structure for its Executive Director and key management personnel comprises both fixed and variable components with an aim to attract, retain and motivate talent on a sustainable basis. The variable component is performance related and is linked to the Company's performance as well as the individual's performance. This is designed to align remuneration with the interests of shareholders and to link rewards to corporate and individual performance so as to promote the long-term success of the Group.

For the purpose of assessing the performance of the Executive Director and key management personnel, KPIs in both financial and non-financial targets are clearly set out at the beginning of each financial year. Financial targets include net profit, return on total assets, return on shareholders' equity and total shareholder's return (i.e. dividend plus share price movement over the year). Non-financial targets are those related to reputation, customers, employees, environment, community and sustainable future. Such KPIs comprise also both quantitative and qualitative factors as well as short and medium term targets.

As stipulated in the Company's remuneration framework, Executive Director and key management personnel of the Group do not receive directors' fees from the Company or from its subsidiaries/associated entities if they are appointed to these boards.

In addition, the Company's remuneration structure takes into consideration benchmarks in comparable size of entities in similar industries.

Guideline 8.2

Long-term Incentive Scheme

The Company does not have long-term incentive scheme or schemes involving the offer of shares or grant of options or any other forms of deferred remuneration.

Guideline 8.3

Remuneration Of Non-Executive Directors

The Board concurred with the RC's proposal for Non-Executive Directors' fees for the year ended 31 December 2015. The RC and the Board are of the view that the remuneration of the Directors is appropriate and not excessive taking into account factors such as effort and time spent, and the increasingly onerous responsibilities of the Directors.

The fees for Non-Executive Directors are subject to shareholders' approval at the AGM.

Guideline 8.4

Contractual Provisions To Reclaim Incentive Components Of Remuneration

Having reviewed and considered the variable components of the Executive Director and key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration paid in prior years.

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

Guideline 9.1

Remuneration Report

Details on the remuneration of Directors and key management personnel for the year under review are reported below. During the year, there was no termination, retirement or post-employment benefits granted to any Director or key management personnel.

Guideline 9.2

Remuneration Of Directors

A summary of the remuneration of each Director and the CEO which is paid or payable by the Company for FY2015 is set out below:

Name of Directors	Status	Breakdown of Remuneration				
		Directors' Fees	Salary	Benefits	Variable Bonus	Total
Ong Beng Kheong	NED, NID	$92,000	–	–	–	$92,000
Choo Teow Huat Albert	NED, ID	$107,000	–	–	–	$107,000
Chow Kok Kee	NED, ID	$92,000	–	–	–	$92,000
David Lee Kay Tuan	NED, NID	$66,000	–	–	–	$66,000
Michelle Liem Mei Fung	NED, NID	$58,000	–	–	–	$58,000
Ng Siow How	NED, ID	$51,000	–	–	–	$51,000
William Nursalim alias William Liem [(1)]	ED, NID	–	$629,040	$45,626	$370,000	$1,044,666
Total Directors' Remuneration		**$466,000 30.9%**	**$629,040 41.6%**	**$45,626 3.0%**	**$370,000 24.5%**	**$1,510,666 100%**

Legend:

NED: Non-Executive Director
ED: Executive Director
NID: Non-Independent Director
ID: Independent Director
Salary: Basic Salary; CPF contribution not applicable
Benefits: Car benefits

Note (1): William Nursalim alias William Liem is the Group CEO. In accordance with Tuan Sing's Group Policy, full time employees are not paid Director's fees.

Guideline 9.3

Remuneration Of Top 5 Key Management Personnel

Remuneration Of Key Management Personnel (Other than the Company's Executive Director)

The table below sets out the ranges of gross remuneration received by the top 5 key management personnel (excluding the Executive Director) of the Group excluding those in associated companies.

Name of Top 5 Management Personnel	Position	Breakdown of Remuneration in Percentage (%)				Total remuneration in compensation bands of $100,000
		Salary	Benefits	Bonus	Total	
Chong Chou Yuen[(1)]	Group Chief Financial Officer	64%	1%	35%	100%	$800,000 – $899,999
Boediman Gozali (alias Tony Wu)[(2)]	Managing Director & Chief Executive Officer, SP Corp	90%	2%	8%	100%	$500,000 – $599,999
Ilan Weill	General Manager, Grand Hyatt Melbourne	82%	8%	10%	100%	$500,000 – $599,999
Adam Myott[(3)]	General Manager, Hyatt Regency Perth	72%	12%	16%	100%	$400,000 – $499,999
Ng Choong How Nick	Senior Vice President (Business Development)	63%	0%	37%	100%	$400,000 – $499,999
Total Remuneration of Top 5 Management Personnel		**$2,109,139 74.0%**	**$122,776 4.3%**	**$619,339 21.7%**	**$2,851,254 100%**	

Legend:

Salary: Basic salary, allowance and employer's provident fund or equivalent contribution thereof
Benefits: Including mainly car benefits and taxable health insurance
Bonus: Ex-gratia payment, variable bonus and employers' provident fund or equivalent contribution thereof

Note (1): In accordance with Tuan Sing's Group Policy, Chong Chou Yuen is not paid director's fee for his services as a non-executive director in SP Corp.
Note (2): Boediman Gozali (alias Tony Wu) is an uncle of Michelle Liem Mei Fung who is a Non-Executive Director of the Company. He is also an uncle of William Nursalim alias William Liem, the Chief Executive Officer/Executive Director of the Company.
Note (3): Adam Myott left GHG and joined another hotel within Hyatt International on 27 October 2015. He was replaced by Sholto Smith whose remuneration range is the same as that of Adam Myott.

The Company discloses the above information using a narrower band of $100,000 to improve transparency as compared to the $250,000 band stipulated in the Code.

Guideline 9.4

Employee Related To Directors/CEO

Save as disclosed above, Mr Lee Kay Chen, General Manager, Operations, of Globaltraco International Pte Ltd (a subsidiary of SP Corp which is in turn a subsidiary of the Company), is a brother of Mr David Lee Kay Tuan (Non-Executive Director) and brother-in-law of Ms Michelle Liem Mei Fung (Non-Executive Director and deemed substantial shareholder), whose remuneration exceeded $50,000 for the financial year ended 31 December 2015.

Guidelines 9.5 and 9.6

Employee Share Scheme

The Company does not have any employee share/stock options scheme or any other long-term incentive scheme.

III. ACCOUNTABILITY AND AUDIT

The Board recognises the importance of providing accurate and relevant information on a timely basis. In this respect, the ARC reviews all financial statements and recommends them to the Board for approval. In addition, the ARC ensures that the Company maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets as well as to manage potential risks.

PRINCIPLE 10: PRESENTATION OF A BALANCED AND UNDERSTANDABLE ASSESSMENT OF THE COMPANY'S PERFORMANCE, POSITION AND PROSPECTS

Guideline 10.1

Accountability For Accurate Information

In discharging its responsibility, the Board ensures that the Group's financial results provide a balanced and understandable assessment of its performance, position and prospects and that the results are released in a timely manner.

The business and finance heads of individual subsidiaries and business units are also required to provide quarterly written representation, in specific template, to the CEO and CFO who would in turn furnish an overall representation to the ARC and the Board confirming, *inter alia*, that the financial processes and controls, and the integrity of the Group's financial statements are in place, highlighting material financial risks and impacts and providing updates on significant financial issues of the Group.

In accordance with SGX-ST's requirements, the Board issued negative assurance statements in its quarterly financial results announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

Guideline 10.2

Compliance With Legislative And Regulatory Requirements

During the year, the Board reviewed quarterly reports from the Management regarding compliance by business units with all the Group's policies, operational practices and procedures, and relevant legislative and regulatory requirements.

With effect from the third quarter 2015, the Company had, pursuant to Listing Rule 720(1), received undertakings from all its Directors and executive officers in the form set out at Appendix 7.7 of the Listing Manual, *inter alia*, that they each shall, in the exercise of their powers and duties as directors and officers (as the case may be) comply to the best of their abilities with the provisions of the Exchange's listing rules, the Securities and Futures Act, the Code on Takeovers & Mergers, and the Companies Act and will also procure the Company to do so. This is ahead of the mandatory compliance date of 7 December 2015.

Guideline 10.3

Management Accounts

The Management updated the Board on the Group's business activities and financial performance through monthly operations reports. Such reports compare the Group's actual performance against the approved budget and results of the previous year and where appropriate, against forecast. They also highlighted key business indicators and major issues that are relevant to the Group's performance from time to time in order for the Board to make balanced and informed assessments of the Company's performance, position and prospects.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

Guideline 11.1

Risk Management And Internal Control Systems

The Board recognises the importance of maintaining a sound system of risk management and internal controls to safeguard the shareholders' interests and the Group's assets. The ARC oversees and ensures that such system has been appropriately implemented and monitored.

The Group has been carrying out its risks management functions using the Enterprise Risk Management ("ERM") framework which is in line with ISO 31000 – Risk Management Principles and Guidelines and the recommended best practices standard. The framework is reviewed regularly taking into account changes in the business and operation environments as well as evolving corporate governance requirements. Risks that affect the achievement of the business objectives and financial performance of the Group over a short-to-medium term are summarised in the Group Risks Register which currently comprises a total of 24 risks that have been identified and are being plotted according to their aggregated likelihood and consequential impact to the Group as a whole. In addition, the Group's risk appetite and risk tolerance are being classified into 4 acceptable categories entailing the tolerable exposures as well as those requiring close attention. The Board also reviewed the individual business unit's key risk profiles and their potential impact to the Group. Details on risk management and internal controls are presented in the "Managing Risk in Delivering Our Strategy" as well as the "Business Dynamics & Risk Factors Statement" sections of this Annual Report.

The Group has also in place the Employees' Code of Conduct and Practices, Dealing in Securities, Interested Person Transactions and Whistle-blowing Policy which are set out in the "Corporate Governance in Action" section of this Annual Report so as to mitigate the risk of fraud, corruption and misconduct by employees.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Guideline 11.2

Adequacy And Effectiveness Of Risk Management And Internal Control Systems

The risk management system has become an essential part of the Group's business planning and monitoring process. On an annual basis, Management reports to the Board on the Group's risk profile, evaluates their potential impact and proposes countermeasures to mitigate or transfer identified risks so as to bring such risks to acceptable level.

During the year, the ARC also reviewed reports submitted by the internal auditors on pre-selected areas of the operations of the Group. The selection process follows a cycle of a few years so that all key operations/units of the Group would be subject to an internal audit in a cycle. This is to ensure the effectiveness of the Group's internal controls on all aspects of the Group including financial, operations, compliance and information technology usage.

Guideline 11.3

Board's Comment On Adequacy And Effectiveness Of Internal Controls

Based on the risk management evaluated, internal controls maintained, work performed by the internal auditors, statutory audit review undertaken by the external auditors, and the written representation from the CEO and CFO, the Board is of the view that the Group's risk management and internal control systems are effective. The CEO and CFO's Responsibility Statement in this Annual Report explicitly acknowledged that they are responsible for maintaining the ERM framework and the internal control system so as to address the financial, operational and compliance risks of the Group.

For the financial year under review, the CEO and 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 its risk management and internal control systems are effective.

The Board, with the concurrence of the ARC, is satisfied that adequate and effective internal controls have been in place to address the risks relating to financial, operational, compliance and information technology controls for the financial year ended 31 December 2015.

Guideline 11.4

Risk Committee

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARC with the assistance of the internal auditors. Having considered the Company's business & operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk committee is not currently required. In October 2014, the Audit Committee was renamed as Audit and Risk Committee. The ARC reviews key risk categories on a quarterly basis to ensure that the activities of the business remain within the Group's risk appetite.

PRINCIPLE 12: ESTABLISHMENT OF AUDIT AND RISK COMMITTEE WITH WRITTEN TERMS OF REFERENCE

Guideline 12.1

ARC Membership

The ARC comprises the following Directors, all of whom are non-executive and the majority, including its chairman, being independent:

- Mr Choo Teow Huat Albert, chairman
  (Independent and Non-Executive)
- Mr Chow Kok Kee
  (Independent and Non-Executive)
- Mr David Lee Kay Tuan
  (Non-Independent and Non-Executive)

During the year, the ARC held four scheduled and four non-scheduled meetings. In November 2015, the ARC members went to Perth, Australia to conduct a review of the hotel and related business operations with the management of Hyatt Regency Perth and other relevant parties. The ARC members also took the opportunity to gain a better insight of the macroeconomic environment there.

Guideline 12.2

Expertise Of ARC Members

The ARC members bring with them professional expertise and experience in the accounting, financial management and legal domains. The Board is satisfied that the ARC members are appropriately qualified to discharge their responsibilities.

Guidelines 12.3 & 12.4

Roles, Responsibilities And Authority Of ARC

The ARC is guided by its Terms of Reference which stipulate that its principal functions include, *inter alia*, reviewing the annual audit plans (internal and external), the system of internal controls and management of financial risks, the effectiveness and adequacy of the internal audit function which is outsourced to an international auditing firm, regulatory compliance matters, the risk management framework, the recommendation of appointment/re-appointment/removal of external auditors and their remuneration. Key Terms of Reference of the ARC are listed in the Appendix to this Report.

During the year, the ARC reviewed the interested person transactions and on a quarterly basis, the ARC reviews the financial results announcements of the Company before their submission to the Board for approval.

The ARC (except for any ARC member who is interested in the transaction shall recuse himself from the deliberation and approval process) also reviewed and approved with the Independent Director(s) for all disclosable interested person transactions of the nature as detailed below:–

1) as specified under Listing Rule 905 of the SGX-ST Listing Manual, the Company must release an immediate announcement of:–
   (i) any interested person transaction of a value equal to, or more than 3% of the Group's latest audited net tangible assets.
   (ii) the latest transaction and all future transactions entered into with that same interested person during that financial year, where the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the Group's latest audited net tangible assets.

2) as specified under Listing Rule 906 of the SGX-ST Listing Manual, where the shareholders' approval is required for any interested person transaction of a value equal to, or more than:–

   (i) 5% of the Group's latest audited net tangible assets; or
   (ii) 5% of the Group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year.

The ARC has explicit authority to investigate any matter including whistle-blowing within its Terms of Reference. All whistle-blower complaints were reviewed by the ARC to ensure independent and thorough investigation and adequate follow-up. The Company has maintained a whistle-blowing register to record all the whistle-blowing incidents. The contents including "nil" returns in the register is reviewed by the ARC at its quarterly meetings.

The ARC has full access to, and has had the full co-operation of the Management and staff. It also has full discretion to invite any Director or any member of the Management to attend its meetings.

Guideline 12.5
External And Internal Auditors

During the year, the Company's internal and external auditors were invited to attend the ARC meetings and make presentations as appropriate. They also met separately with the ARC without the presence of Management.

Guideline 12.6
Independence Of External Auditors

The ARC reviewed the non-audit services provided by the external auditors as part of the ARC's assessment of the external auditors' independence. A breakdown of the fees paid to the external auditors for audit and non-audit services can be found in the Notes to the Financial Statements in this Annual Report and as disclosed in the table below:

External Auditor Fees for FY2015	$'000	% of Total Fees
Total Audit Fees	507	45.07
Total Non-Audit Fees	618	54.93
Total Fees Paid	1,125	100

The ARC is of the view that the non-audit services (mainly as tax consultancy) provided by the external auditors did not impair their objectivity and independence. Accordingly, the Company has complied with the Listing Rule 1207(6).

Guideline 12.7
Whistle-blowing Policy

To encourage proper work ethics and eradicate internal improprieties, unethical acts, malpractices, fraudulent acts, corruption and/or criminal activities in the Group, the Company has a Whistle-blowing Policy in place. The policy provides mechanisms by which concerns about plausible improprieties in matters of financial reporting and others may be raised. A Whistle-blowing Committee had been established for this purpose.

The Group takes concerns with the integrity and honesty of its employees very seriously. A copy of the Whistle-blowing Policy has been posted on the Company's Human Resource Intranet and official website encouraging the report of any behaviour or actions that anyone reasonably believes might be suspicious, against any rules/regulations/accounting standards as well as internal policies. In addition, a Chinese translation of the said policy has been disseminated to the Group's employees in China. A reminder on Whistle-blowing Policy is issued to all staff annually.

Every year, employees are also required to submit an Annual Declaration Form requiring disclosure of any conflicts of interest or raising any issues or concerns of possible irregularities of the Company or the Group's affairs. A "nil" return is also required.

The Company treats all information received confidentially and protects the identity and the interest of all whistle-blowers. Anonymous reporting will also be attended to and anonymity honoured.

A summary of the Company's Whistle-blowing Policy is presented in the "Corporate Governance in Action" section of this Annual Report.

Guideline 12.8
ARC To Keep Abreast Of Changes To Accounting Standards

In addition to the activities undertaken to fulfil its responsibility, the ARC is kept abreast by the Management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

Guideline 12.9
Cooling-off Period For Partners Or Directors Of The Company's Auditing Firm

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the ARC.

PRINCIPLE 13: INTERNAL AUDIT

Guidelines 13.1 & 13.2
Internal Auditors

The ARC's responsibilities over the Group's internal controls and risk management are complemented by the work of the internal auditors ("IA").

The Company has outsourced its internal audit function to PricewaterhouseCoopers LLP ("PwC"). The Board has approved the recommendation of the ARC to re-engage PwC as IA of the Group. The IA has unrestricted access to all the Company's documents, records, properties and personnel, including access to the ARC. The IA's primary line of reporting is to the chairman of the ARC.

Guidelines 13.3 & 13.4
Internal Audit Function

The Company's internal audit function is independent of the activities it audits. The IA, PwC, is a corporate member of the Institute of Internal Auditors Singapore, and staffed with professionals with relevant qualifications and experience. Our engagement with PwC stipulates that its work shall comply with the PricewaterhouseCoopers Global Internal Audit Services Methodology which is aligned to the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") issued by the Institute of Internal Auditors.

At the beginning of each year, an annual internal audit plan which entails the review of selected functions or business units of the Group is developed and agreed by the ARC. The ARC is satisfied that the Company's internal audit function is adequately resourced to perform the work for the Group.

Guideline 13.5
Adequacy And Effectiveness Of Internal Audit Function
The ARC reviews the adequacy of the internal audit function to ensure that the internal audits are conducted effectively and that Management provides the necessary co-operation to enable the IA to perform its function. The ARC also reviews the IA reports and remedial actions implemented by the Management to address any internal control inadequacies identified.

IV. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

The Company believes in treating all shareholders fairly and equitably by recognising, protecting and facilitating the exercise of shareholders' rights and continuously reviewing and updating such governance arrangements. In addition, the Company embraces effective as well as fair communication with its shareholders and encourages shareholders to participate at general meeting(s).

PRINCIPLE 14: SHAREHOLDER RIGHTS

Guideline 14.1
Sufficient Information To Shareholders
The Company believes in providing sufficient and regular information to its shareholders beyond the mere compliance of prevailing statutory or professional standards, if it deems beneficial to its shareholders. In this respect, the Board adopts a comprehensive policy to provide clear, timely and fair disclosure of information about the Company's business developments and financial performance that could have a material impact on the price or value of its shares.

Guideline 14.2
Providing Opportunity For Shareholders To Participate And Vote At General Meetings
Shareholders are informed of general meetings through reports/circulars sent to all shareholders in addition to notices published in the newspapers, Company's announcements via SGXNET and the Company's website. General meetings are usually held at venues within the central business district and easily accessible by the shareholders. Resolutions tabled at general meetings are passed through a process of voting by poll which procedures are clearly explained by the scrutineers at such general meetings.

Guideline 14.3
Proxies For Nominee Companies
Since 2006, the Company adopted a new set of Articles of Association which provided therein that no limit shall be imposed on the number of proxies for nominee companies. This is to facilitate shareholders holding shares through nominee companies to attend any general meeting as proxies.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

Guideline 15.1
Communication With Shareholders
The Company places strong emphasis on strengthening relationships with its shareholders and the investment community. In this respect, an Investor Relations Policy ("IR Policy") was formally established during the year setting out principles to provide shareholders and prospective investors with information necessary to make well-informed investment decisions. The IR Policy is published on the Company's website at ***www.tuansing.com***.

The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. An investor relations contact was provided via the Company's website which stakeholders can use to voice their concerns or complaints about possible violation of their rights. Material information is communicated to shareholders on a timely and non-selective basis. Should an inadvertent disclosure be made to a selected group, the Company will make the same disclosure publicly as soon as practicable. The Company disseminates all announcements, press releases and presentation slides through the SGX-ST via SGXNET and its corporate website at ***www.tuansing.com***.

Guideline 15.2
Timely Information To Shareholders
The Company communicates with shareholders and the investment community through timely release of announcements to the SGX-ST via SGXNET. Audited results for the financial year ended 31 December 2015 were released within 30 days from the year end. Unaudited quarterly results were also announced within the same time frame of 30 days. Each quarterly announcement is accompanied by a press release in both the English and Chinese languages, and a PowerPoint presentation. In addition, two webcasts on the results were posted on the same evening of the announcement of the Group's half-yearly and full year results announcements. The 2015 Annual Report will be distributed to shareholders 28 days before the AGM scheduled to be held on 29 April 2016.

To further enhance its communication with investors, the Company's website (***www.tuansing.com***) allows the public to access information on the Group and investors may also subscribe for the Company's announcements made to the SGX-ST. This enables investors to gain access to the latest material developments of the Company in a timely manner.

Guideline 15.3
Regular Dialogue With Shareholders
General meetings have been and are still the principal forum for dialogue with shareholders. At these meetings, shareholders are able to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters. The Company could also gather views or input and address shareholders' concerns at general meetings.

Guideline 15.4
Soliciting And Understanding Views Of Shareholders
To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. These meetings provide excellent opportunities for the Company to obtain shareholders' views on value creation. Further, Management would meet analysts and fund managers as appropriate.

To enhance the process of soliciting input from shareholders and members of the investment community, a "Feedback And Queries" template has been established in the Company's website. The Company's website also has an "Investor Contact" link which gives contact details for shareholders to voice their concerns. The Company also attends to shareholders' queries made via electronic mail or telephone.

Guideline 15.5

Dividend Policy

The Company has established a policy on payment of dividends which takes into consideration the need to conserve cash for its working capital and the retention of profits for investment into the future for long-term capital growth as well as shareholders' desire to receive returns from their investment in the Company. A summary of the Company's Dividend Policy is presented in the "Corporate Governance in Action" section of this Annual Report.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

Guideline 16.1

Effective Shareholders Participation

To facilitate shareholders' effective participation at AGMs, SGX-ST's investor guides "An Investor's Guide to Preparing for Annual General Meetings" and "An Investor's Guide to Reading Annual Reports" have been posted on the Company's website under "Investor Relations" with an aim to assist shareholders in gaining more from reading annual reports and frame pertinent questions at the AGMs.

Shareholders are informed of these meetings 28 days in advance through notices published in the newspapers and annual reports or circulars sent to them. Shareholders are encouraged to participate in such meetings by raising relevant questions or seeking clarification on the motions to be debated and decided upon.

Guideline 16.2

Separate Resolutions At General Meetings

The Board ensures that separate resolutions are proposed for approval on each distinct issue at general meetings. Shareholders can vote either in person or through proxies.

Guideline 16.3

Attendees At General Meetings

The Chairmen of the Board and its committees and the CEO and CFO are required to attend all general meetings to address issues raised by shareholders. The Company's external auditors and its legal advisers are also present to address any relevant queries from shareholders.

Guideline 16.4

Minutes Of General Meetings

The Company prepares minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board and Management. These minutes are available to shareholders upon written request. The Company is also exploring the feasibility of publishing such minutes, together with voting and vote tabulation procedures used in the general meetings via SGXNET.

Guideline 16.5

Voting By Poll At General Meetings

To promote greater transparency and effective participation, the Company conducted electronic poll voting for all resolutions passed at its last AGM held on 9 April 2015. Via the service provider's poll voting system, the votes cast for and against and the respective percentages on each resolution were tallied and instantaneously displayed live on screen at the AGM. The external auditors had been appointed to validate and/or count the votes at AGMs. The results of the electronic poll voting on each resolution tabled at the last AGM, including the total number of votes cast for or against each resolution, were also announced after the said meeting via SGXNET.

Appendix – Key Terms of Reference

Nominating Committee

1. Nomination of new Directors to the Board and re-election/re-appointment of Directors at regular intervals, having regard to provisions in the Articles of Association of the Company and the Code.
2. Review annually whether or not a Director is independent, having regard to the guidelines of the Code and other factors that the NC considers salient.
3. Determine a suitable size of the Board which facilitates effective decision-making, after taking into consideration the scope and nature of the operations of the Company.
4. Develop and maintain internal guidelines to assess a Director's ability and his/her performance in carrying out his/her duties as Director of the Company. Review the Directors' mix of skills, qualities and experiences that the Board requires to function competently and efficiently.
5. Recommend to the Board on appropriate internal guidelines to address the competing time commitments that are faced by Directors serving on multiple boards.
6. Develop and maintain, as appropriate, a formal assessment process to evaluate the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board, as appropriate.
7. To rigorously review, as appropriate, the independence of any Director who has served on the Board beyond nine years from the date of his/her first appointment.
8. Review the appointment and termination/dismissal of the Company's CEO and Company Secretary for recommendation to the Board for approval. In addition, review and approve the appointment and termination/dismissal of personnel occupying key positions in the Company such as CFO, Chief Operating Officer, Financial Controller, Senior Vice President, General Manager or its equivalent.

Remuneration Committee

1. Offer an independent perspective in assisting the Board in the establishment of a formal and transparent procedure for developing policy on remuneration matters for the Directors and key management personnel of the Company.

2. Establish appropriate remuneration framework to motivate and retain Directors and executives, and ensure that the Company is able to attract appropriate talent from the market in order to maximise value for shareholders.

3. Develop remuneration policy for the Executive Director and key management personnel (or executive of equivalent rank), structuring it to link rewards to corporate and individual performance.

4. Determine specific remuneration packages for the Executive Director and key management personnel (or executive of equivalent rank) and any relative of a Director and/or substantial shareholder who is employed in a managerial position by the Company.

5. Review and approve the compensation of key management personnel.

6. Review the appropriateness and transparency of remuneration matters for disclosure to shareholders.

7. Have explicit authority to investigate any matter within its Terms of Reference including seeking expert advice within and/or outside the Company.

Audit and Risk Committee

1. Assist the Board in fulfilling its responsibilities for the Company's financial reporting, management of financial and control risks and monitoring of the internal control systems. Review the financial reporting process, the system of internal controls and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own code of business conduct.

2. Ensure that arrangements are in place for the independent investigation of possible improprieties in matters of financial reporting or other matters raised by staff of the Company and that appropriate follow up action has been taken.

3. Review the external auditors' proposed audit scope and approach and ensure no unjustified restrictions or limitations have been placed on the scope. Review the nature and extent of non-audit services provided by the external auditors. Monitor and assess the independence of the external auditors and their performance. Ensure significant findings and recommendations made by the external auditors are received and discussed in a timely manner. Ensure that Management responds to recommendations made by the external auditors.

4. Review the activities and organisational structure of the internal audit function and ensure that there are no unjustified restrictions or limitations. Review the internal audit program with regard to the complementary roles of the internal and external audit functions. Ensure significant findings and recommendations made by the internal auditors are received and discussed in a timely manner. Ensure that Management responds to recommendations made by the internal auditors.

5. Satisfies itself that adequate countermeasures are in place to identify and mitigate any material business risks associated with the Company. Review the adequacy of the Company's internal financial controls, operational, compliance and information technology controls, and risk management policies and systems established by the Management. Ensure that a review of the effectiveness of the Company's internal controls is conducted at least annually.

6. Evaluate how Management is reviewing the principal business risks and assess the appropriateness of the mechanisms in place to identify, prevent and minimise these business risks. Ensure an appropriate system is established to identify and report areas of potential business risk promptly in order for remedial actions to be taken. Assess at least annually the effectiveness of the control and risk management systems. Recommend to the Board its findings and proposed course of actions to be taken by Management to ensure controls are put in place to address these risks. Management is responsible for the actions to be taken.

7. Review the relevance and consistency of the accounting standards used by the Company and the Group, significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance.

8. Review and recommend for the Board's approval, all Interested Person Transactions, as specified under Chapter 9 of the SGX-ST Listing Manual.

CORPORATE GOVERNANCE IN ACTION

The Company has in place internal codes of conduct and practices for its Board members and employees on securities transactions while in possession of price-sensitive information and their conduct of business activities. In addition, the Company has established a Whistle-blowing Policy and a policy on payment of dividends.

INTERESTED PERSON TRANSACTIONS
– Listing Manual Rule 907

Interested Person Transactions ("IPT") are executed on fair terms and at arm's length regardless of nature and size. Disclosure of IPTs is presented in the "SGX-ST Listing Manual Requirements" section of this Annual Report. When a potential conflict of interest arises, the Director concerned neither takes part in discussions nor exercises any influence over other members of the Board.

DEALINGS IN SECURITIES
– Listing Manual Rule 1207(19)

The Company had a formal insider trading policy whereby its Directors and officers are prohibited from dealing in the securities of the Company and listed entity (i.e., SP Corp) within the Group (collectively the "listed entities") while in possession of price-sensitive information as well as during the period commencing one month before the announcements of the listed entities' full-year results, and two weeks before the announcements of the first, second and third quarter financial results till the day of such announcements. The Company's Directors and officers are also made aware of the applicability of the insider trading laws and are refrained from dealing in the listed entities' securities for short-term considerations. The said policy also requires Directors to seek the Board's approval before trading in the Company's shares.

During the year under review, there was no trading of the Company's shares by insiders.

CODE OF CONDUCT AND PRACTICES

The Group recognises the importance of integrity and professionalism in the conduct of its business. To build a culture of high integrity and to reinforce ethical business practices, the Company has in place an employee code of conduct.

The Company's code of conduct and practices are detailed in the Employees Handbook which is presented to new employees during induction and can be easily accessed by all employees via the Company's Human Resource Intranet. This code enumerates, at the employee level, the standard of acceptable and unacceptable behaviour as well as issues of workplace harassment. On the business front, the code addresses the standard of business behaviour pertaining to the offering and receiving of business courtesies as well as issues on conflict of interests. The code also prohibits employees from disclosing confidential information or knowledge obtained by him during his employment with the Group, and requires all staff to avoid any conflict between their own interests and the interests of the Company in dealing with its suppliers, customers and other third parties.

Employees are expected to embrace, practise and adopt these values while performing their duties and always to act in the best interest of the Group and avoid situations that may create conflicts of interest.

WHISTLE-BLOWING POLICY

The Company is committed to a high standard of compliance with accounting, financial reporting, internal controls, corporate governance and auditing requirements and any legislation relating thereto. In line with this commitment, the Whistle-blowing Policy aims to provide an avenue for employees and external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith.

A mechanism for the submission of issues/concerns has been established which includes a dedicated secured e-mail address allowing whistle-blowers to contact the Whistle-blowing Committee ("WBC") and the ARC chairman directly, and in confidence so that his/her identity will be protected from reprisals within the limits of the law.

Assisted by the WBC, the ARC addresses issues/concerns raised and arranges for investigation and/or follow-up of appropriate action. The ARC reports to the Board any issues/concerns received by it and the WBC, at the ensuing Board meeting. Should the ARC or WBC receives reports relating to serious offences, and/or criminal activities in the Group, they and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report is made to the relevant governmental authorities for further investigation/action.

► Whistle-blowing Committee

The WBC consists of:

- CEO
- CFO &
- a member of the in-house corporate secretarial team

The WBC is empowered to:

- look into all issues/concerns relating to the Group (except for those directed specifically to or affecting any member of the WBC which are dealt with by the ARC);
- make the necessary reports and recommendations to the ARC or the Board for their review and further action, if deemed required by them; and
- has access to the appropriate external advice where necessary and, where appropriate or required, report to the relevant governmental authorities for further investigation/action.

The Board believes that the earlier an issue/concern is raised, the easier it would be for the Group to take the necessary action as appropriate.

DIVIDEND POLICY

The Company's priority is to achieve long-term capital growth for the benefit of shareholders. Most of its profits, when made, shall therefore be retained for investment into the future.

Tuan Sing recognises, however, the desire of some of our shareholders to receive income out of their investment in the Company. Tuan Sing therefore strives to distribute, year after year and when its cash flow permits, an appropriate sum of dividend, so that its medium term dividend yield would be better than the first quartile of the benchmarked group of Real Estate Development and Holding Companies. For the avoidance of doubt, the first quartile is defined as the middle number between the smallest number and the median of the data set.

The actual dividend payout shall be recommended by the Board at the end of each year and when required, tabled at the AGM of the Company for shareholders' approval.

The Tuan Sing Holdings Limited Scrip Dividend Scheme (the "Scheme") shall be an integral and important component of the dividend policy so that shareholders who opt for them could grow with the Company.

The Scheme was announced on 18 December 2009 and allows shareholders of the Company entitled to dividends, to elect to receive either cash or an allotment of ordinary shares in the Company credited as fully-paid, in lieu of the cash amount of the dividend to which the Scheme applies. The Scheme will provide shareholders with greater flexibility in meeting their investment objectives.

No transaction cost will be incurred by shareholders when electing to invest in the Company through the Scheme. By the issuance of ordinary shares pursuant to the Scheme, the Company benefits from greater share liquidity in the market and conservation of cash which could be used to strengthen the Company's working capital.

Full details of the Tuan Sing Holdings Limited Scrip Dividend Scheme Statement are available on the Company's website ***www.tuansing.com***.

Statutory Reports and Accounts

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Directors of the Company are pleased to present their report to the members together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2015.

In the opinion of the Directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 105 to 176 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2015, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The Directors of the Company in office at the date of this report are:

Mr Ong Beng Kheong (Chairman)
Mr William Nursalim alias William Liem (Chief Executive Officer)
Mr Choo Teow Huat Albert
Mr Chow Kok Kee
Mr David Lee Kay Tuan
Ms Michelle Liem Mei Fung
Mr Ng Siow How

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in name of director		Shareholdings in which director is deemed to have an interest	
Names of directors and companies in which interests are held	**As at 1 January 2015**	**As at 31 December 2015**	**As at 1 January 2015**	**As at 31 December 2015**
The Company (Ordinary Shares)				
Mr Ong Beng Kheong	2,200	2,200	–	–
Mr David Lee Kay Tuan	250,000	250,000	–	–
Ms Michelle Liem Mei Fung	–	–	546,383,829[1]	546,383,829[1]
Mr William Nursalim alias William Liem	–	–	–	546,383,829[1]
SP Corporation Limited (Ordinary Shares)				
Ms Michelle Liem Mei Fung	–	–	281,463,197[1]	28,146,319

Note

1 By virtue of interest in Nuri Holdings (S) Pte Ltd. There was a share consolidation exercise undertaken by SP Corporation Limited during the year whereby every 10 ordinary shares in the capital of SP Corporation Limited were consolidated into 1 ordinary share effective from 14 May 2015.

By virtue of Section 7 of the Singapore Companies Act, Ms Michelle Liem Mei Fung and Mr William Nursalim alias William Liem are deemed to have an interest in the Company and in all the related corporations of the Company.

There was no change in any of the above-mentioned Directors' interests between the end of the financial year and 21 January 2016.

During the financial year ended 31 December 2015, 2,669,072 new ordinary shares, fully-paid were allotted pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme where shares were issued at 36.3 cents per share in lieu of cash for the first and final dividend of 0.5 cent per share for the financial year ended 31 December 2014. Following the allotment, the fully paid-up issued shares of the Company increased to 1,178,824,988 ordinary shares.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no Director has received or become entitled to receive a benefit, which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in notes 25 and 30 to the financial statements.

5 SHARE OPTION

Option to take up unissued shares

During the financial year, there was no option to take up unissued shares of the Company or any corporation in the Group.

Unissued shares under option and option exercised

During the financial year, no shares of the Company or any corporation in the Group were allotted and issued by virtue of the exercise of an option to take up unissued shares of the Company or any corporation of the Group.

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

6 AUDIT AND RISK COMMITTEE

The Audit and Risk Committee performed functions specified in Section 201B (5) of the Singapore Companies Act and the Singapore Code of Corporate Governance.

The Audit and Risk Committee of the Company is chaired by Mr Choo Teow Huat Albert and includes Messrs Chow Kok Kee and David Lee Kay Tuan, all of whom are non-executive Directors and the majority including the Chairman are independent. The Audit and Risk Committee met eight times during the financial year ended 31 December 2015 and had reviewed, *inter alia*, the following with the executive Director, external and internal auditors of the Company where relevant:

(a) the external and internal audit plans; the scope and results of the internal audit procedures and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) the Group's financial and operating results and accounting policies;

(c) the consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company before their submission to the Board of Directors and the external auditors' report on those financial statements;

(d) the quarterly, half-yearly and annual announcements on the results and financial positions of the Company and the Group;

(e) the interested person transactions as specified under Chapter 9 of the SGX-ST Listing Manual Review and the whistle-blowing investigation;

(f) the co-operation and assistance given by the management to the Group's external and internal auditors; and

(g) the re-appointment of the external and internal auditors of the Group.

The Audit and Risk Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

The Audit and Risk Committee has recommended to the Directors the nomination of Deloitte & Touche LLP for re-appointment as the external auditors of the Company at the Company's forthcoming Annual General Meeting.

7 EXTERNAL AUDITORS

Deloitte & Touche LLP have expressed their willingness to accept re-appointment.

On Behalf of the Directors

Mr Ong Beng Kheong
Chairman

Mr William Nursalim alias William Liem
Chief Executive Officer

28 January 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

Deloitte.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Tuan Sing Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 105 to 176.

MANAGEMENT'S 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 (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.

AUDITORS' 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 judgement, 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 and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the 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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

28 January 2016

STATUTORY REPORTS AND ACCOUNTS

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Assets					
Current assets					
Cash and bank balances	5	**141,717**	252,270	**431**	356
Trade and other receivables	6	**134,390**	87,420	**142**	112
Amounts due from subsidiaries	15	**–**	–	**285,748**	366,313
Inventories	7	**3,641**	4,487	**–**	–
Development properties	8	**336,132**	414,153	**–**	–
Total current assets		**615,880**	758,330	**286,321**	366,781
Non-current assets					
Property, plant and equipment	9	**395,149**	397,886	**–**	–
Investment properties	10	**1,076,909**	1,082,932	**498**	498
Investments in subsidiaries	11	**–**	–	**661,900**	574,302
Investments in equity accounted investees	12	**71,511**	62,981	**–**	–
Deferred tax assets	17	**3,045**	4,179	**–**	–
Other non-current assets		**11**	14	**–**	–
Total non-current assets		**1,546,625**	1,547,992	**662,398**	574,800
Total assets		**2,162,505**	2,306,322	**948,719**	941,581
Liabilities and equity					
Current liabilities					
Loans and borrowings	13	**428,924**	195,347	**–**	–
Trade and other payables	14	**117,214**	107,134	**10,661**	15,693
Amounts due to subsidiaries	15	**–**	–	**292,716**	322,278
Income tax payable		**7,914**	5,830	**17**	52
Total current liabilities		**554,052**	308,311	**303,394**	338,023
Non-current liabilities					
Loans and borrowings	13	**677,410**	1,149,525	**79,404**	79,275
Derivative financial instruments	28	**904**	–	**–**	–
Deferred tax liabilities	17	**42,320**	35,016	**–**	–
Other non-current liabilities	14	**362**	423	**–**	–
Total non-current liabilities		**720,996**	1,184,964	**79,404**	79,275
Capital, reserves and non-controlling interests					
Share capital	18	**170,230**	169,260	**170,230**	169,260
Reserves	19	**706,575**	633,658	**395,691**	355,023
Equity attributable to owners of the Company		**876,805**	802,918	**565,921**	524,283
Non-controlling interests		**10,652**	10,129	**–**	–
Total equity		**887,457**	813,047	**565,961**	524,283
Total liabilities and equity		**2,162,505**	2,306,322	**948,719**	941,581

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 $'000	Group 2014 $'000
Revenue	21	**677,122**	354,765
Cost of sales		**(535,259)**	(286,139)
Gross profit		**141,863**	68,626
Other operating income		**3,420**	29,177
Distribution costs		**(4,355)**	(4,230)
Administrative expenses		**(25,672)**	(16,202)
Other operating expenses		**(10,085)**	(23,426)
Share of results of equity accounted investees	12	**6,803**	19,985
Finance income	22	**4,258**	4,760
Finance costs	23	**(27,529)**	(9,186)
Profit before tax and fair value adjustments		**88,703**	69,504
Fair value adjustments	24	**(8,049)**	6,469
Profit before tax	25	**80,654**	75,973
Income tax expenses	26	**(11,535)**	(14,387)
Profit for the year		**69,119**	61,586
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property	28	**22,447**	2,173
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	28	**(6,719)**	(276)
		15,728	1,897
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	28	**(4,893)**	(7,020)
Cash flow hedges	28	**(904)**	2,489
Income tax relating to components of other comprehensive income that may be reclassified subsequently	28	**271**	(316)
		(5,526)	(4,847)
Other comprehensive income/(loss) for the year, net of tax	28	**10,202**	(2,950)
Total comprehensive income for the year		**79,321**	58,636
Profit attributable to:			
Owners of the Company		**68,833**	61,169
Non-controlling interests		**286**	417
		69,119	61,586
Total comprehensive income attributable to:			
Owners of the Company		**78,798**	58,031
Non-controlling interests		**523**	605
		79,321	58,636
Basic and diluted earnings per share (in cents)			
Excluding fair value adjustments	27	**6.3**	4.7
Including fair value adjustments	27	**5.8**	5.2

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

STATUTORY REPORTS AND ACCOUNTS

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group	
	Note	2015 $'000	2014 $'000
Operating activities			
Profit before tax		**80,654**	75,973
Adjustments for:			
Fair value loss/(gain)	24	**8,049**	(6,469)
Share of results of equity accounted investees	12	**(6,803)**	(19,985)
Allowance for diminution in value for development properties	8	**8,935**	–
Depreciation of property, plant and equipment	9	**7,701**	1,078
Allowance for inventory obsolescence, net	7	**89**	75
Allowance/(write-back of allowance) for doubtful trade and other receivables, net	6	**197**	(1)
Plant and equipment written off	25	**–**	18
Net (gain)/loss on disposal of property, plant and equipment	25	**(62)**	3
Negative goodwill on acquisition	29	**–**	(26,924)
Adjustment arising from selective capital reduction of an associate	12	**–**	136
Finance income	22	**(4,258)**	(4,760)
Finance costs		**27,529**	9,186
Operating cash flows before movements in working capital		**122,031**	28,330
Development properties less progressive billings receivable		**74,432**	(4,630)
Inventories		**362**	207
Trade and other receivables		**(51,004)**	(7,696)
Trade and other payables		**2,685**	(3,054)
Cash generated from operations		**148,506**	13,157
Interest received		**10,100**	2,701
Income tax paid		**(6,303)**	(2,169)
Net cash from operating activities		**152,303**	13,689
Investing activities			
Purchase of property, plant and equipment	9	**(3,319)**	(831)
Proceeds on disposal of property, plant and equipment		**241**	–
Additions to investment properties		**(10,341)**	(11,068)
Acquisition of subsidiary	29	**–**	(102,317)
Dividends and distribution received from equity accounted investees	12	**8,563**	8,670
Net cash used in investing activities		**(4,856)**	(105,546)
Financing activities			
Repayment of finance lease obligations		**–**	(2)
Proceeds from loans and borrowings		**80,533**	202,498
Repayment of loans and borrowings		**(300,484)**	(115,677)
Interest paid		**(34,172)**	(16,157)
Bank deposits pledged as securities for bank facilities		**30,196**	95
Dividend paid to shareholders		**(4,911)**	(4,794)
Net cash (used in)/from financing activities		**(228,838)**	65,963
Net decrease in cash and cash equivalents		**(81,391)**	(25,894)
Cash and cash equivalents at the beginning of the year		**187,414**	212,626
Foreign currency translation adjustments		**(348)**	682
Cash and cash equivalents at the end of the year	5	**105,675**	187,414

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Share capital $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
Group									
At 1 January 2015		169,260	(18,592)	78,806	110,335	463,109	802,918	10,129	813,047
Total comprehensive income for the year									
Profit for the year		–	–	–	–	68,833	68,833	286	69,119
Exchange differences on translation of foreign operations	28	–	(5,130)	–	–	–	(5,130)	237	(4,893)
Revaluation of property	28	–	–	22,447	–	–	22,447	–	22,447
Cash flow hedges	28	–	–	–	(904)	–	(904)	–	(904)
Income tax adjustments relating to other comprehensive income	28	–	–	(6,719)	271	–	(6,448)	–	(6,448)
Other comprehensive (loss)/income for the year, net of tax		–	(5,130)	15,728	(633)	–	9,965	237	10,202
Total		–	(5,130)	15,728	(633)	68,833	78,798	523	79,321
Transactions with owners, recognised directly in equity									
Transfer from revenue reserve to other capital reserves		–	–	–	6,640	(6,640)	–	–	–
Issue of shares under the Scrip Dividend Scheme	18	970	–	–	–	–	970	–	970
Dividend paid to shareholders									
– Cash	20	–	–	–	–	(4,911)	(4,911)	–	(4,911)
– Share	20	–	–	–	–	(970)	(970)	–	(970)
Total		970	–	–	6,640	(12,521)	(4,911)	–	(4,911)
At 31 December 2015		170,230	(23,722)	94,534	116,342	519,421	876,805	10,652	887,457

Details of "Other capital reserves" are disclosed in note 19.

	Note	Share capital $'000	Foreign currency translation account $'000	Asset revaluation reserve $'000	Other capital reserves# $'000	Revenue reserve $'000	Attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
Group									
At 1 January 2014		168,190	(11,384)	76,909	99,381	416,585	749,681	9,524	759,205
Total comprehensive income for the year									
Profit for the year		–	–	–	–	61,169	61,169	417	61,586
Exchange differences on translation of foreign operations	28	–	(7,208)	–	–	–	(7,208)	188	(7,020)
Share of other comprehensive income of equity accounted investees	28	–	–	2,173	2,489	–	4,662	–	4,662
Income tax adjustments relating to other comprehensive income	28	–	–	(276)	(316)	–	(592)	–	(592)
Other comprehensive (loss)/income for the year, net of tax		–	(7,208)	1,897	2,173	–	(3,138)	188	(2,950)
Total		–	(7,208)	1,897	2,173	61,169	58,031	605	58,636
Transactions with owners, recognised directly in equity									
Transfer from revenue reserve to other capital reserves		–	–	–	8,781	(8,781)	–	–	–
Issue of shares under the Scrip Dividend Scheme	18	1,070	–	–	–	–	1,070	–	1,070
Dividend paid to shareholders									
– Cash	20	–	–	–	–	(4,794)	(4,794)	–	(4,794)
– Share	20	–	–	–	–	(1,070)	(1,070)	–	(1,070)
Total		1,070	–	–	8,781	(14,645)	(4,794)	–	(4,794)
At 31 December 2014		169,260	(18,592)	78,806	110,335	463,109	802,918	10,129	813,047

Details of "Other capital reserves" are disclosed in note 19.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Share capital $'000	Other capital reserve# $'000	Revenue reserve $'000	Total $'000
Company					
At 1 January 2015		**169,260**	**101,264**	**253,759**	**524,283**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**46,549**	**46,549**
Transactions with owners, recognised directly in equity					
Issue of shares under the Scrip Dividend Scheme	18	**970**	**–**	**–**	**970**
Dividend paid to shareholders					
– Cash	20	**–**	**–**	**(4,911)**	**(4,911)**
– Share	20	**–**	**–**	**(970)**	**(970)**
Total		**970**	**–**	**(5,881)**	**(4,911)**
At 31 December 2015		**170,230**	**101,264**	**294,427**	**565,921**
At 1 January 2014		168,190	101,264	273,221	542,675
Loss for the year, representing total comprehensive loss for the year		–	–	(13,598)	(13,598)
Transactions with owners, recognised directly in equity					
Issue of shares under the Scrip Dividend Scheme	18	1,070	–	–	1,070
Dividend paid to shareholders					
– Cash	20	–	–	(4,794)	(4,794)
– Share	20	–	–	(1,070)	(1,070)
Total		1,070	–	(5,864)	(4,794)
At 31 December 2014		169,260	101,264	253,759	524,283

\# Details of "Other capital reserves" are disclosed in note 19.

STATUTORY REPORTS AND ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

1 GENERAL

Tuan Sing Holdings Limited (Registration number: 196900130M) is incorporated in the Republic of Singapore with its principal place of business and registered office at 9 Oxley Rise, #03-02 The Oxley, Singapore 238697. The Company is listed on the Singapore Stock Exchange. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding. The principal activities of its significant subsidiaries and associates are disclosed in note 34 and note 35 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2015 were authorised for issue by the Board of Directors on 28 January 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

(b) Adoption of new and revised Standards

On 1 January 2015, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations.

The adoption of these new or revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

(c) Standards issued but not yet effective

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- *FRS 109 Financial Instruments*[2]
- *FRS 115 Revenue from Contracts with Customers*[2]
- *Amendments to FRS 1 Presentation of Financial Statements: Disclosure Initiative*[1]
- *Amendments to FRS 27 Separate Financial Statements: Equity Method in Separate Financial Statements*[1]
- *Amendments to FRS 110 Consolidated Financial Statements, FRS 112 Disclosure of Interests in Other Entities, FRS 28 Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*[1]
- *Improvements to Financial Reporting Standards (November 2014)*[1]

[1] Applies to annual periods beginning on or after 1 January 2016, with early application permitted.

[2] Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

NOTES TO THE FINANCIAL STATEMENTS

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standards issued but not yet effective (cont'd)

Consequential amendments were also made to various standards as a result of these new or revised standards.

Management has considered and is of the view that the adoption of the FRSs, amendments and improvements to FRSs that are issued as at date of authorisation of these financial statements but effective only in future periods will not have a material impact on the financial statements in the period of their initial adoption, except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Group anticipates that the application of FRS 109 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contracts with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. In addition, extensive disclosures are required by FRS 115.

Management anticipates that the initial application of the new FRS 115 will result in changes to the accounting policies relating to revenue recognition. Additional disclosures will also be made with respect of development properties, completed property held for sale, trade receivables and revenue, including any significant judgement and estimation made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the entity's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 115.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries.

Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

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

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the 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 control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries, associates and joint ventures are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Asset Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year from acquisition date.

Associates and joint venture (equity accounted investees)

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results of and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates or joint ventures. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates or joint ventures.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

Associates and joint venture (equity accounted investees) (cont'd)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired [note 2(h)].

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where the group entity transacts with an associate or joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(e) Foreign currency transactions and translation

Functional and presentation currency

The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (i.e. its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated to the functional currency at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Foreign currency transactions and translation (cont'd)

Foreign currency transactions (cont'd)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Exchange differences on transactions entered into in order to hedge certain foreign currency risks are described in the hedge accounting policies below [note 2(f)].

Foreign currency translation

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the date of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation account.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Net investment in foreign operations

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation account.

(f) Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Financial assets (cont'd)

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

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

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if (i) it has been acquired principally for the purpose of selling in the near future; or (ii) on initial recognition, it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or (ii) the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or (iii) it forms part of a contract containing one or more embedded derivatives and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 33(e).

Held-to-maturity financial assets

Bonds with fixed or determinable payments and fixed maturity dates where the Group has a positive intent and ability to hold to maturity are classified as held-to-maturity investments. Subsequent to initial measurement, held-to-maturity investments are measured at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Available-for-sale financial assets

Certain shares and debt securities held by the Group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in note 33(e). Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the available-for-sale monetary asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Trade and other receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities are classified as either financial liabilities "at fair value through profit or loss" or other financial liabilities.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if (i) it has been incurred principally for the purpose of repurchasing in the near future; or (ii) it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or (ii) on initial recognition, the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or (iii) it forms part of a contract containing one or more embedded derivatives, and FRS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other operating income and expenses' line in the statement of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 33(e).

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs [note 2(y)].

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL, subsequently at the higher of the amount of obligation under the guarantee recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Derivative financial instruments and hedge accounting

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss for the period immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the statement of profit or loss and other comprehensive income relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Cash flow hedge

The effective portion of changes in the fair value of the derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other income and expenses.

Amounts recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the period when the hedged item is recognised in profit or loss in same line item of the statement of profit or loss and other comprehensive income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and when the forecast transaction is ultimately recognised in profit or loss, such gains and losses are recognised in profit or loss, or transferred from equity and included in the initial measurement of the cost of the asset or liability as described above. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was accumulated in equity is recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation account. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the "fair value adjustments" line of the statement of profit or loss and other comprehensive income.

Gains and losses previously recognised in other comprehensive income and accumulated in foreign currency translation account are reclassified in profit or loss in the same way as exchange differences relating to the foreign operation as described in the accounting policy for foreign currency transactions and translation as stated in note 2(e) to these financial statements.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available as of the date of the reporting rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

(g) Property, plant and equipment

Measurement

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less any subsequent accumulated depreciation and accumulated impairment losses.

Cost includes professional fees and for qualifying assets, borrowing cost, capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Revaluation

Certain land and buildings held for use in the production or supply of goods or services, or for administrative purpose, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising from the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged to profit or loss. A decrease in carrying amount arising from the revaluation of such land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than properties under construction and freehold land, over their estimated useful lives, using the straight-line method, on the following bases:

	Useful lives
Building on freehold land	50 years
Leasehold land, buildings and improvements	Over the remaining lease periods ranging 3 to 99 years
Plant and equipment	1 to 15 years
Motor vehicles	5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate being accounted for on a prospective basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment (cont'd)

Depreciation (cont'd)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

Disposal

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

(h) Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(k) Impairment of assets

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, objective evidence of impairment could include (i) significant financial difficulty of the issuer or counterparty; or (ii) default or delinquency in interest or principal payments; or (iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the group's past experience of collecting payments, an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of assets (cont'd)

Impairment of financial assets (cont'd)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment of tangible and intangible assets excluding goodwill

The carrying amounts of the Group's tangible and non-tangible assets are reviewed at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units (CGU), or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(m) Investment properties

Investment properties comprise completed properties and properties under construction or redevelopment held to earn rental and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are recognised in profit or loss for the period in which they arise.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Transfers are made to or from investment properties when and only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed costs of property for subsequent accounting is its fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment [note 2(g)] up to the date of change in use.

(n) Development properties

Development properties comprise properties in the course of development and completed properties held for sale in the ordinary course of business.

Properties in the course of development are stated at cost plus attributable profits less progress billing if their revenue is recognised based on percentage of completion method. Progress billings received from customers prior to completion are presented as advance billings within "trade and other payables" and progress billings not yet paid by customers are presented within "trade and other receivables".

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Development properties (cont'd)

Completed properties held for sale are stated at the lower of cost and estimated net realisable value. Cost is determined by apportionment of the total land cost, development costs and borrowing costs capitalised attributable to properties. Net realisable value takes into account the estimated selling price, less cost to be incurred in marketing and selling, and the expected costs to completion, where appropriate.

Cost of development properties comprises costs that relate directly to the development, such as cost of land and construction and related costs that are attributable to development activities and can be allocated to the development project, including attributable borrowing costs [note 2(y)].

When losses are expected, full allowance are recognised as expenses immediately based on best estimates of net realisable value and estimated costs to completion.

Lands held for development and costs attributable to the development activities which are held for future development where no significant development has been undertaken is stated at cost less impairment loss (if any).

The Group's policy for revenue recognition in relation to development properties is described under "Revenue recognition" [note 2(w)].

(p) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and direct labour costs where applicable and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Allowance is made where necessary for obsolete, slow-moving and defective inventories.

(q) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and demand deposits, bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents in the consolidated statement of cash flows exclude encumbered fixed deposits.

(r) Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of reporting period, as measured by the proportion that contract cost incurred for work performed to date relative to the estimated total contract cost, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent recovery of contract costs is probable. Contract costs are recognised as expenses in the periods in which they are incurred. When it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense for the period.

(s) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which the benefit attributable to the leased asset is diminished. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Leases (cont'd)

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs [note 2(y)]. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as expenses in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(u) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, are recognised in the profit or loss in the period in which they become receivable.

(w) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is reduced for goods and services tax, estimated customer returns, rebates and other similar allowances.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Revenue recognition (cont'd)

Sale of goods (cont'd)

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from sales of development properties

Revenue from completed properties is recognised when the risks and rewards of ownership have been transferred to the purchaser either through the transfer of legal title or equitable interest in a property.

Revenue recognition on partly completed properties held for sale is based on the following methods:

- For sale of partly completed development properties in Singapore under progressive payment scheme, profit is recognised upon the signing of sale contracts and payment of the first instalment which corresponds to 20% of the estimated profit attributable to the actual sale contracts signed. Subsequent recognition of profit is based on the percentage of completion method as construction progresses. The percentage of work completed is measured based on the construction and related costs incurred to date as a proportion of the estimated total construction and related costs;
- For sale of partly completed development properties in Singapore under deferred payment scheme and overseas development properties, profit is recognised only upon the transfer of significant risks and rewards of ownership of the properties to the purchasers.

In cases where transfer of significant risks and rewards of ownership coincides with the time the development units are delivered to the purchasers, revenue is recognised upon completion of construction; and when legal title passes to the buyer or when equitable interest in the property vests to the buyer upon release of the handover notice to the buyer, whichever is earlier.

Construction contracts

Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts as disclosed in note 2(r).

Revenue from hotel operations

Revenue is recognised when goods and services have been provided to the customer and the costs in relation to the goods and services can be reliably measured.

Services rendered

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period except that revenue from services of short duration are recognised on completion of services;
- servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the services for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and
- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Rental income

The Group's policy for recognition of revenue from operating leases is described above in note 2(s).

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investment is recognised when the shareholders' rights to receive payment have been established.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(z) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Dividends are deducted from shareholders' equity and recorded as a liability when declared payable. Proposed dividends which are subject to shareholders' approval are not deducted from equity and are not recorded as liabilities.

(aa) Employee benefits

Retirement benefit obligations

Payments to defined contribution retirement benefit plans are recognised as expenses when employees have rendered the services entitling them to the contributions. Contributions made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

Employees' leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of reporting period.

(ab) Income tax

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax

Deferred tax is recognised on the difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or when the asset is realised based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ab) Income tax (cont'd)

Deferred tax (cont'd)

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised either in other comprehensive income or directly in equity, or where they arise from the initial accounting for business combination. In case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

(ac) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components.

The Group determines and presents operating segments based on information that is provided internally to the Chief Executive Officer ("CEO"), who is the Group's chief operating decision maker. All operating segments' operating results are reviewed regularly by the Group's CEO to make decision about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Termination of main contractor

In 2014, the Group terminated the services of the previous main contractor for Seletar Park Residence on grounds of unsatisfactory performance. As at 31 December 2015, the ensuing legal and arbitration proceedings were still on-going. After taking due legal advice, the Group is of the view that it has a reasonable chance of prevailing. Accordingly, no provision was made in relation to such termination.

Key sources of estimation uncertainty

Key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Percentage of completion for revenue recognition

The Group uses the stage of completion method to account for its contract revenue [note 21] and contract costs arising from the sale of development properties in Singapore under progressive payment scheme that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 – Agreement for the Construction of Real Estate [note 2(w)].

The stage of completion is measured by reference to certification of value of work performed to date. Where there is no certification of value available, the stage of completion is based on the respective costs incurred to date as compared to the total budgeted costs of the development.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

Percentage of completion for revenue recognition (cont'd)

Significant judgements are required to estimate the total contract costs which include estimation for variation works and any other claims from contractors. In making the judgements, the Group relies on past experience and the work of specialists. The valuation of development properties and provisions for foreseeable losses, if any, are therefore subject to uncertainty in respect of variation works and estimation of future costs. The Group adopts a prudent approach in evaluating these uncertainties.

The carrying amount of the Group's development properties are disclosed in note 8 to the financial statements.

Allowance for diminution in value for development properties

Development properties in the course of development and completed properties are stated at lower of cost and estimated net realisable value, assessed on an individual property basis. When it is probable that the total development costs will exceed the total projected revenue, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value of each property is subject to management judgement and the effect of assumptions in respect of development plans, timing of sale and the prevailing market conditions. Management performs cost studies for each property, taking into account the costs incurred to date, the development status and costs to complete each development property. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

During the year, an allowance for diminution in value of $1,200,000 (2014: $Nil) was made on a Singapore development property, taking into account with reference to past sales, comparable properties, location and market conditions. In addition, an allowance for diminution in value of $7,679,000 (2014: $Nil) was made on a plot of land in Jin'an District, Fuzhou Fujian Province, China based on management's best estimate on net realisable value of the site, taking into consideration its current status and future plans for the land.

The carrying amount of development properties are disclosed in note 8. Allowance for diminution in value is recognised as "other operating expenses" in profit or loss and disclosed in note 25 to the financial statements.

Fair value measurement and valuation processes

The Group carries its hotel properties [note 9] and investment properties [note 10] at fair value based on independent professional valuations or internal valuations.

In determining fair values, the valuers have used valuation techniques (including direct comparison method, investment method, capitalisation method, discounted cash flow method and residual land value method) which involve certain estimates and significant unobservable inputs which are disclosed in notes 9 and 10. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting prices to those reflective of the investment properties. The investment method capitalises an income stream into a present value using single-year capitalisation rates. Capitalisation method involves assessment of the income earning capacity and capitalised it at the adopted capitalisation rate to derive a core value. Discounted cash flow method recognises the time value of money by estimating the net present value of future cash flows. In the residual land value method of valuation, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of the property under development. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. In relying on valuation reports, the management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Information relating to the valuation techniques and inputs used in determining the fair value of hotel properties and investment properties are disclosed in notes 9 and 10 respectively to the financial statements.

Deferred tax liabilities arising from increase in the carrying amount of investment in Grand Hotel Group

The Group's interest in Grand Hotel Group ("GHG") is held by TSH Australia Holdings Pte Ltd ("TAHAUD"), a wholly-owned subsidiary of the Company, through Tuan Sing (Australia) Trust ("TSAT") and Tuan Sing Real Estate Trust ("TSRET"). GHG comprises of the Grand Hotel Trust ("GHT") and its controlled entities and Grand Hotel Company Pty Ltd ("GHC") and its controlled entities. The units in GHT are 'stapled' to the shares of GHC. GHT is not liable for tax under the Australian tax legislation provided the taxable income (including any assessable component of capital gains from sale of investment assets) is fully distributed to unit holders in each year.

TAHAUD is subject to income taxes in the Australian jurisdiction. In prior years, TAHAUD has not been taxed on income received from the trust as it had unutilised losses brought forward which can be used to offset against future taxable income arising from the distribution of income from GHT subject to satisfying the relevant loss recoupment tests. At the end of the reporting period, TAHAUD had estimated aggregate tax loss of A$Nil (2014: tax losses of A$1,432,000) or equivalent to $Nil (2014: tax losses of $1,538,000).

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

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

The estimates of available tax losses are dependent on a number of assumptions, such as the nature and deductibility of expenses, the calculation of tax base which involves adjustment of certain historical cost with inflation factor and the determination of whether there is thin capitalisation which may result in the inability to claim tax deduction for finance cost. In making these estimates on the amount of tax losses available, the Group has taken advice from certain tax specialists.

The Group has also in turn estimated deferred tax liability arising from an increase in the carrying amount of its investments in GHG amounting to A$27,469,000 (2014: A$23,816,000) or equivalent to $27,969,000 (2014: $25,576,000) [note 17]. In estimating this amount, the Group considers the taxable gains to be the excess of Group's share of the fair value of net assets of GHG over the tax cost base of the securities in GHG held by the Group.

Future actual tax liability when incurred and payable will differ from this estimate to the extent that the future realisation of values from the investment in GHG differs from the amount of fair value of the assets currently estimated. It would similarly be affected by any change in tax losses and tax base which have yet to be agreed with the Australian tax authorities.

Recoverability of investments in and amounts due from subsidiaries in the Company's financial statements

Investments in subsidiaries and amounts due from subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets have been subsequently determined based on fair value less costs to sell. As a result of above assessment, the Company made a net impairment loss of $1,178,000 (2014: $11,240,000) for investments in subsidiaries and a net impairment loss of $1,520,000 (2014: $20,639,000) for amounts due from subsidiaries. The carrying amounts of investments in subsidiaries and amounts due from subsidiaries are disclosed in notes 11 and 15 to the financial statements respectively.

Allowance for doubtful receivables

Allowance for doubtful receivables is based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required. The carrying amount of trade and other receivables is disclosed in note 6 to the financial statements.

4 SEGMENT INFORMATION

Products and services from which reportable segments derive their revenue

For management purpose, the Group is organised into strategic business units based on their products and services. The Group's principal business operating units, during and at the end of the reporting period, are Property, Hotels Investment, Industrial Services and Other Investments. Accordingly, the Group's reportable operating segments under FRS 108 are as follows:

Segment	Principal activities
Property	Development of properties for sale, property investment and provision of property management services.
Hotels Investment	Investment in hotels in Australia through Grand Hotel Group ("GHG").
Industrial Services	Trading and marketing of industrial commodities, distribution of tyres and re-treading of tyres, as well as manufacturing of polypropylene woven bags.
Other Investments	Investments in GulTech, a printed circuit boards manufacturer with operations in Singapore and China, and Pan-West, a retailer of golf-related products.
Corporate and Others	Provision of corporate-level services.

Segment revenue represents revenue generated from external and internal customers. Segment profit represents the profit earned by each segment after allocation of central administrative costs and finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Management monitors the operating results of each of its business unit for the purpose of making decisions on resource allocation and performance assessment. Corporate and Others are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

4 SEGMENT INFORMATION (CONT'D)

Information regarding each of the Group's reportable segments is presented below:

Segment revenue and results

	Property $'000	Hotels Investment[1] $'000	Industrial Services $'000	Other Investments[2] $'000	Corporate and Others[3] $'000	Inter-Segment Eliminations $'000	Total Consolidated $'000
2015							
Revenue:							
External revenue	403,121	145,479	128,342	–	180	–	677,122
Inter-segment revenue	904	–	–	–	51,066	(51,970)	–
	404,025	145,479	128,342	–	51,246	(51,970)	677,122
Results							
Gross profit	80,534	44,349	6,108	–	43,896	(33,024)	141,863
Other operating income	2,375	309	722	–	7,557	(7,543)	3,420
Distribution costs	(1,758)	–	(2,597)	–	–	–	(4,355)
Administrative expenses	(6,744)	(9,772)	(3,690)	(3)	(2,277)	(3,186)	(25,672)
Other operating expenses	(9,343)	(574)	(157)	–	(2,709)	2,698	(10,085)
Share of results of equity accounted investees	–	–	–	6,803	–	–	6,803
Finance income	4,851	85	983	–	3,974	(5,635)	4,258
Finance costs	(9,556)	(19,679)	(24)	–	(3,877)	5,607	(27,529)
Profit before tax and fair value adjustments	60,359	14,718	1,345	6,800	46,564	(41,083)	88,703
Fair value adjustments	1,167	(9,096)	–	(120)	–	–	(8,049)
Profit before tax	61,526	5,622	1,345	6,680	46,564	(41,083)	80,654
Income tax expenses	(11,087)	(373)	(59)	–	(16)	–	(11,535)
Profit for the year	50,439	5,249	1,286	6,680	46,548	(41,083)	69,119
Profit attributable to:							
Owners of the Company	50,440	5,249	999	6,680	46,548	(41,083)	68,833
Non-controlling interests	(1)	–	287	–	–	–	286
Profit for the year	50,439	5,249	1,286	6,680	46,548	(41,083)	69,119

Notes:

1. Revenue reported under "Hotels Investment" relates to GHG's results after it was acquired on 2 December, 2014 [note 29].
2. No revenue is reported under "Other Investments" as the Group equity accounts for its investments in GulTech and Pan-West.
3. "Corporate and Others" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at group-level upon consolidation.

4 SEGMENT INFORMATION (CONT'D)

Segment revenue and results (cont'd)

	Property $'000	Hotels Investment[1] $'000	Industrial Services $'000	Other Investments[2] $'000	Corporate and Others[3] $'000	Inter-Segment Eliminations $'000	Total Consolidated $'000
2014							
Revenue:							
External revenue	202,215	12,023	140,347	–	180	–	354,765
Inter-segment revenue	807	–	–	–	9,339	(10,146)	–
	203,022	12,023	140,347	–	9,519	(10,146)	354,765
Results							
Gross profit	53,575	3,322	7,621	–	2,507	1,601	68,626
Other operating income	1,596	26,991	352	205	22,978	(22,945)	29,177
Distribution costs	(1,501)	–	(2,729)	–	–	–	(4,230)
Administrative expenses	(5,585)	(1,226)	(3,886)	(12)	(1,956)	(3,537)	(16,202)
Other operating expenses	(4,940)	(18,192)	(156)	(136)	(37,161)	37,159	(23,426)
Share of results of equity accounted investees	–	8,049	–	11,936	–	–	19,985
Finance income	4,953	185	758	27	872	(2,035)	4,760
Finance costs	(7,028)	(3,374)	(28)	–	(790)	2,034	(9,186)
Profit before tax and fair value adjustments	41,070	15,755	1,932	12,020	(13,550)	12,277	69,504
Fair value adjustments	3,264	3,685	–	(480)	–	–	6,469
Profit before tax	44,334	19,440	1,932	11,540	(13,550)	12,277	75,973
Income tax expenses	(7,753)	(6,478)	(107)	(1)	(48)	–	(14,387)
Profit for the year	36,581	12,962	1,825	11,539	(13,598)	12,277	61,586
Profit attributable to:							
Owners of the Company	36,580	12,962	1,409	11,539	(13,598)	12,277	61,169
Non-controlling interests	1	–	416	–	–	–	417
Profit for the year	36,581	12,962	1,825	11,539	(13,598)	12,277	61,586

Notes:

1. Revenue reported under "Hotels Investment" relates to GHG's results after it was acquired on 2 December, 2014 [note 29].
2. No revenue is reported under "Other Investments" as the Group equity accounts for its investments in GulTech and Pan-West.
3. "Corporate and Others" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at group-level upon consolidation.

NOTES TO THE FINANCIAL STATEMENTS

4 SEGMENT INFORMATION (CONT'D)

Segment assets, liabilities and other segment information

	Property $'000	Hotels Investment[1] $'000	Industrial Services $'000	Other Investments[2] $'000	Corporate and Others $'000	Total Consolidated $'000
2015						
Assets						
Segment assets	**1,430,010**	**638,507**	**83,549**	**14**	**(61,086)**	**2,090,994**
Investments in equity accounted investees	**–**	**–**	**–**	**71,511**	**–**	**71,511**
Total assets	**1,430,010**	**638,507**	**83,549**	**71,525**	**(61,086)**	**2,162,505**
Liabilities						
Segment liabilities	**(58,176)**	**(23,572)**	**(26,970)**	**(5,909)**	**(3,853)**	**(118,480)**
Loans and borrowings	**(667,137)**	**(359,793)**	**–**	**–**	**(79,404)**	**(1,106,334)**
Income tax payable and deferred tax liabilities	**(20,072)**	**(29,746)**	**(288)**	**(24)**	**(104)**	**(50,234)**
Total liabilities	**(745,385)**	**(413,111)**	**(27,258)**	**(5,933)**	**(83,361)**	**(1,275,048)**
Net assets	**684,625**	**225,396**	**56,291**	**65,592**	**(144,447)**	**887,457**
Other information						
Capital expenditure	**184**	**2,723**	**412**	**–**	**–**	**3,319**
Depreciation of property, plant and equipment	**148**	**7,108**	**445**	**–**	**–**	**7,701**
Allowance for diminution in value for development properties	**8,935**	**–**	**–**	**–**	**–**	**8,935**
Revaluation gain of property	**–**	**(22,447)**	**–**	**–**	**–**	**(22,447)**
Fair value (gain)/loss on investment properties	**(1,167)**	**9,096**	**–**	**–**	**–**	**7,929**
Fair value loss on financial instruments	**–**	**–**	**–**	**120**	**–**	**120**
2014						
Assets						
Segment assets	1,496,391	669,452	76,516	16	966	2,243,341
Investments in equity accounted investees	–	–	–	62,981	–	62,981
Total assets	1,496,391	669,452	76,516	62,997	966	2,306,322
Liabilities						
Segment liabilities	(52,806)	(31,340)	(21,304)	(60)	(2,047)	(107,557)
Loans and borrowings	(886,523)	(379,074)	–	–	(79,275)	(1,344,872)
Income tax payable and deferred tax liabilities	(13,854)	(26,264)	(560)	(29)	(139)	(40,846)
Total liabilities	(953,183)	(436,678)	(21,864)	(89)	(81,461)	(1,493,275)
Net assets	543,208	232,774	54,652	62,908	(80,495)	813,047
Other information						
Capital expenditure	305	102	424	–	–	831
Depreciation of property, plant and equipment	230	381	467	–	–	1,078
Share of revaluation gain of property	–	(2,173)	–	–	–	(2,173)
Fair value gain on investment properties	(3,264)	(3,076)	–	–	–	(6,340)
Fair value (gain)/loss on financial instruments	–	(609)	–	480	–	(129)

Notes:

1. Capital expenditure and depreciation reported under "Hotels Investment" relates to GHG's results after it was acquired on 2 December, 2014 [note 29].
2. No capital expenditure and depreciation are reported under "Other Investments" as the Group equity accounts for its investment in GulTech and Pan-West.

4 SEGMENT INFORMATION (CONT'D)

Geographical information

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

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers. Non-current assets are based on the geographical location of the assets.

	Revenue from customers		Non-current assets	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Singapore	**469,237**	255,192	**923,595**	900,881
Australia[1]	**145,479**	12,023	**614,430**	638,185
China	**16,586**	21,388	**6,811**	6,665
Malaysia	**16,863**	16,804	**1,789**	2,261
Indonesia	**13,453**	22,529	**–**	–
Europe	**7,452**	13,016	**–**	–
Other ASEAN countries[2]	**6,811**	12,157	**–**	–
Others	**1,241**	1,656	**–**	–
	677,122	354,765	**1,546,625**	1,547,992

Notes:

1. Revenue reported under "Australia" relates to GHG's results after it was acquired on 2 December, 2014 [note 29].
2. Other ASEAN countries comprise Vietnam, Cambodia, Brunei and Laos with revenue constituting not more than 1% of total Group revenue for each country.

Other segment information

The Group does not have any single major customer that contributes 10% or more to the Group's revenue.

5 CASH AND BANK BALANCES

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Cash at banks and on hand	**80,102**	40,115	**431**	356
Fixed deposits	**37,365**	79,765	**–**	–
Amounts held under the Housing Developers (Project Account) Rules	**24,250**	132,390	**–**	–
	141,717	252,270	**431**	356

Cash and bank balances comprise cash and fixed deposits held by the Group which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Deposits earned interest ranging from 0.1% to 4.3% per annum (2014: 0.5% to 4.9% per annum) and for tenures ranging from 7 to 360 days (2014: 7 to 360 days).

Withdrawals of amounts held under the project accounts are restricted to payments for expenditure incurred on development properties and are subject to the provisions in the Housing Developers (Project Account) Rules in Singapore.

Cash and bank balances amounting to $48,547,000 (2014: $82,556,000) for the Group was pledged to banks to secure credit facilities. Information relating to the Group's loans and borrowings are disclosed in note 13 to the financial statements.

The carrying amounts of the cash and bank balances approximate their fair values at the end of the reporting period. Further details regarding the exposure to interest rate risk, contractual and effective interest rates and foreign currency denomination of the cash and bank balances are disclosed under note 33 to the financial statements.

5 CASH AND BANK BALANCES (CONT'D)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	2015 $'000	2014 $'000
Cash and cash equivalents per consolidated statement of cash flows		
Cash and bank balances (as per statements of financial position)	**141,717**	252,270
Encumbered fixed deposit and bank balances	**(36,042)**	(64,856)
	105,675	187,414

As at 31 December 2015, the Group had cash and cash equivalents placed with banks in China amounting to $82,777,000 (2014: $76,115,000), of which $32,550,000 (2014: $63,172,000) was pledged to a bank as security for banking facilities in Singapore. The repatriation of these cash into Singapore is subject to the Foreign Exchange Control Regulations in China.

6 TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade					
Trade debtors		**94,953**	48,153	**–**	–
Less: Allowance for doubtful receivables		**(272)**	(228)	**–**	–
		94,681	47,925	**–**	–
Amounts due from related parties	16	**5,805**	4,001	**–**	–
		100,486	51,926	**–**	–
Non-trade					
Deposits		**6,099**	12,207	**73**	73
Prepayments		**3,183**	3,354	**141**	111
Interest receivables		**30**	5,890	**–**	–
Sundry debtors		**6,995**	5,678	**–**	–
Advances to suppliers		**3,936**	–	**–**	–
Tax recoverable		**125**	120	**–**	–
		20,368	27,249	**214**	184
Less: Allowance for doubtful receivables		**(77)**	(78)	**(72)**	(72)
		20,291	27,171	**142**	112
Amount due from related parties	16	**13,613**	8,323	**–**	–
		33,904	35,494	**142**	112
		134,390	87,420	**142**	112

Trade Debtors

Included in the trade debtors were unbilled receivables of $44,929,000 (2014: $Nil) related to the remaining sales consideration on completed development properties for sale.

Deposits in respect of acquisition of lands

Included in the carrying amount of deposits as at 31 December 2015 were deposits amounting to $5,186,000 (2014: $6,251,000) relating to land acquisition in Jiaozhou, China. This includes a plot of land of approximately 60,200 square metre (2014: 60,200 square metre) which had been secured by the Group pending the issuance of the land title deeds. The deposit has been assessed to be placed with a counterparty that is creditworthy and accordingly, no allowance for potential non-recovery of the deposit is required.

Tender deposits relating to Gilstead Court of $1,000,000 included in 2014 had been refunded during the year.

Amounts due from related parties – trade

Included in the carrying amount as at 31 December 2015 were unbilled revenue of $221,000 (2014: $27,000) relating to rent-free periods given to a related party lessee as incentive [note 16].

Details of collateral

As at 31 December 2015, trade and other receivables amounting to $10,736,000 (2014: $12,772,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in note 13 to the financial statements.

6 TRADE AND OTHER RECEIVABLES (CONT'D)

Analysis of allowance for doubtful receivables:

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Allowance for doubtful receivables					
Trade		**(272)**	(228)	**–**	–
Non-trade		**(77)**	(78)	**(72)**	(72)
		(349)	(306)	**(72)**	(72)
At 1 January		**(306)**	(2,785)	**(72)**	(72)
Exchange differences on consolidation		**2**	(20)	**–**	–
Acquisition of subsidiary	29	**–**	(21)	**–**	–
Amounts written off		**152**	2,519	**–**	–
Allowance (made)/written back, net	25	**(197)**	1	**–**	–
At 31 December		**(349)**	(306)	**(72)**	(72)

The carrying amount of trade and other receivables approximates their fair values at the end of the reporting year. Further details regarding the exposure to foreign currency denominated trade and other receivables are disclosed in note 33 to the financial statements.

Analysis of trade receivables

Trade receivables are non-interest bearing and are generally on 7 to 120 days (2014: 7 to 120 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group assesses the potential customer's credit quality and determines credit limits to be allowed before accepting any new customer. Credit limits granted to customers are reviewed regularly.

The Group's trade receivables that were impaired at the end of the reporting period and the allowance for doubtful receivables are disclosed below:

	Group 2015 $'000	Group 2014 $'000
Trade receivables, net		
Not past due and not impaired	**81,455**	40,603
Past due but not impaired(i)	**19,031**	11,323
	100,486	51,926
Impaired receivables – collectively assessed(ii)	**254**	219
Less: Allowance for doubtful receivables	**(254)**	(219)
	–	–
Impaired receivables – individually assessed		
Past due for more than 36 months or no response to repayment demands(ii)	**18**	9
Less: Allowance for doubtful receivables	**(18)**	(9)
	–	–
	100,486	51,926

Notes:

(i) Aging of trade receivables that were past due but not impaired:

	2015 $'000	2014 $'000
< 3 months	**10,854**	10,598
3 months to 6 months	**4,321**	442
6 months to 12 months	**3,513**	89
> 12 months	**343**	194
	19,031	11,323

(ii) The amounts stated were before deduction for impairment losses.

6 TRADE AND OTHER RECEIVABLES (CONT'D)

Analysis of trade receivables (cont'd)

The Group had trade receivables amounting to $19,031,000 (2014: $11,323,000) that were past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is disclosed in note (i) above.

Trade and other receivables that are individually assessed to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

Allowances for doubtful trade and other receivables are recognised for the estimated irrecoverable amounts from the sale of goods and services rendered. These allowances for doubtful trade and other receivables are determined by assessing the profile of debtors and after considering recovery prospects. Further details regarding the credit risk for trade and other receivables are disclosed in note 33(c) to the financial statements.

7 INVENTORIES

	Group		
	At cost $'000	At net realisable value $'000	Total $'000
2015			
Raw materials	**906**	**–**	**906**
Work-in-progress	**963**	**–**	**963**
Finished goods	**1,537**	**235**	**1,772**
	3,406	**235**	**3,641**
2014			
Raw materials	1,127	–	1,127
Work-in-progress	1,246	–	1,246
Finished goods	1,698	416	2,114
	4,071	416	4,487

The net realisable values of inventories were stated net of allowance of $196,000 (2014: $150,000).

During the year, an allowance for inventory obsolescence amounting to $89,000 (2014: $75,000) was recognised as "other operating expenses" in profit or loss [note 25].

Details of collateral

As at 31 December 2015, inventories amounting to $831,000 (2014: $786,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in note 13 to the financial statements.

8 DEVELOPMENT PROPERTIES

	Group	
	2015 $'000	2014 $'000
Properties in the course of development	**303,680**	383,722
Land held for future development	**19,235**	26,242
	322,915	409,964
Completed properties held for sale	**13,217**	4,189
	336,132	414,153
Represented by:		
Properties in the course of development in Singapore	**303,680**	383,722
Land held for future development in China	**19,235**	26,242
Completed properties in Singapore	**8,945**	–
Completed properties in China	**4,272**	4,189
	336,132	414,153

8 DEVELOPMENT PROPERTIES (CONT'D)

Development properties comprise properties in the course of development and land held for future development, and completed properties held for sale. These properties have operating cycles longer than one year. Development properties are classified as current assets as they are intended for sale in the Group's normal operating cycle.

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

	Note	Group 2015 $'000	Group 2014 $'000
Land cost		**341,639**	477,219
Development cost incurred to-date		**143,847**	124,022
Interest and others		**21,088**	23,513
		506,574	624,754
Add: Attributable profit		**106,993**	79,851
Less: Progress billings received and receivable		**(281,773)**	(294,641)
Less: Allowance for diminution in value		**(8,879)**	–
		322,915	409,964
Allowance for diminution in value			
At 1 January		**–**	–
Exchange difference on consolidation		**56**	–
Allowance made	25	**(8,935)**	–
At 31 December		**(8,879)**	–

Interest costs capitalised during the year was $4,831,000 (2014: $4,948,000) at effective interest rate ranging from 1.7% to 2.6% per annum (2014: 1.1% to 1.4% per annum) [note 23].

The following table provides information on properties in the course of development of which revenue is recognised on transfer of significant risks and rewards of ownership at completion and as construction progresses respectively:

	Group 2015 $'000	Group 2014 $'000
Transfer of significant risks and rewards of ownership at completion:		
Land cost	**25,357**	24,875
Development cost incurred to-date	**818**	802
Interest and others	**739**	565
Less: Allowance for diminution in value	**(7,679)**	–
	19,235	26,242
Continuous transfer of significant risks and rewards of ownership as construction progresses:		
Cost incurred plus attributable profit	**586,653**	678,363
Progress billings received and receivable	**(281,773)**	(294,641)
Less: Allowance for diminution in value	**(1,200)**	–
	303,680	383,722
	322,915	409,964

Allowance for diminution in value

The allowance for diminution in value for development properties held for sale was estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on expected selling prices for the development project after taking into consideration the prevailing market conditions. The estimated total construction costs include contracted amounts plus estimated costs to complete the development project. The allowance will be progressively reversed for those residential units sold above their carrying amounts.

During the year, an allowance for diminution in value for development properties of $8,935,000 (2014: $Nil) is recognised as "other operating expenses" in profit or loss [note 25].

8 DEVELOPMENT PROPERTIES (CONT'D)

Details of collateral

As at 31 December 2015, development properties amounting to $312,625,000 (2014: $383,722,000) included in the above balances were mortgaged to banks to secure credit facilities for the Group. Information relating to the Group's loans and borrowings is disclosed in note 13 to the financial statements.

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

Included in the development properties was a carrying amount of $7,679,000 (2014: $15,053,000) relating to a land parcel acquired in 2009 in Fuzhou, China with an expired certificate for the construction site planning. The Group has applied to the relevant authorities for its renewal since 2013. An allowance of $7,679,000 (2014: $Nil) was made based on management's best estimate on net realisable value of the development site.

List of development properties

As at 31 December 2015, the development properties held by the Group are as follows:

Name of property/ location	Description/ planned use	Held by	Tenure	Land area (sq. m)	Estimated gross floor area (sq. m)	Year completed/ estimated completion	Group's effective equity interest
Properties in the course of development							
Sennett Residence, Pheng Geck Avenue Singapore	Condominium/ townhouses of 332 units and 3 shop units (309 units sold)	Clerodendrum Land Pte Ltd	99 years from 2011	8,664	33,328	2016	100%
Cluny Park Residence, Cluny Park Road Singapore	Condominium of 52 units (24 units sold)	Shelford Properties Pte Ltd	Freehold	4,544	6,997	2016	100%
Land held for future development							
Land in Jin'an District, Fuzhou Fujian Province, China	Residential	Fujian Ji'Xing Real Estate Development Co. Ltd	70 years from 1994	163,740	*	*	100%
Land adjacent to Huangjiahe Reservoir, Shandong Province, China	Mainly Residential	Qingdao Shenyang Property Co. Ltd.	70 years (residential)/ 40 years (commercial) from 2011/2013	119,244	**	**	100%
Completed properties held for sale							
Lakeside Ville Phase III, Qingpu district Shanghai China	172 units of apartments, townhouses, and 8 units of commercial units (168 units sold)	Habitat Properties (Shanghai) Ltd	70 years from 1997	35,643	41,584	2010	100%
Seletar Park Residence, Seletar Road Singapore	Condominium of 276 units (272 units booked/ sold)	Asplenium Land Pte Ltd	99 years from 2011	17,456	26,862	2015	100%

* Pending renewal of expired certificate for construction site planning
** Master plans are in progress

9 PROPERTY, PLANT AND EQUIPMENT

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost or valuation:						
At 1 January 2015		**366,170**	**4,953**	**35,658**	**1,276**	**408,057**
Exchange differences on consolidation		**(18,966)**	**(120)**	**(3,273)**	**(22)**	**(22,381)**
Additions		**–**	**4**	**3,035**	**280**	**3,319**
Disposals		**–**	**–**	**(568)**	**(158)**	**(726)**
Write-offs		**–**	**–**	**(3,349)**	**–**	**(3,349)**
Reclassification in between		**214**	**–**	**(214)**	**–**	**–**
Revaluation		**19,788**	**–**	**–**	**–**	**19,788**
At 31 December 2015		**367,206**	**4,837**	**31,289**	**1,376**	**404,708**
At 1 January 2014		498	10,733	7,987	869	20,087
Exchange differences on consolidation		(17,945)	56	(2,658)	(4)	(20,551)
Acquisition of subsidiary	29	383,617	–	30,423	–	414,040
Additions		–	6	606	219	831
Disposals		–	(5,264)	(32)	–	(5,296)
Write-offs		–	(245)	(809)	–	(1,054)
Reclassification in between		–	(333)	141	192	–
At 31 December 2014		366,170	4,953	35,658	1,276	408,057
Comprising						
At 31 December 2015:						
At cost		**498**	**4,837**	**31,289**	**1,376**	**38,000**
At valuation		**366,708**	**–**	**–**	**–**	**366,708**
		367,206	**4,837**	**31,289**	**1,376**	**404,708**
At 31 December 2014:						
At cost		498	4,953	35,658	1,276	42,385
At valuation		365,672	–	–	–	365,672
		366,170	4,953	35,658	1,276	408,057

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Note	Building and freehold land $'000	Leasehold land, buildings and improvements $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Accumulated depreciation:						
At 1 January 2015		**298**	**906**	**4,976**	**893**	**7,073**
Exchange differences on consolidation		**(44)**	**(64)**	**(1,687)**	**(23)**	**(1,818)**
Depreciation	25	**2,405**	**74**	**5,085**	**137**	**7,701**
Disposals		**–**	**–**	**(398)**	**(149)**	**(547)**
Write-offs		**–**	**–**	**(3,349)**	**–**	**(3,349)**
Revaluation		**(2,659)**	**–**	**–**	**–**	**(2,659)**
At 31 December 2015		**–**	**916**	**4,627**	**858**	**6,401**
At 1 January 2014		–	1,414	6,320	570	8,304
Exchange differences on consolidation		–	52	(1,290)	(4)	(1,242)
Depreciation	25	298	20	643	117	1,078
Disposals		–	(2)	(29)	–	(31)
Write-offs		–	(245)	(791)	–	(1,036)
Reclassification in between		–	(333)	123	210	–
At 31 December 2014		298	906	4,976	893	7,073
Accumulated impairment:						
At 1 January 2015		**–**	**3,098**	**–**	**–**	**3,098**
Exchange differences on consolidation		**–**	**60**	**–**	**–**	**60**
At 31 December 2015		**–**	**3,158**	**–**	**–**	**3,158**
At 1 January 2014		–	8,279	–	–	8,279
Exchange differences on consolidation		–	81	–	–	81
Disposals		–	(5,262)	–	–	(5,262)
At 31 December 2014		–	3,098	–	–	3,098
Carrying amount:						
At 31 December 2015		**367,206**	**763**	**26,662**	**518**	**395,149**
At 31 December 2014		365,872	949	30,682	383	397,886

Included in building and freehold land is freehold land with a carrying amount of $198,022,000 (2014: $197,463,000) which is not subject to depreciation.

The Group reviews the carrying amounts of its property, plant and equipment at the end of each reporting year to determine whether there is any indication that those assets have suffered impairment loss. No impairment loss was made in 2015 and 2014 as a result of such assessment.

Details of collateral

As at 31 December 2015, property, plant and equipment amounting to $391,970,000 (2014: $394,414,000) included in the above balances were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in note 13 to the financial statements.

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Fair value measurement of hotel properties

The Group's hotel properties (including freehold land and buildings) held under GHG are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulative depreciation and subsequent accumulative impairment loss. The fair value measurement is based on a valuation carried out by independent valuers, who have appropriate qualification and recent experience in the fair value measurement of the properties in the relevant locations.

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2015, the fair value measurement of the Group's hotel properties is classified within Level 3 of the fair value hierarchy. There is no change in the fair value hierarchy as compared to prior year.

Based on the valuation, revaluation gain amounting to $22,447,000 (2014: share of revaluation gain of $2,173,000) was recognised in other comprehensive income [note 28].

There were no transfers between different levels in 2015 and 2014 during the year. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2015 and 2014 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2015			
Grand Hyatt Melbourne, 121-131 Collins Street, Melbourne, Victoria	Capitalisation Approach	Capitalisation rate[2]	6.75%
	Discounted Cash Flow Approach	Discount rate[2]	9.25% – 10.25%
		Terminal yield rate[2]	6.25% – 7.25%
Hyatt Regency Perth, 87-123 Adelaide Terrace, East Perth, Western Australia	Capitalisation Approach	Capitalisation rate[2]	7.25%
	Discounted Cash Flow Approach	Discount rate[2]	9.50% – 10.50%
		Terminal yield rate[2]	7.00% – 8.00%
2014			
Grand Hyatt Melbourne, 121-131 Collins Street, Melbourne, Victoria	Direct Comparison Method	Per hotel room[1]	$515,000 – $537,000 (A$479,000-A$500,000)
	Capitalisation Approach	Capitalisation rate[2]	7.0%
	Discounted Cash Flow Approach	Discount rate[2]	9.75% – 10.75%
		Terminal yield rate[2]	6.75% – 7.75%
Hyatt Regency Perth, 87-123 Adelaide Terrace, East Perth, Western Australia	Direct Comparison Method	Per hotel room[1]	$268,500 – $295,300
	Capitalisation Approach	Capitalisation rate[2]	8.5%
	Discounted Cash Flow Approach	Discount rate[2]	10.50% – 11.50%
		Terminal yield rate[2]	7.50% – 8.50%

(1) Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement.

(2) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

List of hotel properties

The carrying amount of the Group's hotel properties as at 31 December 2015 included in Property, plant and equipment are set out below. The non-hotel properties are accounted for under investment properties [note 10].

Name of property	Description	Tenure	Land area (sq. m)	Group's effective equity interest	2015 A$'000[1]	2014 A$'000[1]	2015 S$'000	2014 S$'000
Australia								
Grand Hyatt Melbourne Australia*	Located at the "Paris end" of Collins Street and its intersection with Russell Street. The Property is of 34 levels featuring one of Melbourne's largest 5-star hotels, complete with retail/commercial space. The carrying value of the retail/commercial space has been disclosed as investment property [note 10].	Freehold	5,776	100%	**300,405**	269,282	**305,872**	289,182
Hyatt Regency Perth Australia*	By Swan River and within walking distance from the central business district. The Property is an integrated 5-star hotel, office, retail and parking complex. The hotel is built over 9 levels. The carrying value of the office, retail and parking complex has been disclosed as investment property [note 10].	Freehold	25,826	100%	**82,430**	95,810	**83,930**	102,890
					382,835	365,092	**389,802**	392,072

* Acquired on 2 December 2014 [note 29].

[1] Figures in A$ are for information.

10 INVESTMENT PROPERTIES

	Note	Completed investment properties $'000	Investment properties under redevelopment $'000	Total $'000
Group				
At 1 January 2015		**725,920**	**357,012**	**1,082,932**
Exchange differences on consolidation		**(12,246)**	**–**	**(12,246)**
Development costs		**218**	**13,934**	**14,152**
Net loss from fair value adjustments	24	**(8,648)**	**719**	**(7,929)**
At 31 December 2015		**705,244**	**371,665**	**1,076,909**
At 1 January 2014		479,773	344,352	824,125
Exchange differences on consolidation		(11,786)	–	(11,786)
Acquisition of subsidiary	29	253,329	–	253,329
Development costs		1,460	12,540	14,000
Net gain from fair value adjustments	24	3,144	120	3,264
At 31 December 2014		725,920	357,012	1,082,932
Company				
At 31 December 2015		**498**	**–**	**498**
At 31 December 2014		498	–	498

10 INVESTMENT PROPERTIES (CONT'D)

	Group 2015 $'000	Group 2014 $'000
Represented by:		
Completed investment properties in Singapore	**478,450**	477,950
Completed investment properties in Australia	**220,176**	241,483
Completed investment properties in China	**6,618**	6,487
Investment properties under development in Singapore	**371,665**	357,012
	1,076,909	1,082,932

Fair value adjustment

The Group's investment properties are stated at fair value as at 31 December 2015, based on valuation carried out by independent professional valuers, who have the appropriate qualification and experience in the location and category of the properties being valued. Based on these valuations, fair value loss amounting to $7,929,000 (2014: fair value gain of $3,264,000) was recognised in profit or loss [note 24].

The Group classified fair value measurement using a fair value hierarchy that reflects the nature and complexity of the significant inputs used in making the measurement. As at 31 December 2015, the fair value measurement of the Group's investment properties is classified within Level 3 of the fair value hierarchy. There were no transfers between different levels in 2015 and 2014.

Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2015 and 31 December 2014 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2015			
Singapore			
Robinson Point 39 Robinson Road Singapore	Direct Comparison Method Investment Method	Price per square metre of lettable area(1) Net income margin*(1) Capitalisation rate(2)	$22,600 – $37,700 75% – 85% 2.0% – 3.75%
The Oxley 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Direct Comparison Method	Price per square metre of strata floor area(1)	$26,500 – $29,100
Century Warehouse 31 strata units (out of a total of 35 units) of the building 100E Pasir Panjang Road Singapore	Direct Comparison Method	Price per square metre of strata floor area(1)	$7,000 – $12,700
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area(1)	$5,800 – $7,900 $6,000 – $8,700 (ground floor)
Far East Finance Building #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area(1)	$26,300 – $35,000

10 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustment (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Singapore (cont'd)			
Robinson Tower redevelopment site	Residual Land Value Method	Gross development value per square metre(1)	Office: $25,300 – $39,000 Retail: $64,700 – $130,000
		Developer profit(2)	10%
	Direct Comparison Method	Land sale per square metre per plot ratio(1)	$9,800 – $12,000
		Construction cost per square metre of gross floor area(2)	$7,200
		Total development cost (exclude land cost) per square metre of gross floor area(2)#	$10,000
		Remaining construction period(2)	2.5 years
Australia			
Fortescue Centre & Carpark (being part of the Hyatt Regency complex)	Capitalisation Method	Capitalisation rate(2)	8.25%
	Discounted Cash Flow Method	Discount rate(2)	8.75% – 9.25%
		Terminal yield rate(2)	8.25% – 8.75%
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex	Capitalisation Method	Capitalisation rate(2)	Retail: 5.50%
	Discounted Cash Flow Method	Discount rate(2)	Retail: 7.25% – 7.75% Carpark: 8.00% – 8.50%
		Terminal yield rate(2)	Retail: 5.50% – 6.00% Carpark: 6.50% – 7.00%
China			
No. 2950 ChunShen Road Shanghai, China	Direct Comparison Method	Price per square metre of gross floor area(1)	$3,700 – $5,000

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2014			
Singapore			
Robinson Point 39 Robinson Road Singapore	Direct Comparison Method	Price per square metre of net lettable area(1)	$23,400 – $30,500
	Investment Method	Net income margin*(1)	75% – 84%
		Capitalisation rate(2)	3.0% – 3.75%
The Oxley 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Direct Comparison Method	Price per square metre of strata floor area(1)	$21,300 – $32,300
Century Warehouse 31 strata units (out of a total of 35 units) of the building 100E Pasir Panjang Road Singapore	Direct Comparison Method	Price per square metre of strata floor area(1)	$6,800 – $10,500
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area(1)	$6,400 – $6,700 $6,700 – $11,000 (ground floor)

10 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustment (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
Singapore (cont'd)			
Far East Finance Building #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	$25,300 – $35,300
Robinson Tower redevelopment site	Residual Land Value Method	Gross development value per square metre[(1)]	Office: $23,400 – $35,300 Retail: $64,700 – $68,900
		Developer profit[(2)]	10%
		Land sale per square metre per plot ratio[(1)]	$9,600 – $12,000
		Construction cost per square metre of gross floor area[(2)]	$5,800
		Total development cost (exclude land cost) per square metre of gross floor area[(2)#]	$8,700
		Remaining construction period[(2)]	2.5 years
Australia			
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex	Direct Comparison Method	Price per bay[(1)]	Carpark: $26,600 - $105,700
	Capitalisation Method	Capitalisation rate[(2)]	Retail: 5.75% – 6.75%
	Discounted Cash Flow Method	Discount rate[(2)]	Retail: 8.00% – 8.50% Carpark: 8.25% – 8.75%
		Terminal yield rate[(2)]	Retail: 6.25% – 6.75% Carpark: 7.25% – 7.75%
Fortescue Centre & Carpark (being part of the Perth Hyatt Regency complex)	Direct Comparison Method	Price per square metre of net lettable area[(1)]	$5,500 – $7,700
	Capitalisation Method	Capitalisation rate[(2)]	8.5% – 9.5%
	Discounted Cash Flow Method	Discount rate[(2)]	9.0% – 9.5%
		Terminal yield rate[(2)]	9.0% – 9.5%
China			
No. 2950 ChunShen Road Shanghai, China	Direct Comparison Method	Price per square metre of gross floor area[(1)]	$1,800 – $4,700

Notes:

- * Net income margin – net property income/annual gross rental income
- # Total development cost includes construction cost, professional fees, interest cost, land holding cost and other development related cost
- (1) Any significant isolated increase (decrease) in these inputs would result in a significantly higher (lower) fair value measurement
- (2) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement

Generally, a change in the assumption made for the estimated net income margin (per square metre per annum) is accompanied by a similar change in the income growth per annum and capitalisation rate.

10 INVESTMENT PROPERTIES (CONT'D)

Operating lease disclosure

Rental income from the Group's investment properties which were all leased under operating leases amounted to $33,916,000 (2014: $17,102,000) [note 21]. Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $7,003,000 (2014: $4,279,000). Information on operating lease commitments is disclosed in note 31 to the financial statements.

Details of collateral

As at 31 December 2015, investment properties amounting to $1,070,291,000 (2014: $1,076,445,000) included in the above balances were mortgaged to banks as security for borrowings. Information relating to the Group's loans and borrowings is disclosed in note 13 to the financial statements.

List of completed investment properties

The carrying amounts of completed investment properties held by the Group as at 31 December 2015 are as follows:

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	2015 $'000	2014 $'000
Singapore						
Robinson Point 39 Robinson Road Singapore	A 21-storey commercial building with 3 levels of carpark	Freehold	15,724^	100%	**352,000**	351,500
The Oxley 9 Oxley Rise #01-00, #02-00, #03-00, Singapore	3 floors of commercial space within a 10-storey building including residential units	Freehold	2,770	100%	**63,300**	63,300
Century Warehouse 100E Pasir Panjang Road Singapore	31 out of a total of 35 strata units of a 8-storey industrial building	Freehold	4,690	100%	**40,400**	40,400
L&Y Building #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	3 out of a total of 24 strata units of a 5-storey industrial building	999 years from 1885	2,285	100%	**13,450**	13,450
Far East Finance Building #11-01/02 14 Robinson Road Singapore	1 strata unit (floor) within a 13- storey commercial building and a basement	999 years from 1884	402	100%	**9,300**	9,300
					478,450	477,950

10 INVESTMENT PROPERTIES (CONT'D)

List of completed investment properties (cont'd)

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	2015 A$'000[1]	2014 A$'000[1]	2015 S$'000	2014 S$'000
Australia								
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex*	4 Collins St. retail shops consisting of 2 floors each, a bar & function room. A further 7 retail areas in and around Russell St. with 4 levels of basement car park	Freehold	3,024	100%	**118,000**	107,855	**120,148**	115,826
Fortescue Centre & Carpark (being part of the Perth Hyatt Regency complex)*	A 3-level commercial building and plaza level shops and suites with 2 levels of basement car park	Freehold	23,415	100%	**98,240**	117,010	**100,028**	125,657
					216,240	224,865	**220,176**	241,483
					2015 RMB'000[1]	**2014 RMB'000[1]**	**2015 S$'000**	**2014 S$'000**
China								
No. 2950 ChunShen Road Shanghai, China	A 3-storey commercial building	58 years from 2008	2,170	100%	**30,500**	30,500	**6,619**	6,487

^ Gross floor area

* Acquired on 2 December 2014 [note 29]

[1] Figures in A$ and RMB are for information.

List of investment property under redevelopment

The carrying amount of investment property under redevelopment as at 31 December 2015 is as follows:

Name of property	Description	Tenure	Planned gross floor area (sq. m)	Group's effective equity interest	2015 $'000	2014 $'000
Singapore						
Robinson Tower redevelopment site	Proposed 28-storey commercial building comprising office tower, retail podium, sky terrace and an underground mechanised carpark	999 years from 1884 & 1885 (Lots 167X, 616W, 691X, 99280A, 99287W and 99289P) 99 years from 2013 (Lots 485M, 488P)	24,086	100%	**371,665**	357,012

The Group is in the course of redeveloping the site where the previous Robinson Towers, its annex and the immediately adjacent International Factors Building were as a single commercial development as indicated above.

Interest costs capitalised during the year was $3,811,000 (2014: $2,932,000) at effective interest rate of 2.5% per annum (2014: 1.9% per annum) [note 23].

11 INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 $'000	2014 $'000
Quoted shares, at cost	**115,976**	115,976
Unquoted shares, at cost	**557,540**	548,917
Loan to a subsidiary	**79,404**	–
Deemed investment arising from financial guarantees	**46,925**	46,176
	799,845	711,069
Less: Allowance for impairment loss	**(137,945)**	(136,767)
	661,900	574,302
Fair value of investment in a subsidiary for which there are published price quotations	**30,961**	28,146

Details of the Company's significant subsidiaries are disclosed in note 34 to the financial statements.

Financial guarantees

The Company provided guarantees to banks for credit facilities obtained by certain of its subsidiaries and recorded a deemed financial guarantee fee income in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*. The deemed income is amortised over the period of the guarantees. The unamortised financial guarantee fee of $6,722,000 (2014: $13,492,000) is disclosed under the Company's non-trade payables in note 14 to the financial statements. The guarantee fee was not charged by the Company to the subsidiaries. The full amount of the guarantee fee is deemed to be additional investment in subsidiaries.

Analysis of allowance for impairment

	Company	
	2015 $'000	2014 $'000
Allowance for impairment loss		
At 1 January	**(136,767)**	(125,527)
Allowance for impairment loss	**(1,178)**	(16,518)
Reversal of impairment	**–**	5,278
	(1,178)	(11,240)
At 31 December	**(137,945)**	(136,767)

During the year, impairment loss amounting to $1,178,000 (2014: $16,518,000) was made in respect of the Company's investment in certain subsidiaries to reduce the carrying value of investment to the recoverable amounts after taking into account the current financial position of the subsidiaries. The impairment loss of $9,400,000 in 2014 was made in respect of a subsidiary that was liquidated in 2015. In addition, there was a reversal of impairment amounting to $Nil (2014: $5,278,000) in relation to certain subsidiaries due to increase in their recoverable amounts.

Loan to a subsidiary

Loan to a subsidiary refers to unsecured advances which have no fixed terms of repayment and are not expected to be repaid in the next 12 months. These advances bear interest at rates ranging from 4.5% to 6.5% per annum.

11 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the Group as at 31 December 2015 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned subsidiaries 2015	2014
Development of properties for sale, property investment and provision of property management services.	Singapore and China	**26**	27
Investment in hotels in Australia through Grand Hotel Group ("GHG").	Australia	**4**	4
Investments in GulTech, a printed circuit boards manufacturer with operations in Singapore and China, and Pan-West, a retailer of golf-related products.	Singapore, China and Malaysia	**5**	5
		35	36

Non-wholly owned subsidiaries

Information about the composition of non-wholly owned subsidiaries of the Group as at 31 December 2015 is as follows:

Principal activity	Country of incorporation and operation	Number of non-wholly owned subsidiaries 2015	2014
Trading and marketing of selected industrial commodities, distribution of tyres and re-treading of tyres	Singapore, Malaysia	**9**	10
Property development	Singapore	**1**	1
Manufacture and sale of polypropylene woven bags	Malaysia	**1**	1
		11	12

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group are disclosed below:

Name of subsidiary	Country of incorporation and principal place of business	Effective equity interest & voting power held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2015	2014	2015 $'000	2014 $'000	2015 $'000	2014 $'000
SP Corporation Limited and subsidiaries	Various	**19.8%**	19.8%	**290**	422	**9,977**	9,425
Individually immaterial subsidiary with non-controlling interests	Malaysia	**2.1%**	2.1%	**(4)**	(5)	**675**	704
				286	417	**10,652**	10,129

11 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Non-wholly owned subsidiaries (cont'd)

The summarised financial information of SP Corporation Limited and subsidiaries on a 100% basis is set out below:

	2015 $'000	2014 $'000
Current assets	**76,193**	68,446
Non-current assets	**530**	305
Current liabilities	**(26,335)**	(21,127)
Non-current liabilities	**(24)**	(26)
Equity attributable to owners	**50,364**	47,598
Revenue for the year	**119,675**	131,913
Net profit for the year	**1,466**	2,131

12 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

	Group	
	2015 $'000	2014 $'000
Unquoted equity shares, at cost	**72,240**	72,240
Exchange differences on consolidation	**5,212**	771
Share of post-acquisition results and reserves, net of dividends and distributions received	**(5,941)**	(10,030)
	71,511	62,981

Equity accounted investees

The Group equity accounted for Gul Technologies Singapore Pte Ltd ("GulTech") and Pan-West (Private) Limited. Details of the Group's significant associates as at 31 December 2015 are disclosed in note 35 to the financial statements.

The Group's share of net assets and total comprehensive income of equity accounted investees are set out below:

		Group	
	Note	2015 $'000	2014 $'000
Share of net assets			
At 1 January		**62,981**	208,159
Exchange differences on consolidation		**4,557**	3,073
Change in interest in a joint venture	29	**–**	(167,297)
Share of total comprehensive income (refer to below)		**6,683**	27,852
Adjustment arising from selective capital reduction of an associate	25	**–**	(136)
Reclassification		**5,853**	–
Distributions		**(8,563)**	(8,670)
At 31 December		**71,511**	62,981
Share of total comprehensive income			
Share of results before fair value adjustments		**6,803**	19,985
Share of fair value gain on investment properties	24	**–**	3,076
Share of fair value gain on financial instruments	24	**(120)**	129
		(120)	3,205
Share of net profit		**6,683**	23,190
Share of asset revaluation reserve	28	**–**	2,173
Share of cash flow hedging account	28	**–**	2,489
Share of other comprehensive income		**–**	4,662
Share of total comprehensive income for the year		**6,683**	27,852

12 INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (CONT'D)

Equity accounted investees (cont'd)

Details of asset revaluation reserve and cash flow hedging account are disclosed in note 19 to the financial statements. Share of capital commitments of equity accounted investees are disclosed in note 31 to the financial statements.

GulTech

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

	2015 US$'000[1]	2014 US$'000[1]	2015 S$'000	2014 S$'000
Current assets	**171,874**	186,085	**241,620**	246,277
Non-current assets	**164,957**	165,216	**231,897**	218,614
Current liabilities	**(101,793)**	(121,455)	**(143,101)**	(160,708)
Non-current liabilities	**(59,381)**	(30,140)	**(83,477)**	(39,881)
Non-controlling interests	**(61,295)**	(82,752)	**(86,169)**	(109,497)
Equity attributable to owners	**114,362**	116,954	**160,770**	154,755
Revenue for the year	**242,946**	275,198	**334,294**	347,354
Net profit for the year	**10,918**	20,668	**15,023**	26,087

[1] Figures in US$ are for information.

Pan-West

The Group had recognised its share of losses of $5,853,000 being the corporate guarantees given to certain banks in exchange for bank balances drawn by Pan-West and its subsidiary. Other than the afore-mentioned corporate guarantees, the Group had no other commitments in relation to Pan-West. Accordingly, its share of accumulated losses of Pan-West amounting to $4,078,000 (2014: $2,687,000) as at the end of the year is not recognised.

13 LOANS AND BORROWINGS

	Group		Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Short-term borrowings				
Bank loans	**428,924**	195,347	**–**	–
Long-term borrowings				
Bank loans	**598,006**	1,070,250	**–**	–
Notes issued under MTN Programme	**79,404**	79,275	**79,404**	79,275
	677,410	1,149,525	**79,404**	79,275
Total borrowings	**1,106,334**	1,344,872	**79,404**	79,275
Represented by:				
Interest-bearing liabilities	**1,108,370**	1,348,039	**80,000**	80,000
Capitalised interest costs	**(2,036)**	(3,167)	**(596)**	(725)
	1,106,334	1,344,872	**79,404**	79,275

13 LOANS AND BORROWINGS (CONT'D)

Security profile

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Secured borrowings				
Current	**428,924**	195,347	**–**	–
Non-current	**598,006**	1,070,250	**–**	–
	1,026,930	1,265,597	**–**	–
Unsecured borrowings				
Non-current	**79,404**	79,275	**79,404**	79,275
	1,106,334	1,344,872	**79,404**	79,275

The Group had a loan of $198,110,000 due in March 2016. At the end of the reporting period, the Group refinanced the loan with the maturity date extended to November 2018. The required approval for the re-financing was obtained prior to the reporting date. The signed letter of refinancing was obtained on January 5, 2016.

Multicurrency Medium Term Note Programme

The Company has in place a S$900 million Multicurrency Medium Term Note Programme ("MTN Programme") under which it can issue notes in series or tranches and may be denominated in Singapore dollars or other currency deemed appropriate at the time.

Notes issued under the MTN Programme comprise of fixed rate notes (the "Note") amounting to S$80,000,000 which will mature on 14 October 2019. The Notes are unsecured, bear a fixed interest rate of 4.50% per annum payable semi-annually in arrear. At the end of the reporting period, the fair value of the Note approximates its carrying amount.

Details of collateral

Loans and borrowings from banks were secured over the Group's cash and bank balances [note 5], trade and other receivables [note 6], inventories [note 7], development properties [note 8], property, plant and equipment [note 9], investment properties [note 10] and covered by corporate guarantees [note 32].

Interest rate profile

	Group		Company	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Loans and borrowings				
Fixed rate	**79,404**	79,275	**79,404**	79,275
Variable rate	**1,026,930**	1,265,597	**–**	–
	1,106,334	1,344,872	**79,404**	79,275

The Group's exposure to fair value interest rate risk is disclosed in note 33(b) to the financial statements as at 31 December 2015.

Fair value

The fair value of the current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period because they are short term in nature. The fair value of the non-current portion of the Group's loans and borrowings approximate their carrying amounts at the end of the reporting period as their interest rates approximate current market interest rates on or near the end of the reporting period. Further details regarding foreign currency denomination and maturity dates, contractual and effective interest rates are disclosed in note 33(a) and 33(d) respectively to the financial statements.

Loan maturity profile

The non-current borrowings are generally repayable from 30 November 2018 to 11 September 2026 (2014: 8 February 2016 to 11 September 2026). Information relating to the maturity profile of the Group's loans and borrowings is disclosed in note 33(d) to the financial statements.

14 TRADE AND OTHER PAYABLES

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Trade					
Trade payables		**46,750**	37,776	**88**	228
Amounts due to related parties	16	**4,113**	5,485	**–**	–
		50,863	43,261	**88**	228
Non-trade					
Other creditors		**16,749**	23,003	**139**	277
Other provisions		**4,990**	5,995	**–**	–
Less: non-current portion		**(362)**	(423)	**–**	–
		4,628	5,572	**–**	–
Advanced billings		**11,673**	4,676	**–**	–
Accrued operating expenses		**29,427**	27,777	**2,921**	907
Accrued interest expenses		**3,312**	2,499	**779**	779
Financial guarantees to subsidiaries	11	**–**	–	**6,722**	13,492
Amounts due to related parties	16	**562**	346	**12**	10
		66,351	63,873	**10,573**	15,465
		117,214	107,134	**10,661**	15,693

The Group is granted various credit terms on its purchases from its large number of suppliers who are geographically dispersed. Trade payables are generally on 7 to 120 days (2014: 7 to 120 days) credit terms. The Group manages liquidity risk of trade payables primarily by maintaining sufficient cash and credit facilities [note 33].

The carrying amount of trade and other payables approximate their fair values at the end of the reporting periods. Further details regarding the contractual and effective interest rates, maturity dates and foreign currency denomination are disclosed in note 33 to the financial statements.

15 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company 2015 $'000	Company 2014 $'000
Amounts due from subsidiaries – non-trade	**307,918**	386,963
Less: Allowance for impairment	**(22,170)**	(20,650)
	285,748	366,313
Amounts due to subsidiaries – non-trade	**(292,716)**	(322,278)

Analysis of allowance for impairment

	Company 2015 $'000	Company 2014 $'000
Allowance for impairment		
At 1 January	**(20,650)**	(11)
Allowance made	**(1,520)**	(20,642)
Write back of allowance	**–**	3
	(1,520)	(20,639)
At 31 December	**(22,170)**	(20,650)

15 AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONT'D)

Analysis of allowance for impairment (cont'd)

Advances from and to subsidiaries are unsecured and are repayable on demand. Interest is charged at rate ranging from 1.08% to 3.0% per annum on interest-bearing advances.

During the year, allowance for impairment of $1,520,000 (2014: $20,642,000) and a reversal of allowance for impairment loss of $Nil (2014: $3,000) was made for amounts due from subsidiaries. The above assessment is after taking into account the current financial position of the subsidiaries. The allowance for impairment of $1,520,000 (2014: $20,642,000) was made for a subsidiary due to decrease in net asset value of underlying interest at the reporting date.

16 AMOUNTS DUE FROM/(TO) RELATED PARTIES

		Group		Company	
	Note	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Amounts due from:					
Other related parties					
Other related parties, trade		**5,805**	4,001	**–**	–
Other related parties, non-trade		**5,178**	384	**–**	–
Refundable deposits with other related parties		**8,435**	7,939	**–**	–
		19,418	12,324	**–**	–
Total		**19,418**	12,324	**–**	–
Presented as:					
Amounts due from related parties, trade	6	**5,805**	4,001	**–**	–
Amounts due from related parties, non-trade	6	**13,613**	8,323	**–**	–
		19,418	12,324	**–**	–
Amounts due to:					
Associates					
Associates, trade		**(3)**	(3)	**–**	–
Associates, non-trade		**(10)**	(10)	**(10)**	(10)
		(13)	(13)	**(10)**	(10)
Other related parties					
Other related parties, trade		**(4,110)**	(5,482)	**–**	–
Other related parties, non-trade		**(552)**	(336)	**(2)**	–
		(4,662)	(5,818)	**(2)**	–
Total		**(4,675)**	(5,831)	**(12)**	(10)
Presented as:					
Amounts due to related parties, trade	14	**(4,113)**	(5,485)	**–**	–
Amounts due to related parties, non-trade	14	**(562)**	(346)	**(12)**	(10)
		(4,675)	(5,831)	**(12)**	(10)

The Company's major shareholder is Nuri Holdings (S) Pte Ltd ("Nuri"), incorporated in Singapore. Related companies are the companies in which the shareholders of Nuri and their family members have a controlling interest in. Related parties include subsidiaries, associates, joint ventures, related companies, Nuri and directors of the Company and their associates.

Included in amounts due to other related parties, trade and non-trade, are mainly balances with related companies.

Further details regarding transactions with related parties are disclosed in note 30 to the financial statements.

Amounts due from/(to) other related parties

Included in the non-trade amounts due from related parties is a refundable deposit of US$6,000,000 or equivalent to $8,435,000 (2014: $7,939,000) placed by SP Corp, a listed subsidiary of the Group to secure coal supply allocation with a coal mine which is a related company as defined above.

16 AMOUNTS DUE FROM/(TO) RELATED PARTIES (CONT'D)

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

The deposit is subject to yearly renewal by mutual agreement between the two parties. It is secured by a corporate guarantee issued by the holding company of the related company and bears an effective interest of 4.8% (2014: 4.6%) per annum. The deposit has been assessed as having been placed with a counterparty that is creditworthy and accordingly no allowance for potential non-recovery of this deposit is required.

Included in the other related parties, non-trade was an amount of $4,897,000 (2014: $Nil) which is an advance to a related party for coal order placement. The remaining trade and non-trade amounts due from/(to) other related parties were unsecured, interest-free, and repayable within normal trade terms.

17 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax at the end of the reporting period consists of the following:

	Group	
	2015	**2014**
	$'000	**$'000**
Deferred tax assets and liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**278**	395
Profit recognised on percentage of completion of development properties for sale	**13,542**	7,619
Revaluation of property	**1,450**	1,421
Foreign income not remitted and which will be subject to tax if remitted in the future	**23,838**	23,430
Unutilised tax losses	**1,826**	(348)
Others	**(1,659)**	(1,680)
	39,275	30,837
Represented by:		
Deferred tax assets	**(3,045)**	(4,179)
Deferred tax liabilities	**42,320**	35,016
	39,275	30,837

Deferred tax assets and liabilities are netted off when there is a legally enforceable right to offset and when the deferred income taxes relate to the same tax authorities.

Deferred tax assets and liabilities recognised by the Group and the movements thereon during the current and prior reporting periods are as follows:

	Note	Accelerated tax depreciation $'000	Deferred development costs $'000	Revaluation of property $'000	Foreign income not remitted $'000	Unutilised tax losses $'000	Others $'000	Total $'000
Group								
At 1 January 2015		**395**	**7,619**	**1,421**	**23,430**	**(348)**	**(1,680)**	**30,837**
Exchange differences on consolidation		**(31)**	**–**	**29**	**(1,267)**	**(14)**	**113**	**(1,170)**
Transfer to income tax payable upon completion of development property		**–**	**(2,486)**	**–**	**–**	**–**	**–**	**(2.486)**
Charged to profit or loss	26	**(86)**	**8,409**	**–**	**(4,773)**	**2,188**	**(92)**	**5,646**
Charged to other comprehensive income	28	**–**	**–**	**–**	**6,448**	**–**	**–**	**6,448**
At 31 December 2015		**278**	**13,542**	**1,450**	**23,838**	**1,826**	**(1,659)**	**39,275**

17 DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

	Note	Accelerated tax depreciation $'000	Deferred development costs $'000	Revaluation of property $'000	Foreign income not remitted $'000	Unutilised tax losses $'000	Others $'000	Total $'000
At 1 January 2014		463	1,613	1,407	22,444	(2,331)	(105)	23,491
Exchange differences on consolidation		(6)	–	14	(1,201)	(5)	(50)	(1,248)
Acquisition of subsidiary	29	–	–	–	–	–	(2,091)#	(2,091)
Charged to profit or loss	26	(62)	6,006	–	1,595	1,988	566	10,093
Charged to other comprehensive income	28	–	–	–	592	–	–	592
At 31 December 2014		395	7,619	1,421	23,430	(348)	(1,680)	30,837

Acquired on 2 December 2014 [note 29]. Amount relates to deferred tax assets arising from employee benefits.

Deferred tax liabilities relating to equity interest in GHG

Deferred tax liabilities include an amount of $27,969,000 (2014: $25,576,000) on account of a provision made by the Group to recognise the taxable gains on the excess of the fair value of net assets of GHG over the tax cost base of the securities in GHG.

Deferred tax liabilities not recognised

At the end of the reporting year, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was $244,000 (2014: $236,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of temporary differences, and it is probable that such differences will not reverse in the foreseeable future.

Deferred tax benefits not recognised

At the end of the reporting year, the Group had, subject to the agreement by the tax authorities, unutilised tax losses of $36,926,000 (2014: $47,824,000) which were available for carry forward and set-off against future taxable income. A deferred tax asset had been recognised on tax losses of $11,358,000 (2014: $12,663,000), whereas no deferred tax asset had been recognised in respect of the remaining tax losses of $25,568,000 (2014: $35,161,000) due to the unpredictability of the relevant future profit streams.

At the end of the reporting year, the Group had, subject to the agreement by the tax authorities, capital allowances of $2,401,000 (2014: $2,196,000) which were available for carry forward and set-off against future taxable income. Future tax benefits arising from these unutilised capital allowances had not been recognised in the financial statements as there was no reasonable certainty of their recovery in the future years.

18 SHARE CAPITAL

	Group and Company			
	2015	2014	2015	2014
	Number of ordinary shares ('000)		$'000	$'000
Issued and paid up:				
At 1 January	**1,176,156**	1,172,740	**169,260**	168,190
Shares issued under Scrip Dividend Scheme	**2,669**	3,416	**970**	1,070
At 31 December	**1,178,825**	1,176,156	**170,230**	169,260

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

Issue of shares

During the year, the Company allotted and issued 2,669,072 (2014: 3,416,310) ordinary shares at an issue price of 36.3 cents (2014: 31.3 cents) per share to eligible shareholders who have validly elected to participate in the Tuan Sing Scrip Dividend Scheme in respect of the first and final ordinary dividend of 0.5 cent per share for the financial year ended 31 December 2014.

19 RESERVES

	Group		Company	
	2015 **$'000**	2014 $'000	**2015** **$'000**	2014 $'000
Asset revaluation reserve	**94,534**	78,806	**–**	–
Foreign currency translation account	**(23,722)**	(18,592)	**–**	–
Other capital reserves:				
– Non-distributable capital reserves	**117,692**	111,052	**101,264**	101,264
– Cash flow hedging account	**(1,350)**	(717)	**–**	–
	116,342	110,335	**101,264**	101,264
Revenue reserve	**519,421**	463,109	**294,427**	253,759
	706,575	633,658	**395,691**	355,023

Asset revaluation reserve
Asset revaluation reserve comprises net cumulative surpluses arising from the revaluation of property, plant and equipment which are held for the purpose of production or supply of goods and services.

Foreign currency translation account
Foreign currency translation account comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company; as well as from the translation of monetary items which form part of the Group's net investment in foreign operations at the end of the reporting period.

Other capital reserves
Non-distributable capital reserves comprise capital reduction reserve of the Company and share of enterprise expansion fund reserve of an associate, GulTech.

Cash flow hedging account represents the cumulative net change in fair value of the effective portion of the cash flow hedges.

Revenue reserve
Revenue reserve is used to record the balance of amounts available for distributions as defined by regulatory requirements. This is distributable to shareholders as dividend.

20 DIVIDEND

	Group and Company	
	2015 **$'000**	2014 $'000
Tax-exempt one-tier first and final dividend paid in respect of the previous year		
Cash	**4,911**	4,794
Share	**970**	1,070
	5,881	5,864

The directors proposed a tax-exempt one-tier first and final dividend of 0.6 cent per share (2014: 0.5 cent per share) amounting to $7,073,000 (2014: $5,881,000), subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company, to be paid in respect of the financial year ended 31 December 2015. The Tuan Sing Scrip Dividend Scheme will be applicable to this proposed dividend.

21 REVENUE

	Note	Group 2015 $'000	Group 2014 $'000
Sale of products		**125,749**	137,517
Sale of development properties		**384,658**	184,075
Rental income of investment properties	10	**33,916**	17,102
Hotel operations and related income		**126,788**	10,271
Services rendered		**5,547**	5,287
Others		**464**	513
		677,122	354,765

Revenue represents the invoiced value of goods and services supplied. Intra-group revenue is eliminated on consolidation and is excluded from Group revenue. During the year, $384,658,000 (2014: $177,546,000) was recognised as revenue based on the percentage of completion method.

22 FINANCE INCOME

	Group 2015 $'000	Group 2014 $'000
Interest income on bank deposits	**3,198**	4,061
Interest income from debtors	**610**	319
Interest income from related parties	**450**	380
	4,258	4,760

23 FINANCE COSTS

	Note	Group 2015 $'000	Group 2014 $'000
Interest expense on loans and borrowings		**35,211**	16,598
Amortisation of capitalised finance costs		**960**	468
		36,171	17,066
Less: Amounts capitalised			
– Development properties	8	**(4,831)**	(4,948)
– Investment properties	10	**(3,811)**	(2,932)
		(8,642)	(7,880)
		27,529	9,186

Borrowing costs capitalised as cost of properties under development relate to borrowings taken up to finance each project.

24 FAIR VALUE ADJUSTMENTS

	Note	Group 2015 $'000	Group 2014 $'000
Fair value (loss)/gain from:			
Subsidiaries		**(7,929)**	3,264
Share of equity accounted investees	12	**(120)**	3,205
		(8,049)	6,469
Represented by:			
Fair value (loss)/gain in respect of:			
– investment properties		**(7,929)**	6,340
– financial instrument		**(120)**	129
		(8,049)	6,469

The fair value adjustment is analysed as follows:

	Note	Group Gross $'000	Group Deferred tax $'000	Group Net $'000
2015				
Fair value (loss)/gain on investment properties				
Subsidiaries	10	**(7,929)**	**2,723**	**(5,206)**
Fair value loss on financial instruments				
Share of equity accounted investees	12	**(120)**	**–**	**(120)**
		(8,049)	**2,723**	**(5,326)**
2014				
Fair value gain on investment properties				
Subsidiaries	10	3,264	–	3,264
Share of equity accounted investees	12	3,076	(876)	2,200
		6,340	(876)	5,464
Fair value gain on financial instruments				
Share of equity accounted investees	12	129	(174)	(45)
		6,469	(1,050)	5,419

25 PROFIT BEFORE TAX

Other than disclosed elsewhere in these financial statements, profit before tax for the year has been arrived at after charging/(crediting) the following:

	Group	
	2015 $'000	**2014 $'000**
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]	**7,701**	1,078
Net (gain)/loss on disposal of property, plant and equipment [included in other operating income/(expenses)]	**(62)**	3
Plant and equipment written off [included in other operating expenses]	**–**	18
Allowance for diminution in value for development properties [included in other operating expenses]	**8,935**	–
Allowance/(write-back of allowance) for doubtful receivables, net [included in other operating income/(expenses)]	**197**	(1)
Allowance for inventory obsolescence, net [included in other operating income/(expenses)]	**89**	75
Adjustment arising from selective capital reduction of an associate [included in other operating expenses]	**–**	136
Negative goodwill on acquisition [included in other operating income]	**–**	(26,924)
Acquisition related expenses [included in other operating expenses]	**–**	17,759
Foreign exchange gain, net [included in other operating income/(expenses)]	**(168)**	(372)
Cost of inventories recognised as an expense	**122,232**	132,727
Auditors' remuneration		
Audit fees		
– Auditors of the Company	**322**	318
– Other auditors	**185**	207
Non-audit fees		
– Auditors of the Company	**67**	49
– Other auditors	**551**	143
Directors' remuneration		
Of the Company		
– Salaries and wages	**1,511**	1,459
Of the subsidiaries		
– Salaries and wages	**1,946**	2,189
– Defined contribution plans	**52**	55
	3,509	3,703
Employees benefit expenses (excluding directors' remuneration)		
– Salaries and wages	**12,652**	12,273
– Defined contribution plans	**940**	808
– Others	**28**	15
	13,620	13,096

Non-audit fees for 2015 relates mainly to tax compliance and tax consultancy services incurred in China, Indonesia and Australia of which $415,000 was for work performed in 2014. The Audit and Risk Committee had reviewed the non-audit services provided by the auditors, Deloitte & Touche LLP, Singapore and the overseas practices of Deloitte Touche Tohmatsu Limited and was of the opinion that these services would not affect the independence of the auditors.

26 INCOME TAX EXPENSES

	Note	Group 2015 $'000	Group 2014 $'000
Current income tax			
– Singapore		**2,606**	1,285
– Foreign		**3,540**	279
– (Over)/Under provision in prior years		**(819)**	2,695
		5,327	4,259
Withholding tax expense		**562**	35
Deferred tax	17	**5,646**	10,093
		11,535	14,387

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

The reconciliation between the tax expense reported and the product of accounting profit multiplied by the applicable tax rate is as follows:

	Group 2015 $'000	Group 2014 $'000
Profit before income tax	**80,654**	75,973
Income tax calculated at 17% (2014: 17%)	**13,711**	12,915
Adjustments:		
Share of results of equity-accounted investees	**(1,136)**	(3,942)
Expenses not deductible for tax purposes	**2,282**	2,894
Tax losses not recognised as deferred tax assets	**602**	39
Tax losses not available for set-off against future income	**4**	13
Different tax rates of subsidiaries operating in other jurisdictions	**341**	8,040
Income that is not subject to tax	**(2,143)**	(3,030)
Utilisation of tax losses and capital allowance previously unrecognised	**(1,950)**	(4,949)
(Over)/Under provision in prior years	**(819)**	2,695
Withholding tax expense	**562**	35
Others	**81**	(323)
	11,535	14,387

27 EARNINGS PER SHARE

Analysis of the Group's profit from operations and fair value adjustments are as follows:

		Group		
	Note	Before fair value adjustments $'000	Fair value adjustments $'000	After fair value adjustments $'000
2015				
Profit before tax		**88,703**	**(8,049)**	**80,654**
Income tax expenses	26	**(14,258)**	**2,723**	**(11,535)**
Profit for the year		**74,445**	**(5,326)**	**69,119**
Less:				
Non-controlling interests		**(286)**	**–**	**(286)**
Profit attributable to owners of the Company		**74,159**	**(5,326)**	**68,833**
2014				
Profit before tax		69,504	6,469	75,973
Income tax expenses	26	(13,337)	(1,050)	(14,387)
Profit for the year		56,167	5,419	61,586
Less:				
Non-controlling interests		(417)	–	(417)
Profit attributable to owners of the Company		55,750	5,419	61,169

The calculation of the basic and diluted earnings per share attributable to the ordinary owners of the Company is based on the following data:

	Group	
	2015 $'000	2014 $'000
Profit attributable to owners of the Company		
Before fair value adjustments	**74,159**	55,750
Fair value adjustments	**(5,326)**	5,419
After fair value adjustments	**68,833**	61,169
Basic and diluted earnings per share (cents)		
Excluding fair value adjustments	**6.3**	4.7
Including fair value adjustments	**5.8**	5.2
Weighted average number of ordinary shares (in '000 shares) for the purpose of computation of basic and diluted earnings per share	**1,177,545**	1,174,518

There is no dilutive ordinary share in 2015 and 2014.

28 OTHER COMPREHENSIVE INCOME

	Note	Group Before tax $'000	Deferred tax $'000	After tax $'000
2015				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of property	9	**22,447**	**(6,719)**	**15,728**
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**(4,893)**	**–**	**(4,893)**
Cash flow hedging account		**(904)**	**271**	**(633)**
		16,650	**(6,448)**	**10,202**
2014				
Other comprehensive loss				
Items that will not be reclassified subsequently to profit or loss				
Share of asset revaluation reserve of equity accounted investees	12	2,173	(276)	1,897
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(7,020)	–	(7,020)
Share of cash flow hedging account of equity accounted investees	12	2,489	(316)	2,173
		(2,358)	(592)	(2,950)

During the year, the Group entered into interest rate swap contracts to hedge its interest rate risk exposures. Derivatives that are designated and effective as hedging instruments are carried at fair value.

29 ACQUISITION OF SUBSIDIARY

Business combination in 2014

On 2 December 2014, the Group acquired the remaining 50% interest in Grand Hotel Group ("GHG") through its wholly-owned subsidiary, Tuan Sing Real Estate Pty Limited for a cash consideration of A$125,752,000 (equivalent to S$140,373,000). The Group previously held a 50% interest in GHG and had equity-accounted for the investment. GHG owns two hotel properties in Australia, namely, Grand Hyatt Melbourne and Hyatt Regency Perth. With this acquisition, GHG has since become wholly owned by the Group.

GHG comprises Grand Hotel Trust and its controlled entities (collectively known as "GHT") and Grand Hotel Company Limited and its controlled entities (collectively known as "GHC"). The units in GHT are stapled to the shares in GHC.

An amount of $26,924,000 was recognised as negative goodwill and included in other operating income in profit or loss, being the excess of the fair value of the net assets acquired over the purchase consideration [note 25].

Between 2 December 2014 and 31 December 2014, the acquired business contributed revenue of $12,023,000 and profit of $1,574,000 to the Group's results. Had the business combination taken place at the beginning of the year, the Group's revenue for the year would have increased by $145,436,000 and the Group's profit for the year would have increased by $11,833,000.

29 ACQUISITION OF SUBSIDIARY (CONT'D)

Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

	2014 **$'000**
Current assets	
Cash and bank balances	38,056
Trade and other receivables	13,941
Inventories	771
Non-current assets	
Property, plant and equipment	414,040
Investment properties	253,329
Deferred tax assets	2,206
Current liabilities	
Trade and other payables	(28,802)
Income tax payable	(173)
Non-current liabilities	
Long term borrowings	(358,259)
Deferred tax liabilities	(115)
Other non-current liabilities	(400)
Total net identified assets at fair value	334,594
Fair value of amount previously equity accounted for as a joint venture	(167,297)
Consideration paid	(140,373)
Negative goodwill	26,924

Acquisition-related costs

In 2014, acquisition-related costs of $17,759,000 had been excluded from the consideration paid and were recognised as "other operating expenses" in profit or loss [note 25]. Stamp duty formed the bulk of the acquisition-related costs in 2014.

Net cash outflow on acquisition of subsidiary

	2014 **$'000**
Consideration paid	140,373
Less: Cash and bank balances acquired	(38,056)
Net cash outflow on acquisition	102,317

30 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party transactions disclosed elsewhere in the financial statements, the Group has the following significant related party transactions with the major shareholders, associates and the Directors of the Company and their associates:

	Group	
	2015 **$'000**	**2014** **$'000**
Transactions with major shareholders		
Sale of products and services rendered	**4,763**	9,847
Sale of a development property	**952**	783
Rental income	**1,779**	1,344
Interest income	**450**	352
Purchase of products	**(37,285)**	(46,058)
Transactions with associates		
Management fee income	**180**	180
Rental income	**344**	344
Interest income	**–**	28
Purchase of products	**–**	(100)
Transactions with Directors of the Company and their associates		
Sale of development properties	**1,897**	1,035

The Company's major shareholder is Nuri Holdings (S) Pte Ltd ("Nuri"), incorporated in Singapore. Related party transactions with major shareholder refer to transactions with the companies in which the shareholders of Nuri and their family members have a controlling interest in. The related party transactions are entered into in the normal course of business based on terms agreed between the parties.

At the end of the reporting year, the Group had commitments to lease certain commercial properties to Nuri, and associates of the Group. These non-cancellable operating leases had remaining lease terms of between 1 month and 26 months (2014: 1 to 25 months). Future minimum lease receivables under these leases not recognised as receivables at the end of each reporting period were as follows:

Commitment with related parties

	Group	
	2015 **$'000**	**2014** **$'000**
Commitment with major shareholders		
Sale of development properties	**645**	3,494
Operating leases		
– Within one year	**2,758**	998
– After one year but not more than five years	**4,282**	1,572
– After five years	**2,822**	3,212
	9,862	5,782

Remuneration of directors and key management personnel

	Group	
	2015 **$'000**	**2014** **$'000**
Short-term benefits and fees	**3,457**	3,648
Post-employment benefits (defined contribution plan)	**52**	55
	3,509	3,703

31 COMMITMENTS

Capital commitments

	Group	
	2015	**2014**
	$'000	**$'000**
Development and investment properties expenditure contracted for but not provided in the financial statements	**183,671**	165,804
Capital expenditure contracted for but not provided in the financial statements	**1,375**	1,676
Share of commitments of equity-accounted investees		
– Capital expenditure contracted for but not provided in the financial statements	**227**	1,890
– Acquisition of shares	**18,725**	–

<u>Share of commitment on acquisition of shares</u>

On 31 December 2015, the Company's 44.5%-owned associated company, Gul Technologies Singapore Ltd, has through its wholly-owned subsidiary, Gultech International Pte Ltd, entered into an agreement with a related company, Anhui Prime Cord Fabrics Company Ltd, to acquire the remaining 38.6% of the issued share capital of Gultech (Suzhou) Electronics Co., Ltd for a cash consideration of S$42,098,000 (RMB194,000,000). The Group's share of commitment in the acquisition is S$18,725,000 (RMB86,291,000).

Operating lease commitments – where the Group is a lessor

The Group entered into commercial property leases on its investment property portfolio, consisting of commercial and industrial buildings under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. As at the end of the reporting period, these non-cancellable leases had remaining lease terms of between one and twelve years (2014: one and nine years).

The future minimum lease receivables under non-cancellable operating leases contracted for at the end of each reporting period but not recognised as receivables were as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Within one year	**32,120**	29,928
After one year but not more than five years	**52,086**	69,503
After five years	**3,249**	7,378
	87,455	106,809

Operating lease commitments – where the Group is a lessee

The Group leases office premises, warehouse, and workshops under non-cancellable operating lease agreements. The leases have varying terms and renewal rights. They are generally negotiated for a term of 1 to 2 years and rentals are generally fixed for the same periods. Payment recognised as an expense during the year was $343,000 (2014: $503,000).

The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities were as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Within one year	**459**	750
After one year but not more than five years	**–**	423
	459	1,173

31 COMMITMENTS (CONT'D)

Derivative financial instrument

SP Corp, a listed subsidiary of the Group, utilised currency derivatives to hedge significant future transactions and cash flows. At the end of the reporting year, the total notional amount of outstanding forward foreign exchange contracts to which the Group was committed were as follows:

	Group	
	2015 $'000	2014 $'000
Foreign currency forward contracts	**18,900**	11,400

In 2015 and 2014, the change in the fair value of non-hedging currency derivative was insignificant and hence its amount was not charged to profit or loss.

32 CONTINGENT LIABILITIES

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	**–**	–	**637,928**	837,879

The Group recognised a financial guarantee of $5,853,000 granted to its associate, Pan-West, equivalent to the Group's share of corporate guarantees given to certain banks to secure credit facilities of Pan-West and its subsidiary [note 12]. As the liabilities had been recognised, there were no contingent liabilities as at the reporting date.

33 FINANCIAL RISK MANAGEMENT

Financial risk management policies and objectives

The Group has documented financial risk management policies approved by the Board of Directors. The policies consist of guidelines and rules to identify and manage periodically significant risks that might affect the achievement of business objectives, outputs, projects or operating processes at the Group, subsidiary or business unit level. Guidelines and rules are reviewed annually by the Group to ensure that they remain relevant. The Group's overall risk management program seeks to minimise potentially adverse effects on financial performance of the Group.

The Group's risk management process is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile. The key risks relating to financial management include foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and investing cash in excess of short-term operational requirement.

Factors behind financial risks

The Group's activities expose it to a variety of financial risks – market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group seeks to minimise potentially adverse effects arising from the unpredictability of the financial markets on the Group's financial performance.

The Group's financial instruments comprise loans and borrowings, cash and liquid resources, trade and other receivables, trade and other payables that arise directly from its operations. The Group manages its exposure to currency and interest rate risks by using a variety of techniques and instruments as described in note 33(a) and 33(b) to the financial statements.

Natural hedging is preferred by matching assets and liabilities of the same currency. Derivative financial instruments are only used where it is necessary to reduce the Group's exposure to fluctuations in foreign exchange and interest rates or to comply with covenants imposed by banks. While these financial instruments are subject to risk of change in market rates subsequent to their acquisition, such changes are generally offset by opposite effects on the items being hedged. The Group does not hold or issue derivative financial instruments for speculative purposes. The Group is not exposed to any equity-price risk.

There has been no major change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analyses indicated in note 33(a) and note 33(b) to the financial statements.

33 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments

The table below sets out the financial instruments at the end of the reporting year:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Loans and receivables (including cash and bank balances)	**272,924**	336,336	**286,180**	366,670
Financial liabilities				
Loans and payables – amortised cost	**1,212,237**	1,447,754	**376,059**	403,754
Financial guarantee contracts	**–**	–	**6,722**	13,492
	1,212,237	1,447,754	**382,781**	417,246
Derivative financial instruments	**904**	–	**–**	–
	1,213,141	1,447,754	**382,781**	417,246

(a) Currency risk

The Group's subsidiaries operate mainly in Singapore, Australia, China, Malaysia and Indonesia. As for its associates, GulTech operates mainly in China and Singapore; Pan-West operates mainly in Singapore and Malaysia. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the Singapore dollar ("SGD"), Australian dollar ("AUD"), United States dollar ("USD") and Malaysian Ringgit ("MYR"). Currency risk arises when transactions are denominated in foreign currencies.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations mainly in Australia and China. As far as possible, the Group relies on natural hedges of matching foreign assets and liabilities of the same currency.

SP Corp, a listed subsidiary of the Group, uses forward foreign exchange contracts to protect against the effect of volatility in foreign currency exchange rates on foreign currency denominated assets and liabilities arising in the normal course of business. SP Corp enters into forward exchange contracts with maturities of less than twelve months. Further details on the forward exchange contracts are disclosed in note 31 to the financial statements.

The Group does not enter into currency options and does not use forward foreign exchange contracts for speculative trading purposes.

33 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Currency risk (cont'd)

Currency risk exposure

At the end of the reporting year, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective entities' functional currencies were as follows:

	SGD $'000	USD $'000	AUD $'000	Others $'000
Group				
At 31 December 2015				
Financial assets				
Cash and bank balances	**176**	**7,227**	**1**	**63**
Trade and other receivables	**74**	**620**	**–**	**90**
	250	**7,847**	**1**	**153**
Financial liabilities				
Trade and other payables	**(19,248)**	**(4,222)**	**–**	**–**
Net financial (liabilities)/assets	**(18,998)**	**3,625**	**1**	**153**
Less:				
Forward foreign exchange contracts	**18,900**	**–**	**–**	**–**
Net currency exposure	**(98)**	**3,625**	**1**	**153**
At 31 December 2014				
Financial assets				
Cash and bank balances	2,595	6,171	1,123	9
Trade and other receivables	72	1,562	–	85
	2,667	7,733	1,123	94
Financial liabilities				
Trade and other payables	(18,090)	(5,491)	–	–
Net financial (liabilities)/assets	(15,423)	2,242	1,123	94
Less:				
Forward foreign exchange contracts	11,400	–	–	–
Net currency exposure	(4,023)	2,242	1,123	94

At the end of the reporting year, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency were as follows:

	2015		2014	
	AUD $'000	MYR $'000	AUD $'000	MYR $'000
Company				
Financial assets				
Amounts due from subsidiaries	**–**	**489**	–	434
Financial liabilities				
Amounts due to subsidiaries	**(228)**	**–**	(228)	–
Net currency exposure	**(228)**	**489**	(228)	434

33 FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Currency risk (cont'd)

Sensitivity analysis for currency risk

The following table details the sensitivity to a 10% increase/decrease in the relevant foreign currencies against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where they gave rise to an impact on the Group's profit or loss and/or equity.

If the relevant foreign currency weakens by 10% against the functional currency of each group entity, profit or loss may increase (decrease) by:

	SGD		USD		AUD		Others	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**	**2015 $'000**	**2014 $'000**
Group								
Profit or loss	**37**	402	**(363)**	(224)	**(1)**	(112)	**(15)**	(9)
Company								
Profit or loss	**–**	–	**–**	–	**23**	23	**(49)**	(43)

The strengthening of the relevant foreign currency against the functional currency of each group entity at the end of the reporting year would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(b) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument may fluctuate because of changes in interest rates in the market. Fair value interest rate risk is the risk that the fair value of a financial instrument may fluctuate due to such changes.

The Group's exposure to cash flow interest rate risk arises mainly from bank borrowings. The Group aims to optimise net interest cost and to reduce volatility in the finance cost. The Group borrows mainly variable rate debts with varying tenures. A summary of the Group's interest-bearing financial instruments is disclosed in note 33(d) to these financial statements.

Other than those disclosed below, the Group does not use derivative financial instruments to hedge fluctuations in interest rates for its borrowings.

Sensitivity analysis for interest rate risk

The sensitivity analysis below is based on the exposure to interest rates for non-derivative instruments at the end of the reporting year and assumes that the change took place at the beginning of the financial year and was held constant throughout the reporting year. The magnitude represents the Group's assessment of the likely movement in interest rates under normal economic conditions.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit after tax would decrease or increase by $9,610,000 (2014: decrease or increase by $12,438,000).

The Company's profit or loss was not affected by changes in interest rates as the Company did not have any borrowings or inter-company loans that are at variable rates.

33 FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a mean of mitigating the risk of financial loss from such defaults. Credit risk on cash and bank balances and derivative financial instrument is limited as these balances are placed with or transacted with institutions of repute. The Group manages these risks by monitoring credit worthiness and limiting the aggregate use to any individual counterparty. The Group does not expect to incur material credit losses on its financial instruments.

There was no significant concentration of credit risk with respect to trade receivables at the end of the reporting year because of the Group's large number of customers who are in turn geographically dispersed and from a fairly diverse spectrum of industries. The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained and the guarantees given by the Group to banks in respect of bank facilities utilised by an associate.

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

	Group	
	2015	**2014**
	$'000	**$'000**
By geographical area		
Singapore	**76,011**	26,762
Australia	**3,815**	4,827
China	**4,221**	4,230
Malaysia	**2,847**	1,943
Indonesia	**12,970**	12,789
USA	**238**	152
Other ASEAN countries	**53**	625
Others	**331**	598
	100,486	51,926
By type of customers		
Related parties	**5,805**	4,001
Non-related parties	**94,681**	47,925
	100,486	51,926
By industry sector		
Property	**49,586**	5,212
Hotel	**4,472**	6,247
Industrial services	**46,428**	40,467
	100,486	51,926

33 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and borrowings with different tenures. Due to the dynamic nature of the businesses the Group is in, the Group aims at maintaining flexibility in funding and keeping adequate committed credit facilities available.

Analysis for liquidity and interest risk – non-derivative financial liabilities

The following tables detail the effective annual interest rates and the remaining contractual maturity for non-derivative financial liabilities at the end of the reporting year.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents possible future cash flow attributable to the instruments included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statements of financial position.

	Effective interest rate %	On demand or less than 1 year $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Group							
31 December 2015							
Non-interest bearing	**–**	**105,541**	**362**	**–**	**–**	**–**	**105,903**
Fixed interest rate instruments	**4.5**	**3,600**	**3,600**	**86,420**	**–**	**(14,216)**	**79,404**
Variable interest rate instruments	**1.7-3.4**	**443,871**	**7,812**	**598,688**	**6,532**	**(29,973)**	**1,026,930**
		553,012	**11,774**	**685,108**	**6,532**	**(44,189)**	**1,212,237**
31 December 2014							
Non-interest bearing	–	102,458	423	–	–	–	102,881
Fixed interest rate instruments	4.5	3,600	3,600	90,021	–	(17,946)	79,275
Variable interest rate instruments	1.1-3.5	210,650	687,273	384,102	7,610	(24,037)	1,265,598
		316,708	691,296	474,123	7,610	(41,983)	1,447,754
Company							
31 December 2015							
Non-interest bearing	**–**	**296,655**	**–**	**–**	**–**	**–**	**296,655**
Fixed interest rate instruments	**4.5**	**3,600**	**3,600**	**86,420**	**–**	**(14,216)**	**79,404**
Financial guarantee contracts	**–**	**637,928**	**–**	**–**	**–**	**(631,206)**	**6,722**
		938,183	**3,600**	**86,420**	**–**	**(645,422)**	**382,781**
31 December 2014							
Non-interest bearing	–	324,479	–	–	–	–	324,479
Fixed interest rate instruments	4.5	3,600	3,600	90,021	–	(17,946)	79,275
Financial guarantee contracts	–	837,879	–	–	–	(824,387)	13,492
		1,165,958	3,600	90,021	–	(842,333)	417,246

33 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

Analysis for liquidity and interest risk – non-derivative financial liabilities (cont'd)

At the end of the reporting year, the maximum amount that the Company could be forced to settle under the financial guarantee contracts if the full guaranteed amounts were claimed by the counterparty to the various guarantees, was $637,928,000 (2014: $837,879,000). The earliest time that a guarantee could be called is as and when the guarantee is claimed by the counterparty.

As at the end of the reporting year, the Group's total obligation on guarantees in connection with Pan-West's bank facilities amounted to $5,853,000 (2014: $5,853,000). The earliest time that a guarantee could be called is as and when the guarantee is claimed by the counterparty.

Analysis for liquidity and interest risk – non-derivative financial assets

The following tables detail the effective annual interest rates and the expected maturity for non-derivative financial assets at the end of the reporting year. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different year. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial assets on the statements of financial position.

	Effective interest rate %	On demand or less than 1 year $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Group							
31 December 2015							
Non-interest bearing	**–**	**134,875**	**736**	**–**	**10**	**–**	**135,621**
Variable interest rate instruments	**0.1-0.3**	**65,946**	**–**	**–**	**–**	**(9)**	**65,937**
Fixed interest rate instruments	**0.3-4.8**	**39,064**	**–**	**32,550**	**–**	**(248)**	**71,366**
		239,885	**736**	**32,550**	**10**	**(257)**	**272,924**
31 December 2014							
Non-interest bearing	–	85,128	2,499	–	10	–	87,637
Variable interest rate instruments	0.2-1.3	27,916	–	–	–	(11)	27,905
Fixed interest rate instruments	0.3-4.7	221,156	–	–	–	(362)	220,794
		334,200	2,499	–	10	(373)	336,336
Company							
31 December 2015							
Non-interest bearing	**–**	**286,180**	**–**	**–**	**–**	**–**	**286,180**
31 December 2014							
Non-interest bearing	–	366,670	–	–	–	–	366,670

33 FINANCIAL RISK MANAGEMENT (CONT'D)

(d) Liquidity risk (cont'd)

Analysis for liquidity risk – derivative financial instruments

The following table details a liquidity analysis for derivative financial instruments the Group had entered into at the end of the reporting year. The table has been drawn up based on the undiscounted net cash outflows on the derivative instruments that settle on a net basis and the undiscounted gross inflows on those derivatives that require gross settlement.

	On demand or less than 1 year $'000	Within 1 to 2 years $'000	Within 2 to 5 years $'000	Over 5 years $'000	Adjustment $'000	Total $'000
Group						
31 December 2015						
Gross settled:						
Foreign exchange forward contracts	**271**	**–**	**–**	**–**	**–**	**271**
31 December 2014						
Gross settled:						
Foreign exchange forward contracts	(106)	–	–	–	–	(106)

(e) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and payables, provisions and other liabilities approximated their respective fair values due to their relative short-term maturity.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements. The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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 (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At the end of each reporting year, the Group and the Company's interest rate swap was measured based on Level 2.

(f) Capital risk

In managing capital, the Group's objectives are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to provide appropriate returns to shareholders and benefits for other stakeholders through pricing its products and services at levels commensurate with the level of risks it is exposed to.

33 FINANCIAL RISK MANAGEMENT (CONT'D)

(f) Capital risk (cont'd)

The capital structure of the Group consists of loans and borrowings disclosed in note 13, issued capital, reserves and retained earnings disclosed in notes 18 and 19 to the financial statements. In order to maintain or achieve an optimal capital structure, the Group may issue new shares, obtain new borrowings, sell assets to reduce borrowings, pay or adjust the amount of dividend payment or return capital to shareholders. The Group's overall strategy remains unchanged from the prior years.

The Group monitors capital risks through measuring the Group's gross gearing and net gearing. The Group's gross gearing is calculated as total borrowings divided by total equity, whilst net gearing is calculated as net borrowings divided by total equity. Net borrowings are calculated as total borrowings as disclosed in note 13, less cash and bank balances as disclosed in note 5 to the financial statements.

	Group	
	2015 $'000	**2014 $'000**
Total borrowings	**1,106,334**	1,344,872
Total equity	**887,457**	813,047
Gross gearing (times)	**1.25**	1.65
Net borrowings	**964,617**	1,092,602
Total equity	**887,457**	813,047
Net gearing (times)	**1.09**	1.34

34 LISTING OF SIGNIFICANT SUBSIDIARIES

Information relating to the significant subsidiaries is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation/ establishment	Effective equity interest & voting power held by the Group 2015 %	2014 %
Significant subsidiaries directly held by the Company					
Asiaview Properties Pte Ltd		Property investment	Singapore	**100**	100
Asplenium Land Pte. Ltd.		Property development	Singapore	**100**	100
Clerodendrum Land Pte. Ltd.		Property development	Singapore	**100**	100
Oxley Development Pte Ltd		Property investment	Singapore	**100**	100
SP Corporation Limited		Investment holding	Singapore	**80.2**	80.2
Superluck Properties Pte Ltd		Property investment	Singapore	**100**	100

34 LISTING OF SIGNIFICANT SUBSIDIARIES (CONT'D)

Name of company	Note	Principal activities	Country of incorporation/ establishment	Effective equity interest & voting power held by the Group 2015 %	Effective equity interest & voting power held by the Group 2014 %
Significant subsidiaries indirectly held by the Company					
39 Robinson Road Pte. Ltd.		Property investment	Singapore	**100**	100
Globaltraco International Pte Ltd		Distribution of tyres	Singapore	**80.2**	80.2
Grand Hotel Group	(i)	Property investment	Australia	**100**	100
Habitat Properties (Shanghai) Ltd.	(ii)	Property development	China	**100**	100
Shelford Properties Pte Ltd		Property development	Singapore	**100**	100
SP Resources International Pte. Ltd.		Trading of industrial products	Singapore	**80.2**	80.2

All subsidiaries in Singapore are audited by Deloitte & Touche LLP, Singapore.

Notes

(i) Audited by overseas practices of Deloitte Touche Tohmatsu Limited. On 2 December 2014, Grand Hotel Group became wholly-owned by the Group following its acquisition of the remaining 50% interest in GHG [note 29].

(ii) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

35 LISTING OF SIGNIFICANT ASSOCIATES

Associates are those in which the Group has significant influence, but not control in the operating and financial policy decisions.

Information relating to the significant associates is disclosed as below:

Name of company	Note	Principal activities	Country of incorporation	Effective equity interest & voting power held by the Group 2015 %	Effective equity interest & voting power held by the Group 2014 %
Gul Technologies Singapore Ltd	(i)	Manufacture of printed circuit boards	Singapore	**44.5**	44.5

Note

(i) Audited by Deloitte & Touche LLP, Singapore.

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Non-Executive Chairman

Tan Enk Ee
CEO & Vice Chairman

Lin Xinyu/林新宇
CFO

Gong Horng Lin/龚鸿琳
COO

Jeremy Chee Kok Leong/朱国樑
Senior Vice President, Sales & Marketing (US & Europe)

Lai Fu Hsin/赖福兴
Vice President, Operations (Wuxi)

Jack Wang Jue/王珏
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Julian Tan
Financial Controller

Heng Lye Guan
Division Manager (Malaysia)

Tan Yen Ling
Finance Manager (Malaysia)

GLOSSARY
术语汇编

1Q, 2Q, 3Q, 4Q
一季度，二季度，三季度，四季度
Period for 1 January to 31 March, 1 April to 30 June, 1 July to 30 September, and 1 October to 31 December, respectively
分别为1月1日至3月31日，4月1日至6月30日，7月1日至9月30日，和10月1日至12月31日的季度

2012 Code
企业监管守则
Code of Corporate Governance 2012
2012企业监管守则

A

AGM
常年大会
Annual general meeting of the Company
公司的常年大会

Annual Report
年度报告
2015 Tuan Sing annual report
2015传慎年度报告

ASEAN
亚细安
Association of Southeast Asian Nations
东南亚国家联盟或东盟

B

Board
董事會
The Board of Directors of the Company currently in office
当前的公司董事会

C

Cash equivalents
现金等价物
Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value
短期、流动性强、易于转换为已知金额现金、价值变动风险小的投资

Cash flow hedge
现金流量套期
A hedge on the exposure to variability in cash flows that (i) is attributable to a particular risk associated with a recognised asset or liability (such as all or some future interest payments on variable rate debt) or a highly probable forecast transaction and (ii) could affect profit or loss
指对现金流量变动风险进行的套期，该类现金流量变动(i)源于已确认资产或负债(如浮动利率债务的全部或部分未来利息支付)或高发生率的预期交易(ii)足以影响企业的损益

Cash-generating units
现金产生单位
The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets
可产生现金流入的并持续使用的最小可辨认资产组合；基本上其现金流入不取决于其他资产或者资产组

CEO
首席执行长
Chief Executive Officer
首席执行长

CFO
首席财务长
Chief Financial Officer
首席财务长

Company or **Tuan Sing**
公司或传慎
Tuan Sing Holdings Limited (Registration No 196900130M)
传慎控股(公司注册号：196900130M)

Companies Act or **Act**
公司法
The Singapore Companies Act, Chapter 50, as amended or modified from time to time
新加坡公司法，第50章，及其修订或增删版

Contingent liabilities
或有负债
Possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise
指过去的交易或事项形成的潜在义务，其存在须通过未来不确定事项的发生或不发生予以证实，且非企业主体所能控制

D

Derivative instrument
衍生工具
A financial instrument or contract with another party (counterparty) that is structured to meet any of a variety of financial objectives, including those related to fluctuations in interest rates, currency exchange rates or commodity prices. Forwards and swaps are the most common derivative instruments the Group employs
一种金融工具或根据事先约定的事项进行支付的双边合约，其合约价格取决于或派生于原生金融工具的价格及其变化包括有关波动利率、货币汇率或商品的价格。远期合同和掉期交易是集团目前最常用的衍生工具

Dividend payout ratio
股息支付率
The ratio shows the percentage of earnings paid to shareholders as dividends. It provides an indication of how much money a company is returning to shareholders versus how much money it is keeping on hand to reinvest in growth, pay off debt or add to cash reserves to maintain optimal capital structure.
股息支付率是指净收益中股利所占的百分比重。它反映公司在综合考量资金需求、借贷风险后的最佳资本结构并进而决定的股利分配政策

GLOSSARY
术语汇编

Dividend yield
股息收益率
The ratio indicates how much a company pays out in dividends each year relative to its share price. In the absence of any capital gains, the dividend yield is effectively the return on investment
股息收益率是股息与股票价格之间的百分比率。在无资本收益时，股息率即等于投资收益率

Directors
董事
The directors of the company
公司董事

E

Earnings per share or EPS
每股净利
The portion of profits earned for each ordinary share. Earnings per share serves as an indicator of a company's profitability and is calculated based on net profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the year
指每个普通股所赚取的税后利润。每股净利是测定公司盈利的指标，其计算基于可归属股东税后净利除以年内已发行普通股的加权均数

Effective tax rate
有效税率
Income tax expense as a percentage of profit before tax. Does not represent cash paid for income tax in the current accounting period
所得税费用占总税前利润的百分比。并不代表在本期以现金实际缴付的所得税

Enterprise Risk Management or ERM
企业风险管理
A structured and disciplined approach aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing risks
以有系统和严格编制的方式，串联策略，流程，人员，技术和知识以便有效评估和管理风险

Entity at risk
在险实体
As defined in the Listing Manual under Rule 904(2)
根据上市手册第904(2)条的定义

Equity
权益
Essentially the amount of money that has been put into the business by the owners of the business, and all retained earnings and reserves.
本质上包括企业投资人投入的原始资本，以及所有未分配利润和储备

Executive Director
执行董事
The director of the company who performs an executive, managerial and administrative function
有执行，管理及行政职能的公司董事

F

Fair value hedge
公允价值套期
A hedge on the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss
指对已确认资产或负债、尚未确认的确定承诺，或该资产、负债或确定承诺中可辨认的一部分的公允价值变动风险影响损益而进行的套期

Financial Statements
财务报表
Audited financial statements of Tuan Sing Group for the financial year 2015
传慎集团2015财政年度经审计的财务报表

Foreign currencies
外币
Currencies other than the respective functional currency of the entity
功能性货币以外的货币均为外币

Forward contracts
远期合约
Fixed price contracts for purchase or sale of a specified quantity of a commodity, security, currency or other financial instrument with delivery and settlement at a specified future date
合约双方同意在未来日期按照固定价格购买或出售指定数量的商品，证券，货币或其他金融产品，承诺以当前约定的条款在未来进行交付和结算的合约

Free cash flow
自由现金流
Operating cash flow + investing cash flow
经营性活动和投资性活动产生的现金流量总和

Functional currency
功能性货币
The currency of the primary economic environment in which the entity operates
企业经营环境中所使用的货币为功能性货币

FY
财政年度
Financial year ended 31 December
截至12月31日的财政年度

G

Gearing 本债比 Gearing is defined as the ratio of borrowings to equity. A high gearing would signify borrowings are high in relation to equity capital
指公司债务与股本的比例。高本债比意味着借款相对高予权益资本

GHG 豪华酒店 Grand Hotel Group
豪华酒店集团

Goodwill 商誉 Premium paid for acquisition of a business. It is calculated as the sum of consideration transferred less the fair value of net assets acquired (net assets are identified tangible and intangible assets, less liabilities assumed)
在企业合并时支付的溢价。它的计算方式为收购被并企业投资成本减去其净资产的公允价值(净资产是指被标识的有形和无形资产减去承担的负债)

GRI 全球报告倡议组织 Global Reporting Initiative is an international independent standards organisation that develops and disseminates globally applicable "Sustainability Reporting Guidelines" for voluntary adoption by organisation
全球报告倡议组织是为了促进全球可持续发展报告的发展而成立的一个国际组织,其主要任务是制定和推广《可持续发展报告指南》

GulTech 高德 Gul Technologies Singapore Ltd and its subsidiaries
高科技新加坡有限公司及其子公司

H

Hedge 套期保值 A risk management tool designed to offset changes in fair value or cash flows
为抵消公允价值或现金流量的波动而设计的风险管理工具

Hypak Hypak Sdn. Berhad
Hypak私人有限公司

I

INT FRS 财务报告准则的解释 Interpretations of FRS
财务报告准则的释文

Interested person 关联人士 As defined in the Listing Manual under Rule 904(4)
根据上市手册第904(4)条的定义

Interested person transaction or IPT 关联人士交易 A transaction between an entity at risk and an interested person whether or not in the ordinary course of business, and whether or not entered into directly or indirectly
在险实体(即公司)与利害关联方之间所进行的直接或间接的并不限于正常业务的交易

Interest rate swap 利率掉期 Interest rate swap is an agreement under which two counterparties agree to exchange on type of interest rate cash flow for another. In a typical arrangement, one party will periodically pay a fixed amount of interest, in exchange for which that party will receive variable payments computed using a published index
指两个主体之间签订的协议，约定在规定时期内的一系列时点上按照事先敲定的规则交换一笔现金流。通常情况下，一方提供固定利息以换取另一方支付根据浮动利率换算的现金

ISO31000 风险管理国际标准 Family of standards relating to risk management as codified by the International Organization for Standardization. ISO 31000:2009 provides principles and generic guidelines on risks management
国际标准化组织编制的标准化认证程序之一。ISO 31000提供风险管理原则和实施指南

L

Listing Manual 上市手册 The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
新加坡交易所上市手册，及其修订或增删版

M

Market capitalisation 市值 The total dollar value of all outstanding shares. It is computed as the number of shares in issue multiplies the current market price. Capitalisation is a measure of corporate size
所有流通股的总市场价值。其计算方式为股票的发行数量乘以当前的市场价格。市值用以衡量企业规模

GLOSSARY
术语汇编

Multicurrency Medium Term Note ("MTN") Programme **多种货币中期票据计划**	A programme set up by corporations for issuing debt notes with maturity periods usually between 3 to 10 years. Information memorandum would normally include the business of the issuer, financial disclosure, its risks, arrangements between the issuer, arranger, dealer, and trustee, etc. Under such programme, an issuer is usually allowed to issue different notes of different durations and at different interest rates. It offers an effective and flexible debt instruments fund raising mechanism 中期票据是指由法人发行，期限通常在3-10年之间的债务票据。募集说明书需披露的信息通常包括发行机构主营业务，财务状况，风险，以及发行机构与协调人，承销商，交易商，和受托人等之间签署的协议。在该计划下， 发行机构可以多次发行不同期限和利率的票据。这提供一种有效灵活的债务市场筹款机制

N

Net asset value per share **每股资产值**	Net assets value per share is calculated based on shareholders' funds over the number of shares issued excluding treasury shares (if any) 每股净资产值的计算为股东资金除以发行股份数，不包括库存股(如有)
Nuri **佳通控股**	Nuri Holdings (S) Pte Ltd 佳通控股(新加坡)私人有限公司

P

Pan-West **泛西**	Pan-West (Private) Limited and its subsidiaries 泛西(私人)有限公司及其子公司
Price to book ratio or **P/B ratio** **市净率**	Price to book ratio compares market value to the book value of net assets. It is determined by dividing share price by net assets value per share 即账面价值比率，指每股市价相对于每股账面净资产值的比例。它由股价除以每股净资产值而得出
Price to earnings ratio or **P/E ratio** **市盈率**	Price to earnings ratio shows the multiple of earnings at which a share sells. It is determined by dividing share price by earnings per share 即股价收益比率，指股票的价格和每股收益的比例。它由股价除以每股盈利而得出
Proxy **代理人**	A person authorised in writing by a shareholder to represent the shareholder and vote on his behalf at a shareholders' meeting 取得股东书面授权以代表股东在股东大会议决的人

S

Senior Management **高级管理人员**	Executive Directors, the CEO, CFO and other key management personnel 执行董事，首席执行长，首席财务长和其他主要管理人员
Share **公司股**	Ordinary shares in the capital of the Company 公司的普通股
Singapore Exchange or **SGX-ST** **新加坡交易所或新交所**	Singapore Exchange Securities Trading Limited 新加坡证券交易所有限公司或新交所
SGXNET **新交所资讯网**	The internet-based submission system of SGX-ST that allows users to submit corporate announcements securely to the market 新交所设立的安保互联网平台，可让用户向市场发布公司公告
Singapore financial reporting standards or **FRS** **新加坡财务报告准则**	Financial reporting standards and interpretations adopted by the Accounting Standards Council, Singapore 新加坡会计准则理事会采纳的财务报告准则和释文
SP Corp **佳和**	SP Corporation Limited and its subsidiaries 佳和有限公司及其子公司

Shareholders' funds 股东资金 — The aggregate amount of issued share capital, foreign currency translation reserve, revaluation reserve, other capital reserves and revenue reserve attributable to equity holders of a company
指公司总资产中扣除负债和少数股东权益所余下的部分，包括可归因于公司股本持有人的股本金，外币换算公积，重估公积、 其他资本公积和未分配利润

Scrip Dividend Scheme 以股代息计划 — Tuan Sing Scrip Dividend Scheme which was adopted on 18 December 2009
指传慎于2009年12月18日实施的以股代息计划

T

Tuan Sing or **Company 传慎或公司** — Tuan Sing Holdings Limited (Registration No 196900130M)
传慎控股(公司注册号：196900130M)

Tuan Sing Group or **Group 传慎集团或集团** — Tuan Sing and its subsidiaries and associates
传慎及其子公司和联营公司的总称

Currencies, Units and Others
货币，计量单位和其他

A$ or **AUD 澳元** — The lawful currency of the Commonwealth of Australia
澳大利亚联邦的法定货币

$** or **S$ or **SGD and cents 新元与分** — The lawful currency of the Republic of Singapore
新加坡共和国的法定货币

US$ or **USD 美元** — The lawful currency of the United States of America
美国的法定货币

RMB 人民币 — The lawful currency of the People's Republic of China
中华人民共和国的法定货币

% or **per cent 百分比** — Percentage or per centum
百分比

Sq. ft. 平方英尺 — Square feet or Square foot
平方英尺

Sq. m. 平方米 — Square metres or Square metre
平方米

M 百万 — Million
百万

Definitions, acronyms, and abbreviations as contained in the Glossary and their translation in Chinese are intended solely to provide a useful and convenient guide to readers. They should therefore not be relied upon as providing a definitive view of the subject matter to which they relate.
术语汇编英文原文以及其相应中文翻译所包含的定义，缩略词和缩写仅供读者参考。它们不代表对所属主题的权威解释。

GLOSSARY
术语汇编

Profitability
盈利

Term		Definition
Return on assets 资产回报率	=	Profit after tax 税后利润 ――― Average total assets 年初与年底总资产的平均数字
Return on total equity 总股本回报率	=	Profit 盈利 ――― Average total equity 年初与年底总股本的平均数字
Return on shareholders' funds 股东资金回报率	=	Profit attributable to shareholders 可归属股东净利 ――― Average shareholders' funds 年初与年底股东资金的平均数字

Funding and financial position
资金和财务状况

Term		Definition
Gross gearing 毛负债	=	Total borrowings 总借贷 ――― Total equity 总股本
Net gearing 净负债	=	Net borrowings 净借贷 ――― Total equity 总股本
Interest coverage ratio 利息覆盖率	=	Profit before interest and tax 未计利息和税项前的利润 ――― Interest on borrowings 利息支出
Free cash flow 自由现金流	=	Operating cash flow + investing cash flow 经营性活动和投资性活动产生的现金流量总和

Share performance indicators
股份性能指标

Term		Definition
Dividend payout ratio 股息支付率	=	Total dividend payout 总派股息 ――― Profit attributable to shareholders (excluding fair value adjustments) 可归属股东净利 (不包括公允价值调整)
Dividend per share 每股股息	=	Dividend paid 支付股息 ――― Total number of issued shares at balance sheet date 期末已发行股份总数
Dividend yield 股息收益率	=	Dividend per share 每股股息 ――― Average share price during the year 年内平均股价
Earnings per share 每股收益	=	Profit attributable to shareholders 可归属股东净利 ――― Weighted average number of shares 加权平均股份总数
Market capitalisation 市值	=	Share price x number of shares outstanding 每股股票的价格×发行总股数
Net asset value per share 每股净资产值	=	Equity attributable to owners of the company 可归属股东权益 ――― Total number of issued shares at balance sheet date 期末已发行股份总数
Price/earnings ratio (P/E) 市盈率	=	Share price 股价 ――― Earnings per share 每股收益
Price/book ratio (P/B) 市淨率	=	Share price 股价 ――― Net asset value per share 每股资产净值

SGX-ST LISTING MANUAL REQUIREMENTS

31 DECEMBER 2015

INTERESTED PERSON TRANSACTIONS

– Listing Manual Rule 907

The Audit and Risk Committee has reviewed the rationale and terms of the Group's Interested Person Transactions ("IPTs") and is of the view that the IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

IPTs approved during the financial years ended 31 December 2015 and 2014 are set out below.

Name of Interested Persons/ Description of Transactions	**Aggregate value of all interested person transactions during the financial year under review and the previous financial year (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920[13])**	
	31.12.2015 $'000	**31.12.2014 $'000**
• Nuri Holdings (S) Pte Ltd[1]; • Michelle Liem Mei Fung[1]; • Liem Mei Kim[1]; • William Nursalim alias William Liem[1 & 2]; • Tan Enk Ee[1 & 3]; • David Lee Kay Tuan[4]; and their Associates		
Lease of office unit at Robinson Point, 39 Robinson Road, Singapore, for the period from 1 April 2015 to 31 March 2017, to Giti Tire Global Trading Pte. Ltd.[5]	431	–
Management support services rendered to GulTech[6]	180	180
Lease of office unit #01-01 and #02-01 at The Oxley, 9 Oxley Rise, Singapore, for the period from 1 March 2015 to 28 February 2018, to Nuri[1]	5,015	–
Lease of office unit #05-02 at L&Y Building, 59 Jalan Pemimpin, Singapore, for the period from 1 August 2015 to 31 July 2016, to GulTech[6]	178	–
Investment in 4 million new ordinary shares in the capital of Nuri Flex Pte Ltd[7] by GulTech[6]	1,190	–
Lease of retail units and basement space at Lakeside Ville, Huqingping Road, Shanghai, China for the period from 1 November 2015 to 31 October 2018 to Shanghai GT Real Estate Development Co., Ltd.[8]	830	–
Acquisition of the remaining 38.6% shareholding in Gultech (Suzhou) Electronics Co., Ltd by Gultech International Pte Ltd from Anhui Prime Cord Fabrics Company Ltd[9]	18,725	–
Lease of the entire commercial building at Chun Shen Road, Shanghai, China for the period from 1 December 2014 to 30 November 2026, to Shanghai Speedwork[10]	–	4,878
Interest expenses till maturity in October 2019 in relation to the Series 001 Notes pursuant to the Multicurrency Medium Term Note Programme subscribed by William Nursalim alias William Liem	–	113
Interest expenses till maturity in October 2019 in relation to the Series 001 Notes pursuant to the Multicurrency Medium Term Note Programme subscribed by Tan Enk Ee	–	225
Sale of residential unit at Cluny Park Residence, 99 Cluny Park Road, Singapore to GT Polymer Products Investment Pte. Ltd.[11]	–	2,380
Advisory services rendered by Nuri Management Pte. Ltd.[12] to GulTech[6] for the period from 3 January 2014 to 31 December 2015	–	470
Aggregated interested person transactions	**26,549**	**8,246**

SGX-ST LISTING MANUAL REQUIREMENTS

Notes:

1. Nuri Holdings (S) Pte Ltd is a controlling shareholder of the Company (i.e. being a person who holds 15% or more of the issued shares of the Company) holding 46.35% of the Company's issued and paid-up share capital. Michelle Liem Mei Fung is deemed to be a controlling shareholder of the Company by virtue of her interest in Nuri Holdings (S) Pte Ltd. Tan Enk Ee and William Nursalim alias William Liem are deemed to be controlling shareholders of the Company by virtue of their respective interests in Nuri Holdings (S) Pte Ltd which were acquired as from 23 December 2015. Liem Mei Kim ceased to be a controlling shareholder of the Company on the same date by virtue of her disposing of her interest in Nuri Holdings (S) Pte Ltd to Tan Enk Ee and William Nursalim alias William Liem.

2. William Nursalim alias William Liem, the CEO of the Company, is a brother of Michelle Liem Mei Fung and Liem Mei Kim.

3. Tan Enk Ee is the spouse of Liem Mei Kim.

4. David Lee Kay Tuan, a Non-Executive Director of the Company, is the spouse of Michelle Liem Mei Fung.

5. Giti Tire Global Trading Pte. Ltd. is a subsidiary of GITI Holdings Ltd. At the point of transaction, GITI Holdings Ltd and Nuri Holdings (S) Pte Ltd (note 1) shared and are still sharing common controlling shareholders, namely Michelle Liem Mei Fung and William Nursalim alias William Liem.

6. GulTech is an associated company of the Company as the Company indirectly holds 44.48% of the total issued and paid-up share capital in GulTech. GulTech is also an associate of the Company's controlling shareholders, Michelle Liem Mei Fung and Tan Enk Ee, who in aggregate have a deemed interest in 44.11% of the total issued and paid-up share capital of GulTech through Nuri Pacific Pte Ltd. In addition, Michelle Liem Mei Fung is also deemed to be interested in the 11.41% of the total issued and paid-up share capital of GulTech through Greenwich Pacific Pte. Ltd.

7. Prior to the issuance of 4 million new shares to GulTech, Nuri Flex Pte Ltd was a wholly-owned subsidiary of Nuri Holdings (S) Pte Ltd (note 1) and is currently 95.74% owned by Nuri Holdings (S) Pte Ltd and 4.26% owned by GulTech (note 6).

8. Shanghai GT Real Estate Development Co., Ltd. is ultimately 100%-owned by GITI Holdings Ltd. At the point of transaction, GITI Holdings Ltd and Nuri Holdings (S) Pte Ltd (note 1) shared and still share common controlling shareholders, namely Michelle Liem Mei Fung and William Nursalim alias William Liem.

9. Gultech International Pte Ltd is a wholly-owned subsidiary of GulTech (note 6). Anhui Prime Cord Fabrics Company Ltd is a subsidiary of GITI Holdings Ltd. At the point of transaction, GITI Holdings Ltd and Nuri Holdings (S) Pte Ltd (note 1) shared and still share common controlling shareholders, namely Michelle Liem Mei Fung, William Nursalim alias William Liem and Tan Enk Ee.

10. At the point of transaction, Michelle Liem Mei Fung and William Nursalim alias William Liem had and still have an indirect interest in Shanghai Speedwork.

11. GT Polymer Products Investment Pte. Ltd. is an indirect subsidiary of GITI Holdings Ltd. At the point of transaction, GITI Holdings Ltd and Nuri Holdings (S) Pte Ltd (note 1) shared and still share common controlling shareholders, namely Michelle Liem Mei Fung and William Nursalim alias William Liem.

12. Nuri Management Pte. Ltd. is 100% owned by Michelle Liem Mei Fung, William Nursalim alias William Liem and Tan Enk Ee.

13. The Company does not have a general mandate from shareholders pursuant to Rule 920 of the SGX-ST Listing Manual.

MATERIAL CONTRACTS
– Listing Manual Rule 1207(8)

Save as disclosed above and those disclosed separately by the Company's listed subsidiary, SP Corporation Limited in its annual report 2015, there were no other material contracts entered into by the Company and its subsidiaries involving the interest of the CEO, Director or controlling shareholder, which were either subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

TREASURY SHARES
– Listing Manual Rule 1207(9)(f)

At no time during the year or subsequent to the financial year end, did the Company hold any treasury shares.

AUDITORS
– Listing Manual Rule 1207(6)

The aggregate amount of fees paid to the auditors, broken down into audit and non-audit services are presented under note 25 to the Financial Statements for the financial year ended 31 December 2015. The Audit and Risk Committee had reviewed the non-audit services provided by the auditors, Deloitte & Touche LLP, Singapore and the overseas practices of Deloitte Touche Tohmatsu Limited and was of the opinion that these services would not affect the independence of the auditors.

The Board of Directors and the Audit and Risk Committee, having reviewed the adequacy of the resources and experience of Deloitte & Touche LLP, the audit engagement partner assigned to the audit, their other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff assigned to the audit, were satisfied that the Group had complied with rules 712 and 715 of the SGX-ST Listing Manual.

SHAREHOLDING STATISTICS AS AT 4 MARCH 2016

SHARE CAPITAL AND VOTING RIGHTS

Issued and fully paid-up share capital	:	S$170,229,449.64
No. of shares issued	:	1,178,824,988
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	147	0.90	7,484	0.00
100 – 1,000	1,191	7.27	750,930	0.06
1,001 – 10,000	9,093	55.51	49,475,371	4.20
10,001 – 1,000,000	5,911	36.08	254,355,480	21.58
1,000,001 & above	39	0.24	874,235,723	74.16
Total	16,381	100.00	1,178,824,988	100.00

TWENTY LARGEST SHAREHOLDERS

as shown in the Register of Members and Depository Register

No.	Name of Shareholders	No. of Shares	%
1	UOB Nominees (2006) Pte Ltd	546,396,760	46.35
2	DBS Nominees Pte Ltd	100,377,694	8.51
3	UOB Kay Hian Pte Ltd	87,060,997	7.38
4	Citibank Nominees Singapore Pte Ltd	38,986,789	3.31
5	Maybank Kim Eng Securities Pte Ltd	13,647,407	1.16
6	United Overseas Bank Nominees Pte Ltd	7,246,079	0.61
7	Bank of Singapore Nominees Pte Ltd	5,967,463	0.51
8	CIMB Securities (Singapore) Pte Ltd	5,366,282	0.46
9	HSBC (Singapore) Nominees Pte Ltd	4,788,864	0.41
10	Raffles Nominees (Pte) Ltd	4,369,186	0.37
11	Lamipak KMP Pte Ltd	4,287,124	0.36
12	Heng Siew Eng	3,985,000	0.34
13	OCBC Nominees Singapore Pte Ltd	3,804,899	0.32
14	Phillip Securities Pte Ltd	3,667,445	0.31
15	Hastuti Widjaja	3,370,000	0.29
16	Hong Leong Finance Nominees Pte Ltd	3,364,561	0.28
17	Hexacon Construction Pte Ltd	3,156,994	0.27
18	Tan Thian Hwee	3,144,668	0.27
19	Alex Chia Che Keng	2,398,308	0.20
20	DBS Vickers Securities (S) Pte Ltd	2,318,301	0.20
	Total	847,704,821	71.91

SUBSTANTIAL SHAREHOLDERS

as shown in the Register of Substantial Shareholders

Name	No. of Shares (Direct Interest)	%	No. of Shares (Deemed Interest)	%
Nuri Holdings (S) Pte Ltd	546,383,829	46.35	–	–
Michelle Liem Mei Fung(1)	–	–	546,383,829	46.35
William Nursalim alias William Liem(1)	–	–	546,383,829	46.35
Tan Enk Ee(1)	–	–	546,383,829	46.35
Lim Tek Siong(2)	55,326,150	4.69	27,104,550	2.30
Go Giok Lian(3)	27,104,550	2.30	55,326,150	4.69
Koh Wee Meng(4)	69,457,000	5.89	1,600,000	0.14

Notes:

(1) Held through Nuri Holdings (S) Pte Ltd.

(2) Mr Lim Tek Siong, spouse of Madam Go Giok Lian, is deemed to be interested in Madam Go Giok Lian's direct interest of 2.30% in the Company.

(3) Madam Go Giok Lian, spouse of Mr Lim Tek Siong, is deemed to be interested in Mr Lim Tek Siong's direct interest of 4.69% in the Company.

(4) Mr Koh Wee Meng is deemed to be interested in his spouse, Madam Lim Wan Looi's direct interest of 0.14% in the Company.

SHAREHOLDINGS HELD IN THE HANDS OF THE PUBLIC

Based on information available to the Company as at 4 March 2016, approximately 40.61% of the issued ordinary shares of the Company is held by the public and therefore, Rules 723 and 1207(9)(e) of the Listing Manual issued by SGX-ST have accordingly been complied with. The Company confirms that at least 10% of the ordinary shares of the Company is at all times held by the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 46th Annual General Meeting of Tuan Sing Holdings Limited (the "Company") will be held at Vine Ballroom, Metropolitan YMCA Singapore, 60 Stevens Road, Singapore 257854 on Friday, 29 April 2016 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2015 together with the Directors' Statement and the Report of the Auditors thereon. **(Resolution 1)**

2. To declare a first and final (tax exempt one-tier) dividend of 0.6 cent per ordinary share for the financial year ended 31 December 2015. **(Resolution 2)**

3. To approve the payment of Directors' fees of S$466,000 for the financial year ended 31 December 2015 (2014: S$416,000). **(Resolution 3)**

4. To re-elect the following Directors who will retire pursuant to Article 99 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:

   (a) Mr William Nursalim alias William Liem **(Resolution 4a)**
   (b) Mr Chow Kok Kee **(Resolution 4b)**

5. To re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

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

AS SPECIAL BUSINESS:

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

7. **Authority to allot and issue shares up to ten per centum (10%) of the issued shares**

   That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be empowered to allot and issue shares in the capital of the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be allotted and issued pursuant to this Resolution shall not exceed ten per centum (10%) of the issued shares in the capital of the Company at the time of the passing of this Resolution and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's 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 earlier. **(Resolution 6)**

8. **Authority to allot and issue shares pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme**

   That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be empowered to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme.

   (Resolution 7)

By Order of the Board

Lee Pih Peng
Company Secretary

31 March 2016
Singapore

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote on his behalf, save that no limit shall be imposed on the number of proxies for nominee companies. A proxy need not be a member of the Company.
2. An instrument appointing a proxy must be deposited at the registered office of the Company at 9 Oxley Rise, #03-02 The Oxley, Singapore 238697 not less than 48 hours before the time for holding the Annual General Meeting or any adjournment thereof.

EXPLANATORY NOTES TO THE NOTICE OF THE 46TH ANNUAL GENERAL MEETING ("AGM")

Resolution 1 – is to receive and adopt the Audited Financial Statements for the financial year ended 31 December 2015 together with the Directors' Statement and the Report of the Auditors which can be found under "Statutory Reports and Accounts" in the Company's 2015 Annual Report.

Resolution 2 – is to approve a tax exempt one-tier first and final dividend of 0.6 cent per ordinary share in respect of the financial year ended 31 December 2015 (the "Proposed Dividend"). The Tuan Sing Holdings Limited Scrip Dividend Scheme is applicable if the Proposed Dividend is approved.

Under the Tuan Sing Holdings Limited Scrip Dividend Scheme, shareholders entitled to dividends may elect to receive either cash or an allotment of ordinary shares in the capital of the Company, credited as fully paid, in lieu of cash amount of the Proposed Dividend. Shareholders who elect to receive the Proposed Dividend in scrip, the issue price for the new shares to be allotted shall be set at not more than 10% discount to the average of the last dealt prices of Tuan Sing shares for each market day from the ex-dividend date to the books closure date.

Resolution 3 – is to approve the payment of Directors' fees of S$466,000 for the year ended 31 December 2015, for services rendered by the Directors on the Board as well as on various Board Committees. The framework for the proposed Directors' fees is set out under the "Corporate Governance Report" in the Company's 2015 Annual Report.

Resolution 4(a) – Mr William Nursalim alias William Liem, upon re-election as Director of the Company, will remain as the Chief Executive Officer of the Company. He is considered a Non-Independent and Executive Director.

Resolution 4(b) – Mr Chow Kok Kee, upon re-election as Director of the Company, will remain as the Chairman of Remuneration Committee and a member of the Audit and Risk Committee and Nominating Committee. He is considered an Independent and Non-Executive Director.

Detailed information on Messrs William Nursalim alias William Liem and Chow Kok Kee can be found under "Directors' Profile" in the Company's 2015 Annual Report.

Resolution 5 – is to re-appoint Deloitte & Touche LLP, appointed since July 1990, as the Company's Auditors and to authorise the Directors to fix their remuneration. The Company has complied with Rule 713(1) of the SGX-ST Listing Manual by ensuring that the audit partner is not in charge of more than 5 consecutive years of audits. The current audit partner, Mr Richard Loi was appointed in April 2015.

Resolution 6 – is to empower the Directors to issue shares in the capital of the Company up to an amount not exceeding in aggregate 10% of the issued shares in the capital of the Company. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the issued shares in the capital of the Company at the time that this resolution is passed after adjusting for any subsequent consolidation or subdivision of shares.

Resolution 7 – is to empower the Directors to allot and issue new shares in the Company from time to time, from the date of the AGM until the date of the next Annual General Meeting, as may be required pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme.

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TUAN SING HOLDINGS LIMITED
(Company Registration Number: 196900130M)

PROXY FORM
Annual General Meeting

IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than 2 proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy shares in Tuan Sing Holdings Limited, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their CPF Approved Nominees if they have any queries regarding their appointment as proxies (Please see Note 3).
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notes to this Proxy Form.

I/We ______________________________ (Name), NRIC/Passport No. ______________

of ______________________________ (Address)
being a member(s) of **TUAN SING HOLDINGS LIMITED** (the "**Company**") hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings (%)**
Address		

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings (%)**
Address		

or failing whom the Chairman of the Annual General Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the 46th Annual General Meeting (the "Meeting") of the Company to be held at Vine Ballroom, Metropolitan YMCA Singapore, 60 Stevens Road, Singapore 257854 on Friday, 29 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 proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

No.	**Ordinary Resolutions**	**Number of votes For***	**Number of votes Against***
Ordinary Business			
1.	To adopt the Audited Financial Statements, Directors' Statement and the Report of the Auditors		
2.	To declare a first and final dividend		
3.	To approve Directors' fees		
4.	(a) To re-elect Mr William Nursalim alias William Liem as Director		
	(b) To re-elect Mr Chow Kok Kee as Director		
5.	To re-appoint Auditors and authorise the Directors to fix their remuneration		
Special Business			
6.	To authorise the Directors to allot and issue shares		
7.	To authorise the Directors to allot and issue shares pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme		

* **Note:** If you wish to exercise all your votes "For" or "Against" the above resolution, please tick "√" within the box provided. Otherwise, please indicate the number of votes as appropriate.

Dated this ________ day of ______________ 2016

Total Number of Shares held **(see Note 1)**

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes to Proxy Form

1. 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 that 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, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2. (a) A member (otherwise than 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.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).

   "Relevant intermediary" means:

   (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. CPF/SRS investors whose names have been given by their CPF Approved Nominees to the Company or the Company's share registrar, as the case may be, pursuant to a blanket proxy form may attend and vote in person at the meeting. In the event that such CPF/SRS investors are unable to attend the meeting but would like to vote, they should inform their CPF Approved Nominees to appoint the Chairman of the meeting to act as their proxy, in which case they shall be precluded from attending the meeting.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 9 Oxley Rise, #03-02 The Oxley, Singapore 238697 not less than 48 hours before the time appointed for holding the meeting.

6. 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.

7. The instrument appointing a proxy or proxies must be under the hand of the appointer or by his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorized officer.

8. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

9. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

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

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Please
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The Company Secretary
TUAN SING HOLDINGS LIMITED
9 Oxley Rise
#03-02 The Oxley
Singapore 238697

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PUBLISHING DETAILS

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Tuan Sing Holdings Limited

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*For announcements, webcasts, presentation slides and other information, please visit our website at **www.tuansing.com***

NOTE ABOUT PRINTING

In line with Tuan Sing's continuing efforts to promote environmental sustainability, papers used in this Annual Report are all Forest Stewardship Council™ ("FSC™") certified and made from chlorine-free recycled and virgin pulps.

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ABOUT THE FOREST STEWARDSHIP COUNCIL

The Forest Stewardship Council (FSC) is an international, non-governmental organisation dedicated to promoting responsible management of the world's forests. FSC certification ensures that products come from well managed forests which allow consumers and businesses to make purchasing decisions that promote environmental, social and economic benefits. For more information, please visit ***www.fsc.org***

DISCLAIMER

Glossary术语汇编

Definitions, acronyms, and abbreviations as contained in the Glossary and their translation in Chinese are intended solely to provide a useful and convenient guide to readers. They should therefore not be relied upon as providing a definitive view of the subject matter to which they relate.
术语汇编英文原文以及其相应中文翻译所包含的定义，缩略词和缩写仅供读者参考。它们不代表对所属主题的权威解释。

Use of terms

In this Annual Report, unless the context otherwise requires, 'Tuan Sing', 'the Group', 'we', 'us', and 'our' refer to Tuan Sing Holdings Limited and its consolidated entities, Statement of financial position" and "balance sheet" are used interchangeably, and any reference to 'this Annual Report' is a reference to this Annual Report. For other terms used in this report, please refer to "Glossary 术语汇编".

Figures

Figures in parentheses in tables and in the Financial Statements denote negative values.

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