Tuan Sing Holdings Limited

2016 ANNUAL REPORT

FUTURE **FOCUSED**

The design of this cover conveys the belief of the Company for sustainable growth as it breaks through its comfort zone and aims to make an impact in the property industry. Modern lines with generous white space reflect the understated elegance and quality which comes from a combination of discipline, experience and attention to detail. A value we adhere to and practice daily.

DESIGN CONCEPT *for this year's Annual Report*

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, presentation 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

HIGHLIGHTS OF THE YEAR

CORPORATE STEWARDSHIP

MANAGEMENT DISCUSSION AND ANALYSIS

Exquisite dining area overlooking an indoor pool at the ground floor unit of Cluny Park Residence.

SUSTAINABILITY REPORT

CORPORATE INFORMATION

ONLINE INFORMATION

To keep shareholders up-to-date, we have comprehensive financial and company information on our website www.tuansing.com which is accessible anytime.

Announcements	**Investor Guide**	**Annual Reports**
Quarterly Results Statutory Results Press release Presentation Webcast	**Financial Calendar**	**Corporate Governance** Whistle-blowing Policy
Dividend Policy Scrip Dividend Scheme	**Shareholder Circulars**	**Stock Information** Stock Fundamentals Stock Quotes Historical Price Investment Calculator
Key Financials 5-Year Financials Portfolio Highlights 5-Year Performance 5-Year Segment Review	**Investor Contact** Investor Relations Policy	

OUR CORPORATE PROFILE
集团概况

Tuan Sing Holdings Limited was established in 1969 and listed on the Mainboard of the Singapore Stock Exchange in 1973. Tuan Sing has interest mainly in property development, property investment and hotel ownership. Headquartered in Singapore, the Group has over 60 subsidiaries and associates located in South East Asia, China and Australia serving a broad spectrum of customers through its workforce across the region.

传慎控股成立于1969 年，并于1973年在新加坡股票交易所主板上市。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分布于东南亚, 中国和澳大利亚，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 Corporate Office in Singapore.

OUR VALUE STATEMENT

WE BUILD VALUE EVERYWHERE WE GO

EXCELLENCE
We pursue excellence and continuous innovation

INTEGRITY
We commit to the highest standard of integrity

TEAMWORK
We believe in effective communication and teamwork

ATTITUDE
We embrace humility, care and hard work

OUR BUSINESS STRATEGY

WE BUILD ON OUR FUNDAMENTALS TO DRIVE OUR SUCCESS

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

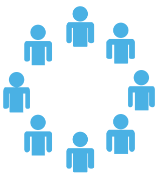
OUR COMPETITIVE EDGE

WE DISTINGUISH OURSELVES WITH UNIQUE STRENGTHS

- Proven track record and reputation associated with award-winning 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

OUR BUSINESS PHILOSOPHY

WE ARE COMMITTED TO ACHIEVING A SUSTAINABLE GROWTH THAT CREATES LONG-TERM VALUE FOR STAKEHOLDERS

Stakeholders	Business Philosophy	How do we create value
TO OUR INVESTORS 	We deliver shareholders' long-term & sustainable returns	• Maintaining profitability with reduced volatility • Appropriate use of capital leverage to enhance shareholders' returns • Good corporate governance and sound risks management
TO OUR EMPLOYEES 	We offer ample opportunities to develop employees' potential while taking care of their well-being and work-family balance	• Career growth and rotation where appropriate • Competitive compensation and rewarding opportunities • Safe working environment
TO OUR CUSTOMERS 	We create customer value and pleasant experience	• Innovative and quality products but competitive pricing • Sustainable products and focus on development of green buildings • Quality customer service, including service reliability and product knowledge
TO OUR BUSINESS PARTNERS 	We treat our partners fairly and as equal partners	• Upholding the principles of ethical and fair trading • Proactive engagement for mutual benefits • Strong and long-term relationships
TO OUR COMMUNITY 	We care for and contribute to the economic, environmental and social development of the communities	• Striking a balance between economic objectives and environmental sustainability • Continual improvement on environmental, health and safety practices • Economic and social contributions, including jobs, local procurement, taxes and communities engagement

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 stakeholders"

GROWTH IN UNDERLYING PROFITABILITY

- Group posted revenue of $404.0 million and net profit attributable to shareholders of $33.6 million
- All business segments were profitable, led by Hotels Investment
- Robinson Towers, under redevelopment, will contribute positively to both top and bottom lines when it is completed by end 2018

ENHANCED EARNINGS STABILITY

- Hotels investment business has been contributing meaningfully to both top and bottom lines which highlighted our right decision to acquire full ownership of GHG in 2014
- Core assets (development portfolio, investment portfolio and hotel portfolio) constituted majority of the Group's total assets base of $2,123.1 million at end-December 2016
- Focused on maintaining a diversified property portfolio to achieve greater balance in revenues and profitability stream

STRENGTHENED FINANCIAL POSITION

- Managed cash flow proactively – Free cash inflow of $158.9 million during the year; an increase of $11.4 million as compared to last year
- Reduced financial debt – Gross gearing improved to 1.10 times and net gearing to 0.92 times, as compared to last year's 1.25 times and 1.09 times respectively
- Improved loan maturity profile and competitively priced refinancing
- Maintained appropriate capital structure after taking cognizance of a balance between performance, leverage risk and flexibility

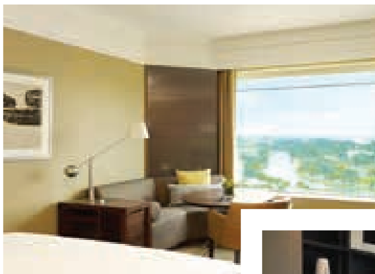
DELIVERED SHAREHOLDERS VALUE

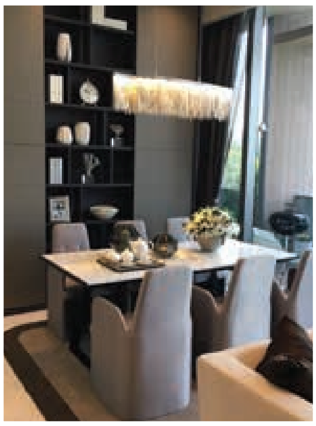
- Shareholders' funds grew 4.9% or $42.6 million to $919.4 million
- Net asset value per share increased in tandem to 77.7 cents
- Recommended dividend for the year of 0.6 cent, the same as last year
- Bought back and cancelled 414,600 shares

GOOD GOVERNANCE

- Moved up to 7th place for Singapore Governance and Transparency Index in 2016

Artist's impression





Core hotel and property businesses have broadened our asset base.

KEY EVENTS

OUR GROWTH

"Growth is never by mere chance; it is the result of seizing the opportunity and getting it done"

JAN

- Seletar Park Residence obtained its Certificate of Statutory Completion ("CSC")

FEB

- GulTech completed the acquisition of the remaining 38.6% shareholding in Gultech Suzhou it did not already own from an interested party

APR

- Won the bidding for a plot of residential 99-year leasehold land, to be known as "Kandis Residence"

JUN

- Agreed to acquire, subject to conditions precedent, approximately 850,000 sq m of land in Batam, Indonesia with the intention to develop it into an integrated mixed-development township
- Appointment of new Independent and Non-Executive Director, Neo Ban Chuan, on board, following the cessation of Director, Ng Siow How
- Awarded "Best CEO" & "Best Investor Relations (Silver)" from 2016 Singapore Corporate Awards
- Sennett Residence obtained its Temporary Occupation Permit ("TOP")

JUL

- Cluny Park Residence obtained its TOP

AUG

- Ranked 7th amongst 631 listed companies in the Singapore Governance and Transparency Index 2016

OCT

- Cluny Park Residence obtained its CSC
- Establishment of a wholly owned subsidiary – Fuchsia Land Pty Ltd in Australia

DEC

- Celebrated 30th anniversary of Grand Hyatt Melbourne

HIGHLIGHTS OF THE YEAR

KEY FIGURES

REVENUE
$404.0 M

Dropped 40% as compared to last year; All the three residential developments in Singapore were completed

PROFIT AFTER TAX
$33.8 M

Decreased 51% mainly on the account of lower contribution from Property

CASH AND BANK BALANCES
$163.7 M

Increased 15.5% mainly as more cash were received from development properties following their completion

TOTAL BORROWINGS
$1,020.8 M

Decreased 7.7% attributable to repayment of certain loans after the completion of development properties

TOTAL ASSETS
$2,123.1 M

Decreased 1.8% as there was lower carrying amount of the three development properties

SHAREHOLDERS' FUNDS
$919.4 M

Grew 4.9% reflect mainly profit made & revaluation gain on properties

GROSS GEARING
1.10 TIMES

Improved from 1.25 times last year

NET ASSET VALUE PER SHARE
77.7 CENTS

Increased from 74.4 cents a year ago

DIVIDEND YIELD
2.0 %

Increased as compared to last year's 1.7%; Dividend yield is defined as dividend per share divided by average share price during the year

MARKET CAPITALISATION
$337.1 M

A discount of 63% from the net assets of the Group

GROUP FINANCIAL HIGHLIGHTS

CHALLENGING OPERATING LANDSCAPE & UNCERTAIN GLOBAL ECONOMIC OUTLOOK

"The Group reported lower revenue and profits as all the three development projects were completed during the year"

	2016	2015
FOR THE YEAR ($'000)		
Revenue	404,018	677,122
Revenue (including equity-accounted investees)	750,370	1,023,366
Profit		
– Before tax and fair value adjustments	37,742	88,703
– Before tax	40,078	80,654
– After tax	33,806	69,119
Profit attributable to shareholders		
– Before fair value adjustments	31,336	74,159
– After fair value adjustments	33,585	68,833
Total comprehensive income attributable to shareholders	52,979	78,798
Operating cash flow	190,103	152,303
Free cash flow[1]	158,875	147,447
AT YEAR-END ($'000)		
Total assets	2,123,083	2,162,505
Total liabilities	1,192,627	1,275,048
Total borrowings	1,020,793	1,106,334
Net borrowings	857,105	964,617
Working capital	371,248	61,828
Shareholders' funds	919,422	876,805
Total equity	930,456	887,457
FINANCIAL RATIOS		
Return on assets[2]	1.6%	3.1%
Return on shareholders' funds[3]	3.7%	8.2%
Return on total equity		
– Before tax and fair value adjustments	4.2%	10.4%
– Before tax	4.4%	9.5%
– After tax	3.7%	8.1%
Debt-equity ratio[4]		
– Gross gearing	1.10X	1.25X
– Net gearing	0.92X	1.09X
SHAREHOLDERS' RETURN		
Earnings per share (cents)		
– Before fair value adjustments	2.7	6.3
– After fair value adjustments	2.8	5.8
Net asset value per share (cents)	77.7	74.4
Proposed first and final dividend per share (cent)	0.6	0.6
Total dividend payout ($'000)	7,097	7,073
Dividend payout ratio[5]	22.6%	9.5%
Dividend yield[6]	2.0%	1.7%

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 before fair value adjustments attributable to shareholders
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 $105.5 million as compared to $155.3 million reported in the same quarter last year. Profit before tax stood at $12.1 million. Net profit attributable to shareholders was $9.6 million as compared to $15.9 million in the first quarter last year. Lower revenue and profit for the quarter was due mainly to Seletar Park Residence project having obtained its Certificate of Statutory Completion in the quarter. Earnings per share came in at 0.8 cent, down from 1.4 cents a year earlier.

SECOND QUARTER

For the second quarter, the Group reported revenue of $106.6 million as compared to $194.1 million reported in the same quarter last year. Profit before tax and fair value adjustments dropped by 79% to $5.5 million as compared to $27.0 million posted in the same quarter last year. Net profit attributable to shareholders was down 77% to $5.1 million as compared to $22.3 million reported in the second quarter a year ago. There was lower revenue and profit recognised from Seletar Park Residence and Sennett Residence. Sennett Residence obtained its Temporary Occupation Permit ("TOP") in this quarter. Earnings per share stood 0.4 cent for the second quarter, down from 1.9 cents a year earlier.

THIRD QUARTER

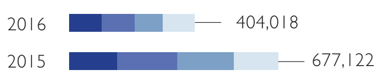
For the third quarter, Group's revenue decreased 51% to $90.3 million as compared to $184.3 million reported in the same quarter last year. Net profit attributable to shareholders dropped 60% to $6.4 million from $16.2 million in same quarter last year. Lower revenue and profit recognised in this quarter was a reflection of the completion of the Seletar Park Residence and Sennett Residence projects. Cluny Park Residence obtained its TOP in this quarter. Earnings per share stood at 0.5 cent for third quarter as compared to 1.4 cents a year earlier.

2016	1Q	2Q	3Q	4Q	Total
GROUP QUARTERLY RESULTS ($'000)					
Revenue	105,462	106,573	90,275	101,708	404,018
Profit					
– Before tax and fair value adjustments	11,999	5,549	8,710	11,484	37,742
– Before tax	12,095	5,575	8,725	13,683	40,078
– After tax	9,619	5,114	6,580	12,493	33,806
Profit attributable to shareholders	9,562	5,137	6,425	12,461	33,585
Earnings per share (cents)	0.8	0.4	0.5	1.0	2.8

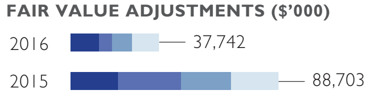
2015	1Q	2Q	3Q	4Q	Total
GROUP QUARTERLY RESULTS ($'000)					
Revenue	155,298	194,066	184,337	143,421	677,122
Profit					
– Before tax and fair value adjustments	20,131	27,048	21,252	20,272	88,703
– Before tax	20,316	27,047	21,167	12,124	80,654
– After tax	15,945	22,331	16,281	14,562	69,119
Profit attributable 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

Note: Discrepancy in the values or percentages in the above tables, if any, is due to rounding.

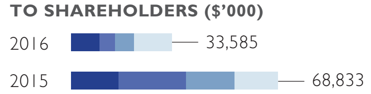
REVENUE ($'000)



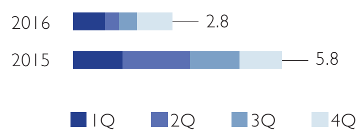
PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS ($'000)



PROFIT ATTRIBUTABLE TO SHAREHOLDERS ($'000)



EARNINGS PER SHARE (CENTS)



FOURTH QUARTER

For the fourth quarter 2016, the Group reported revenue of $101.7 million, a drop of 29% as compared to last year same quarter of $143.4 million. Net profit attributable to shareholders fell 13% to $12.5 million as compared to the same quarter last year; included therein was a fair value gain for investment properties of $2.2 million. Last year, there was a fair value loss of $7.9 million. Earnings per share came in at 1.0 cent for the fourth quarter as compared to 1.2 cents a year earlier. ■

FIVE-YEAR PERFORMANCE

STAYING RESILIENT IN TIME OF CHANGES

"Property remains an important driver for revenue"

	2016	2015	2014	2013	2012
FOR THE YEAR ($'000)					
Revenue	404,018	677,122	354,765	302,273	371,847
Profit before tax	40,078	80,654	75,973	62,769	123,843
Income tax	(6,272)	(11,535)	(14,387)	(9,715)	(6,036)
Profit after tax	33,806	69,119	61,586	53,054	117,807
Profit attributable to:					
Shareholders of the Company	33,585	68,833	61,169	52,000	109,532
Non-controlling interests	221	286	417	1,054	8,275
	33,806	69,119	61,586	53,054	117,807
AT YEAR-END ($'000)					
Property, plant and equipment	419,278	395,149	397,886	3,504	4,651
Investment properties	1,108,652	1,076,909	1,082,932	824,125	436,425
Development properties	183,232	336,132	414,153	404,285	442,807
Investments in equity-accounted investees	83,579	71,511	62,981	208,159	210,298
Cash and bank balances	163,688	141,717	252,270	276,872	211,664
Other assets	164,654	141,087	96,100	66,366	69,384
Total assets	2,123,083	2,162,505	2,306,322	1,783,311	1,375,229
Shareholders' funds	919,422	876,805	802,918	749,681	707,629
Non-controlling interests	11,034	10,652	10,129	9,524	12,932
Total borrowings	1,020,793	1,106,334	1,344,872	917,656	560,595
Other liabilities	171,834	168,714	148,403	106,450	94,073
Total liabilities and equity	2,123,083	2,162,505	2,306,322	1,783,311	1,375,229
FINANCIAL RATIOS					
Return on assets[1]	1.6%	3.1%	3.0%	3.4%	8.8%
Return on shareholders' funds[2]	3.7%	8.2%	7.9%	7.1%	16.6%
Interest coverage ratio[3]	2.2X	3.1X	5.1X	6.2X	14.0X
Interest coverage ratio[3] – before fair value adjustments	2.1X	3.3X	4.7X	3.7X	6.7X
Gross gearing[4]	1.10X	1.25X	1.65X	1.21X	0.78X
Net gearing[5]	0.92X	1.09X	1.34X	0.84X	0.48X
SHAREHOLDERS' RETURN					
Earnings per share (cents)	2.8	5.8	5.2	4.5	9.5
Net asset value per share (cents)	77.7	74.4	68.3	63.9	60.9
Dividend per share (cent)	0.6	0.6	0.5	0.5	0.5
Total dividend payout ($'000)	7,097	7,073	5,881	5,864	5,806

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 PERFORMANCE – BUSINESS SEGMENT

REVENUE BY BUSINESS SEGMENT ($'000)	2016	%	2015	%	2014	%	2013	%	2012	%
Property	130,007	32%	404,025	60%	203,022	57%	141,097	46%	188,258	51%
Hotels Investment[1]	140,606	35%	145,479	21%	12,023	3%	–	–	–	–
Industrial Services	134,148	33%	128,342	19%	140,347	40%	162,025	54%	184,420	49%
Corporate and Others	(743)	0%	(724)	0%	(627)	0%	(849)	0%	(831)	0%
Total	404,018	100%	677,122	100%	354,765	100%	302,273	100%	371,847	100%

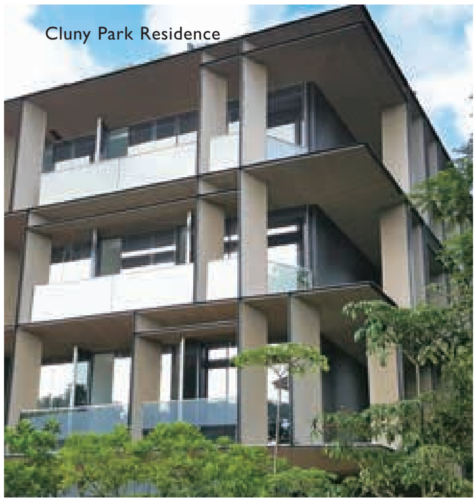
PROFIT ATTRIBUTABLE TO SHAREHOLDERS BY BUSINESS SEGMENT ($'000)	2016	%	2015	%	2014	%	2013	%	2012	%
Property	3,159	9%	50,440	73%	36,580	60%	36,007	69%	92,789	85%
Hotels Investment[1]	9,501	28%	5,249	8%	12,962	21%	9,139	18%	807	1%
Industrial Services	1,331	4%	999	1%	1,409	2%	1,910	4%	2,026	2%
Other Investments[2]	12,256	37%	6,680	10%	11,539	19%	7,800	15%	13,812	12%
Corporate and Others	7,338	22%	5,465	8%	(1,321)	-2%	(2,856)	-6%	98	0%
Total	33,585	100%	68,833	100%	61,169	100%	52,000	100%	109,532	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.


Sennett Residence


Mont Timah


Cluny Park Residence


Robinson Tower Redevelopment

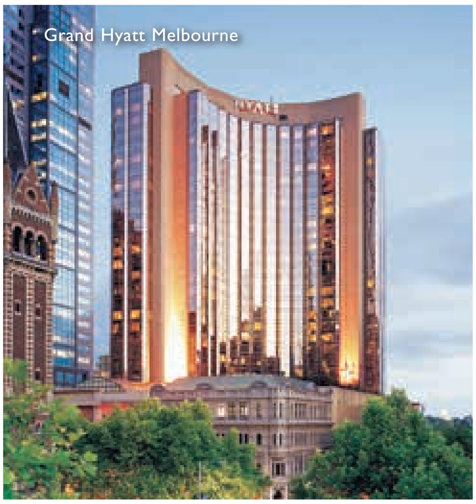
Artist's impression

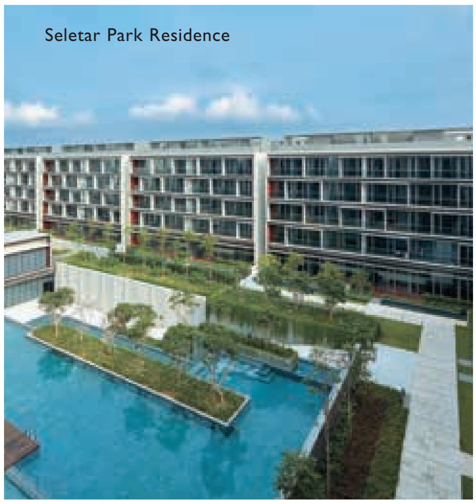
THROUGH THE **YEARS**


Robinson Point


Asset Enhancement Initiative, Perth

Artist's impression


Grand Hyatt Melbourne


Seletar Park Residence

HIGHLIGHTS OF THE YEAR

FIVE-YEAR PERFORMANCE

2016

Revenue from development properties in Singapore have been recognised based on the percentage of completion method. The Group reported lower revenue and profits due to the completion of the various development projects during the year. Revenue for the year was $404.0 million, a drop of 40% as compared to $677.1 million last year. There was a fair value gain for investment properties of $2.2 million as compared to a fair value loss of $7.9 million last year.

Overall, the Group's profit after tax and fair value adjustments was $33.8 million. After accounting for non-controlling interests' share of profit, the Group's net profit attributable to shareholders was $33.6 million. Earnings per share stood at 2.8 cents for the year, as compared to 5.8 cents a year earlier. Net asset value per share was 77.7 cents at 31 December 2016, up from 74.4 cents at 31 December 2015. The Directors proposed a first and final dividend of 0.6 cent per share.

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 revenue and profit in 2015. The increase was also boosted by the full-year consolidation of GHG.

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 macroeconomic environment, mitigated partially by fair value gain in Melbourne which market remain promising.

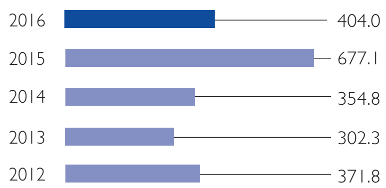
Profit after tax and fair value adjustments rose 12% to $69.1 million. After accounting for non-controlling interests' share of profit, the Group's net profit attributable to shareholders improved 13% to $68.8 million, from $61.2 million reported last year. Earnings per share increased to 5.8 cents for 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 first and final dividend of 0.6 cent per share.

2014

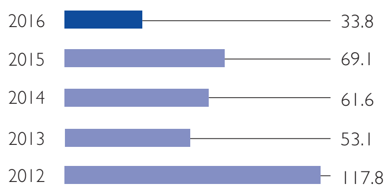
Tuan Sing posted full year revenue of $354.8 million, an increase of 17% over 2013. Increase in revenue was attributable to the progressive recognition for Seletar and Sennett projects and the initial 20% recognition on new bookings at Cluny Park Residence. Full year rental from Robinson Point, acquired 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 first and final dividend of 0.5 cent per share. ▶▶

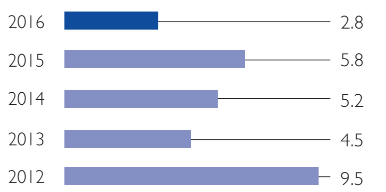
REVENUE ($'M)



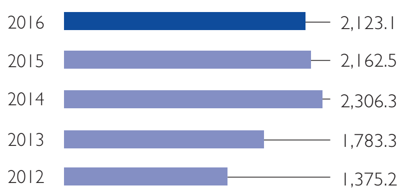
PROFIT AFTER TAX ($'M)



EARNINGS PER SHARE (CENTS)



TOTAL ASSETS ($'M)



FIVE-YEAR PERFORMANCE

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 Residence and Cluny Park Residence 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 Park Residence 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 first and final dividend of 0.5 cent per share.

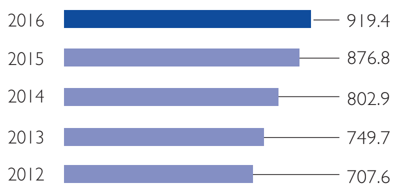
2012

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 Park Residence. From the second quarter, the Group commenced progressive recognition of revenue and profit in Seletar Park Residence upon buyers' signing the sale and purchase contracts and paying 20% of the contract sum.

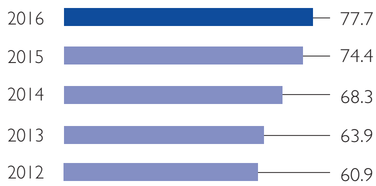
There was also a fair value gain of $67.7 million mainly on investment properties, and better performance from GHG and GulTech over 2011. As a result, the Group's full year net profit attributable to shareholders grew 172% to $109.5 million. Out of which, $92.8 million or 85% was contributed by Property. 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 first and final dividend of 0.5 cent per share. ■

Recharge to the fullest at the 50-metre infinity-edge lap pool at Sennett Residence.

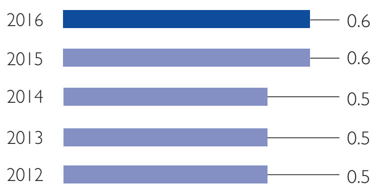
SHAREHOLDERS' FUNDS ($'M)



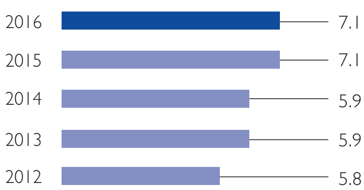
NET ASSET VALUE PER SHARE (CENTS)



DIVIDEND PER SHARE (CENT)



DIVIDEND PAYOUT ($'M)



HIGHLIGHTS OF THE YEAR

PORTFOLIO HIGHLIGHTS

BUILDING ON OUR PROGRESS

"The Group will continue to seek well-located sites for residential and/or commercial developments as well as investment properties to broaden our assets base"

9% DEVELOPMENT PORTFOLIO

839,990 SQ. FT.
of GFA of development properties in Singapore

TARGET
at upper-middle to high income segment

42% INVESTMENT PORTFOLIO

7 INVESTMENT PROPERTIES
in Singapore and China

461,290 SQ. FT.
lettable area lined-up

Mostly **FREEHOLD**

30% HOTEL PORTFOLIO

2 QUALITY HOTELS
in Australia

917 Hotel rooms

284,590 SQ. FT.
retail & office space

>1,600 car park bays

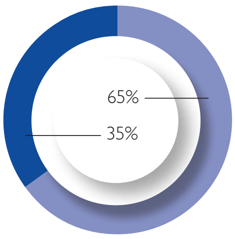
HIGHLIGHTS OF THE YEAR

PORTFOLIO HIGHLIGHTS

DEVELOPMENT PORTFOLIO IN SINGAPORE

PROPERTY VALUE – $160.5M

BY STAGE

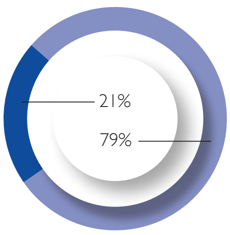


- Completed
- Under development

Property under development pertains to Kandis Residence.

NUMBER OF RESIDENTIAL UNITS – 790 UNITS

BY UNITS SOLD

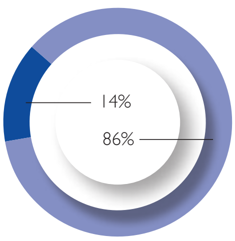


- Sold or booked
- Unsold

The unsold residential units include 130 units from Kandis Residence which have not been launched.

GROSS FLOOR AREA – 839,990 SQ. FT.

BY STAGE



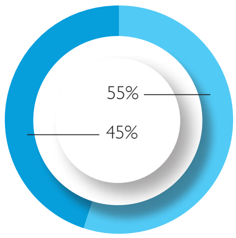
- Completed
- Under development

Property under development pertains to Kandis Residence.

INVESTMENT PORTFOLIO IN SINGAPORE & CHINA

PROPERTY VALUE – $881.3M

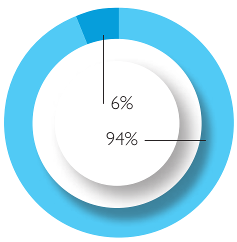
BY STAGE



- Completed
- Under development

PROPERTY VALUE – $881.3M

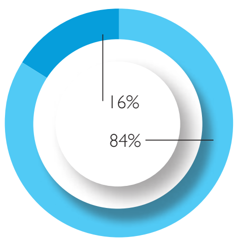
BY STAGE



- Commercial
- Industrial

ESTIMATED LETTABLE/STRATA AREA – 461,290 SQ. FT.

BY TYPE



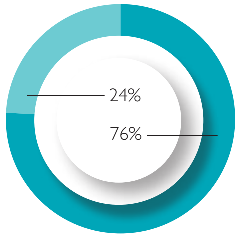
- Commercial
- Industrial

Commercial buildings include estimated lettable area of Robinson Tower Redevelopment upon completion.

HOTEL PORTFOLIO (INCLUDING RELATED COMMERCIAL SPACE)

PROPERTY VALUE – A$613.1M

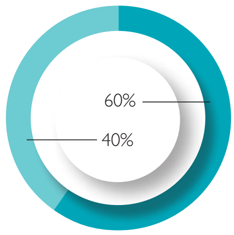
BY LOCATION



- Melbourne
- Perth

NUMBER OF HOTEL ROOMS – 917 ROOMS

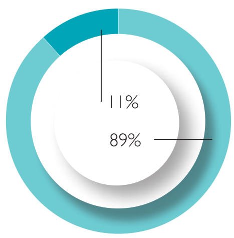
BY LOCATION



- Melbourne
- Perth

COMMERCIAL SPACE BY LETTABLE AREA – 284,590 SQ. FT.

BY LOCATION



- Melbourne
- Perth

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

CORPORATE STEWARDSHIP

MESSAGE TO SHAREHOLDERS

致股東書

“We will continue to seek well-located sites for residential and/or commercial developments. We will also look for suitable investment properties that generate stable income”

“我们将继续寻找优越地段供住宅和/或商业开发。能提供稳定收入的投资物业也在搜寻范围内”

Robinson Tower Redevelopment – less than 100 metres from Raffles Place MRT.

Dear shareholders,
尊敬的股东们：

On behalf of the Board of Directors, we would like to present Tuan Sing's Annual Report and Financial Statements for the financial year ended 31 December 2016.

2016 RESULTS

Revenue from development properties in Singapore have been recognised based on the percentage of completion method. The Group reported lower revenue and profits due to the completion of the various development projects during the year.

For the year ended 31 December 2016, the Group revenue dropped by 40% to $404.0 million. Net profit attributable to shareholders decreased 51% to $33.6 million. Earnings per share was 2.8 cents as compared to 5.8 cents a year earlier. The Group's net asset value per share increased 4.4%, from 74.4 cents as at 31 December 2015 to 77.7 cents as at 31 December 2016.

Property segment remains an important driver to the Group. During the year, all the three residential development projects in Singapore, namely, the Seletar Park Residence, Sennett Residence and Cluny Park Residence were completed. Cash inflow arising from the completion of these projects has been used to repay the related project loans which resulted in a healthier balance sheet. Accordingly, the gross gearing ratio improved from 1.25 times to 1.10 times and net gearing ratio from 1.09 times to 0.92 times at the year end.

Hotels Investment segment continues to generate a stream of cash flow, revenue and profit to the Group.

我们代表董事部全体同仁呈报截至2016年12月31日财政年度的公司年报和财务报表。

2016业绩

新加坡发展物业的营业额是根据工程进度来确认的。基于三个开发项目已陆续在今年完成，集团因此呈报较低的营业额和利润。

集团全年营业额为4.04亿元，比去年下降40%。全年可归属股东净利为3,360万元，同比去年下跌51%。每股全年净利为2.8分，去年则为5.8分。集团的每股资产从去年的74.4分上升4.4%截至2016年12月31日的77.7分。

房地产物业仍然是本集团的重要板块。因为实里达园居，信立雅居，古鲁尼园开发项目的完成，我们得以用买家的进度付款来偿还发展项目的贷款。资产负债表因而强化，总负债比率由上年度的1.25倍降低至1.10倍，净负债比率则从1.09倍减少至0.92倍。

酒店投资业务继续为本集团提供一股现金流，营业额和利润。

MESSAGE TO SHAREHOLDERS

DIVIDEND

The Board recommended a first and final one-tier tax exempt dividend of 0.6 cent per share as an acknowledgement of the support given by our shareholders. If approved at the forthcoming Annual General Meeting scheduled on 26 April 2017, it will be paid to the shareholders on 23 June 2017. Same as in the prior years, shareholders may opt to receive their dividend in the form of Shares under the Scrip Dividend Scheme so as to grow with the Company.

TO BE AMONGST THE BEST IN WHAT WE DO

Tuan Sing has been relentless in striving to be amongst the best in what we do. We are pleased to report that in year 2016, the CEO, Mr. William Liem was named the "Best CEO" of the Year by the Singapore Corporate Awards. Mr. Liem has led the management team to scale new heights in the property industry. In the same occasion, the Company bagged the "Best Investor Relations (Silver)" award. The Group also received a number of other awards during the year for green building design, hotel services, and transparency and governance. A full list of such recognition and awards are listed in page 29 of this Annual Report.

股息

为认可股东的支持，董事部建议派发年度股息，每股0.6分。如在2017年4月26日的股东常年大会上获得批准，股息将于2017年6月23日支付。一如往年，股东可选择以股代息接受公司股份，与公司共同成长。

追求卓越

传慎团队为追求卓越，精益求精，不遗余力。首席执行长林振伟，因而被新加坡企业奖评为2016“最佳首席执行长”。在他的领导下，管理团队攀上房地产高峰。在同一场合，传慎也得了“最佳投资者关系银奖”。集团也在本年内获得在诸如环保设计、酒店服务、透明度和治理领域的认可。欲知详情，请翻阅本年报第29页之褒奖录。

Robinson Tower Redevelopment – on track to its completion in 2018.

GOING FORWARD AND PROSPECTS

The Group had completed its three residential developments during the year and planned to dispose the remaining units in the coming months. "Kandis Residence" is scheduled to be launched in the middle of 2017. This project has about 130 one- to three-bedroom units spread over three- and seven-storey buildings with full condominium facilities.

With development projects that are completing, the Group will rely more on its investment properties and hotels to generate future revenue and profit. Robinson Point, acquired in late 2013, has been fully leased under various durations until years 2017/18 and is therefore unlikely to be affected by the uncertain office rental market in Singapore in 2017.

Hotels Investment in Australia is expected to continue to perform satisfactorily with the continuing growth in visitor arrivals into Melbourne though Perth may remain affected by the depressed mining industry in Western Australia.

The redevelopment of the previous Robinson Towers has been progressing well and is expected to complete by end 2018 when it shall generate considerable rental and add to the Group's recurring income base.

We will continue to seek well-located sites for residential and/or commercial developments. We will also look for suitable investment properties that generate stable income.

STRATEGIC REVIEW

The Group plans to explore an exercise which may lead to our disposal of all non-core businesses and assets. This is consistent with our discussion in the past annual reports that we are not averse to disposing of the Group's non-property holdings.

The Company will, in compliance with the applicable rules (including the Corporate Disclosure Policy of the Listing Manual of the Singapore Exchange Securities Trading Limited), make appropriate announcements in the event of any such material development. As such, shareholders and investors are advised to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the shares of the Company.

ACKNOWLEDGEMENTS

We wish to take this opportunity to acknowledge the support, commitment and dedication of the Board, the management and staff of the Group during the year. On behalf of the Board, we would also like to express our sincere appreciation to our valued shareholders, customers, business associates and investors, for their continued support for the Group.

Despite the challenges that the coming year will probably bring, we remain confident in our ability to overcome them and continue on our carefully directed course for growth and sustainability. We look forward to continuing this journey with all of you in 2017.

前景

本年度完成的三个住宅项目尚有些许单位未售，集团计划在来年卖出。Kandis Residence将在2017年中开盘销售。这个项目将有大约130个一到三房式的单位，分布于三楼及七楼建筑，并拥有完整的公寓设施。

此值房地产开发已完成，来年集团将依赖来自投资物业和酒店物业的收益和利润。在2013年底收购的罗敏申大楼已全部出租并签约到2017-18年。因此，在2017年，将不太可能受到新加坡办公室租赁市场下调的影响。

澳大利亚的酒店投资业务预计将持续表现良好。墨尔本的酒店入住率在抵客增加的带动下，将支撑酒店业绩的增长，柏斯的酒店业绩则继续为西澳矿业疲弱所累。

罗敏申大厦旧址的重建工程进展顺利，预计在2018年底完工，届时其可观的租金将是为集团提供经常性收入的基础。

我们将继续寻找优越地段供住宅和/或商业开发。能提供稳定收入的投资物业也在搜寻范围内。

策略检讨

集团计划探讨转让非核心物业和资产的可行性，以使我们专注于核心房地产物业。这与我们过去在年度报告中透露的信息一致，即我们对转让集团的非核心物业不持非议。

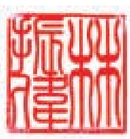
如果本公司在这方面有重要发展，我们将根据相关条款（包括新加坡证券交易所上市手册的公司披露准则）发出适当的公告。因此，股东和投资者应避免采取任何可能损害其自身利益的行动，并在买卖本公司股票时谨慎行事。

谢忱

我们谨借此机会感谢过去一年董事同仁，管理层及全体员工给予的支持，努力和奉献。同时我们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。

尽管来年任务艰巨，我们相信团队有能力克服挑战，持续业务的增长。我们期待在2017年与您携手，共创未来。■

Ong Beng Kheong 王明强
Chairman 主席



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

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 comprehensive basis.

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 six 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.

We have made available to Deloitte & Touche LLP ("Deloitte") all of our financial records and related data, and a management representation letter in connection with their statutory audit. Acting through the Audit and Risk Committee, we have recommended reappointing Deloitte, an independent public accounting partnership, to audit the Group's financial statements.

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 strategic business units in accordance with Group accounting policy. The reliability of the monthly financial reports prepared by subsidiaries and strategic 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 strategic 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, Cap. 50. In the representation letter for the year-end reporting, all strategic 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. These representation letters in turn formed the basis on which the Group CEO and Group CFO issued their quarterly and year-end group management representation letters to the Audit and Risk Committee and the Board.

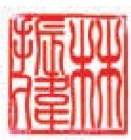
The internal control relating to the consolidated financial reporting process serves to provide reasonable assurance that the financial statements are prepared in compliance with relevant rules and regulations. Although we have taken and will continue to take appropriate action to correct any identified 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 2016 and based on such assessment, are of the view that the Group's internal control over financial reporting was adequate and effective and that the financial statements presented a true and fair view of the financial results of the year and the position of the Group and the Company as of 31 December 2016.

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.

Through our representation letter, we have confirmed to the Audit and Risk Committee and the Board that the framework of internal controls and procedures is, in our opinion, adequate to provide reasonable assurance of the adequacy and effectiveness of internal controls addressing financial, operational and compliance risks and system of risk management. ■



William Nursalim alias William Liem
Chief Executive Officer

Chong Chou Yuen
Chief Financial Officer

CORPORATE STEWARDSHIP

DIRECTORS' PROFILE

1. **WILLIAM NURSALIM ALIAS WILLIAM LIEM**
CHIEF EXECUTIVE OFFICER / EXECUTIVE DIRECTOR

2. **ONG BENG KHEONG**
CHAIRMAN / NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR

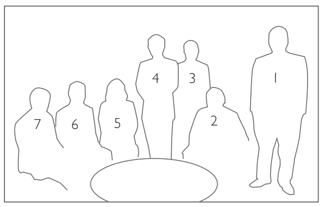
3. **CHOW KOK KEE**
INDEPENDENT & NON-EXECUTIVE DIRECTOR

4. **DAVID LEE KAY TUAN**
NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR

5. **MICHELLE LIEM MEI FUNG**
NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR

6. **CHOO TEOW HUAT ALBERT**
INDEPENDENT & NON-EXECUTIVE DIRECTOR

7. **NEO BAN CHUAN**
INDEPENDENT & NON-EXECUTIVE DIRECTOR



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 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)
- Subsidiaries of PT Indonesia Prima Property Tbk (President Director)
- GT Group Property Division (INDONESIA) and its subsidiaries (Managing Director)

Past 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 ("CEO")
EXECUTIVE DIRECTOR

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

Date of appointment as Director: 15 January 2004
Date of appointment as CEO: 1 January 2008
Date of last re-election as Director: 29 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 Pte. Ltd. (Non-Executive Director)
- Nuri Holdings (S) Pte Ltd (Director)

Past 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, a Non-Executive Director and deemed substantial shareholder of the Company. He is also a brother-in-law of Mr David Lee Kay Tuan, a Non-Executive Director of the Company.

Award
2016 – Best Chief Executive Officer Award (Companies with market capitalization $300 million to less than $1 billion) at the Singapore Corporate Awards 2016

CHOO TEOW HUAT ALBERT

INDEPENDENT & NON-EXECUTIVE DIRECTOR

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

Date of 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

Past 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

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 appointment as Director: 1 March 1999
Date of last re-election as Director: 29 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)

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

MICHELLE LIEM MEI FUNG

NON-INDEPENDENT & NON-EXECUTIVE DIRECTOR

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

Date of appointment as Director: 5 April 2001
Date of last re-election as Director: 25 April 2014
Proposed for re-election at the AGM on 26 April 2017

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
- Chairman of Bukit Timah Citizens' Consultative Committee, Holland-Bukit Timah GRC, Singapore
- Nuri Holdings (S) Pte Ltd (Managing Director)
- Habitat Properties Pte Ltd (Director)
- Giti Tire Pte. Ltd. (Director)
- GT Asia Pacific Holdings Pte Ltd (Director)

Past 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 Mr William Nursalim alias William Liem, the CEO and Executive Director of the Company.

Award

Awarded The Public Service Medal by the President of Singapore in 2016

NEO BAN CHUAN

INDEPENDENT & NON-EXECUTIVE DIRECTOR

- Masters in Professional Accounting
- Masters in International Business
- Chartered Accountant Singapore
- Registered Company Liquidator in Singapore

Date of appointment as Director: 1 July 2016
Proposed for re-election at the AGM on 26 April 2017

Board committee

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

Present directorship in other listed companies

Nil

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

- Arrow Business Consultants Pte Ltd (Managing Director)
- BC Neo Business Advisory Pte Ltd (Managing Director)
- Manulife (Singapore) Pte. Ltd. (Independent Director)

Past Directorship in other listed companies held over the preceding three years

- UMS Holdings Limited
- Teledata (Singapore) Limited

Background and working experience

- Previously the Head of Restructuring at KPMG Singapore.
- Has been involved in the overall conduct of numerous formal insolvency assignments as one of the most senior insolvency practitioners in the Asian region.
- Co-Mediator in a Court matter.

Membership and others

- Fellow of Insolvency Practitioners Association of Singapore
- Fellow Member of CPA Australia
- Member of Institute of Singapore Chartered Accountants (ISCA)

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

Nil

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)
- Master of Science in Applied Economics, Singapore Management University

Date of appointment as Director: 5 December 2001
Date of last re-election as Director: 9 April 2015
Proposed for re-election at the AGM on 26 April 2017

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, Notary Public and Commissioner for Oaths)
- Sorbonne-Assas International Law School – Asia Limited

Past 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
- American Bar Association (Member)
- International Bar Association (Member)
- Law Society of Singapore (Member)
- Nuri Holdings (S) Pte Ltd (Director)
- Singapore Academy of Law (Member)

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 of the Company. He is also a brother-in-law of Mr William Nursalim alias William Liem, the CEO and Executive Director of the Company. 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.

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 three decades 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, he 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.

DING TSUI ENG FLORENCE

GROUP FINANCIAL CONTROLLER

Florence joined Tuan Sing in May 2016. She has more than 15 years' experience in group reporting, corporate finance, reporting and compliance in listed companies in Singapore. Florence is a Fellow of the Association of Chartered Certified Accountants and a non-practising member of the Institute of Singapore Chartered Accountants.

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.

KOCK TIAM SONG PETER

SENIOR 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.

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.

ONG JOO LIM JAMES

SENIOR VICE PRESIDENT, SALES, LEASING & MARKETING

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 residential projects for almost three decades.

HELENA CHUA GUAT HUAT

COMPANY SECRETARY

Helena joined Tuan Sing in April 2016 overseeing the corporate secretarial matters of the Group. She has more than two decades of experience in providing corporate secretarial support to public listed companies and privately owned local and foreign companies. Helena is an Associate Member of the Singapore Association of the Chartered Secretaries Institute of Singapore.

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

CHONG TEIK YEAN
SENIOR VICE PRESIDENT, PROJECTS

Teik Yean joined Tuan Sing in May 2011, heading the Projects department. He has more than three decades of experience in project 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.

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 CHEE WEE
ASSISTANT VICE PRESIDENT, PROJECTS

Chee Wee joined Tuan Sing in August 2015. He has more than 15 years' experience in construction and project management for industrial, institutional, high-rise residential and commercial mixed development. Chee Wee holds a Master of Science (Civil Engineering) Degree from Nanyang Technological University and a Master of Science (Project Management) Degree from National University of Singapore.

ILAN WEILL
GENERAL MANAGER, GRAND HYATT MELBOURNE

Ilan joined Grand Hyatt Melbourne in January 2011 after more than five years in Grand Hyatt Mumbai. His career with Hyatt spans 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.

SHOLTO SMITH
GENERAL MANAGER, HYATT REGENCY PERTH

Sholto joined the Hyatt Group in 1991. His career spans more than two decades in a number of Hyatt hotels in London, UK, Almaty in Kazakhstan, Perth, Melbourne and Sydney in Australia. His penultimate 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.

CORPORATE STEWARDSHIP

AWARDS & ACCOLADES

RECOGNITION FOR CORPORATE GOVERNANCE & TRANSPARENCY

Singapore Corporate Awards

- 2016 Singapore Corporate Awards – "Best CEO" & "Best Investor Relations (Silver)"
- 2014 Singapore Corporate Awards – "Best Annual Report (Gold)" & "Best Managed Board (Silver)"

Singapore Governance & Transparency Index

- 2016 (Top 1.1%) – 7th place amongst 631 listed companies
- 2015 (Top 1.6%) – 10th place amongst 639 listed companies
- 2014 (Top 1.6%) – 10th place amongst 644 listed companies

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

- 2014 Top 10% of companies assessed for GEMS rankings

Securities Investors Association (Singapore) Investors' Choice Awards

- 2016 Most Transparent Company Award (MTCA), Mainboard Small Caps Category
- 2016 Merit for the Singapore Corporate Governance Award (SCGA, Mid & Small Cap Category)
- 2016 Merit for the Most Improved Category
- 2015 Runner-up for the Mid and Small Capitalisation Category for Singapore Corporate Governance

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

- 2014 Tuan Sing Annual Report – Real Estate Development/Service Commercial/Industrial (Gold)

RECOGNITION FOR BUILDING, DESIGN AND ARCHITECTURAL EXCELLENCE

Robinson Tower Redevelopment, Singapore

- 2017 Green Mark (Gold^{plus}) Award by the BCA of Singapore
- 2016 BCI Asia Awards: Top Ten 2016 Developers – Singapore
- 2014 *Le marché international des professionnels de l'immobilier* (MIPIM) Asia Awards – Best Futura Project (Silver)

Seletar Park Residence, Singapore

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

Robinson Point, Singapore

- 2015 Top 10 most energy-efficient private office buildings by the BCA of Singapore
- 2014 Green Mark (Gold) Award by the BCA of Singapore

Mr William Liem, Group CEO, is the "Best Chief Executive Officer" of the year: conferred at the Singapore Corporate Awards 2016.

AWARDS & ACCOLADES

RECOGNITION FOR CUSTOMER SATISFACTION AND SERVICE EXCELLENCE

Grand Hyatt Melbourne, Australia

- 2016 World Luxury Hotel Awards – Australia's Luxury Hotel and Conference Centre
- 2016 Luxury Travel Magazine Gold List – Ranked in the Top 20
- 2016 World Travel Awards – Australia's Leading Business Hotel
- 2016 Business Traveller Asia-Pacific Awards – Best Business Hotel in Melbourne
- 2016 Haute Grandeur Global Hotel Awards – Best City Hotel in Oceania
- 2016 Australian Hotels Association (AHA) National Awards for Excellence – Best Marketed Hotel – Accommodation Division
- 2016 Hyatt Thrive Leadership Award for Excellence in Environmental Sustainability
- 2016 Tourism Accommodation Australia (Victoria) Accommodation Awards for Excellence – Excellence in Innovation; Best Marketed Accommodation Provider; Administration Employee of the Year
- 2016 Spice Magazine Hot 100 Hotels, Best Business Hotel, Best Venue for a Product Launch, Best Hotel Bar
- 2016 Australia Gourmet Traveller Hotel Guide – Best Breakfast Award
- 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 Awards – Best Business Hotel in Melbourne
- 2015 Hotel Management (HM) Awards – Best Upper-Upscale Hotel in Australia
- 2015 Hotel Management (HM) Awards – Highly Commended in the Meetings and Conferencing Property Category
- 2015 Spice Magazine Hot 100 Hotels – Best Business Hotel
- 2015 Australia Gourmet Traveller Hotel Guide – Best Breakfast Award
- 2015 Trip Advisor – Hall of Fame
- 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 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 Trip Advisor – Certificate of Excellence

Hyatt Regency Perth, Australia

- 2016 Gold Plate Awards – High Tea
- 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

At the Securities Investors Association (Singapore) Investors' Choice Awards 2016, Chong Chou Yuen, Group CFO, received three awards, on behalf of the Company, from Ms Indranee Rajah, Senior Minister of State for Law and Finance.

Jason Camillo, Executive Chef of Grand Hyatt Melbourne, is pictured here having proudly received the "Best Breakfast Award" at 2016 Australia Gourmet Traveller Hotel Guide.

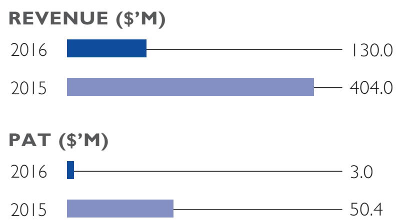
MANAGEMENT DISCUSSION AND ANALYSIS

CEO'S
REVIEW OF OPERATIONS

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.

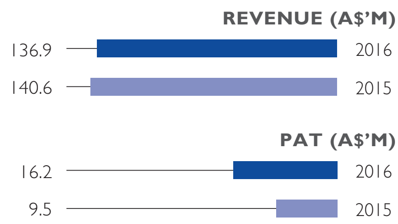
集团属下房地产板块致力于投资和开发优质住宅，商业和工业项目。传慎是知名的房地产开发商，传慎也在新加坡高尚地段拥有多项产业。这符合集团的战略方针，继续拓展房地产相关业务,引领未来增长。



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.

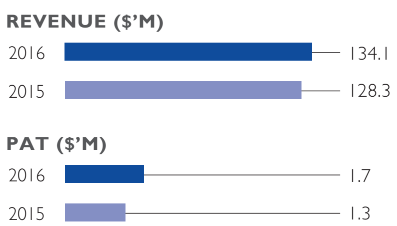
酒店投资板块由澳洲的豪华酒店集团所代表。豪华酒店在墨尔本和柏斯拥有两间五星级酒店，即墨尔本君悦大酒店和柏斯凯悦酒店, 由凯悦国际酒店集团管理，坐落于黄金地段以迎合商务和旅游客户群的需求。



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 and radiant barrier film in Malaysia.

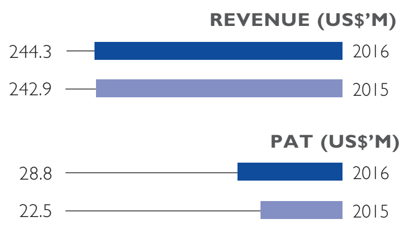
工业服务板块主要包括集团持股80.2%的新交所上市子公司新加坡佳和有限公司和持股97.9% 的Hypak。新加坡佳和主营业务包括原料商品贸易以及轮胎分销。Hypak则在马来西亚从事聚丙烯包装袋和辐射屏障的生产和销售。



Other Investments
其他投资

The Group holds a 44.5% interest in Gul Technologies Singapore Pte. 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私人有限公司44.5%的股权和泛西集团49%的股权。高科技在新加坡和中国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股权。



PROPERTY

Luxury living at its best – The stylish façade and high quality fitting of Cluny Park Residence complement its convenient location.

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY

"Property, which contributed 32% of the Group's revenue, continues to be the Group's important driver"

For the year under review, Property revenue decreased 68% to $130.0 million and profit before tax and fair value adjustments declined 93% to $4.1 million. The decrease was due to lower progressive revenue recognition as a result of the completion of various development projects during the year. Seletar Park Residence obtained its Certificate of Statutory Completion ("CSC") in January 2016. Sennett Residence obtained its Temporary Occupation Permit ("TOP") in June 2016. Cluny Park Residence obtained its TOP and CSC in July 2016 and October 2016 respectively. As at the end of the year, Seletar Park Residence and Sennett Residence had been more than 95% sold and Cluny Park Residence had been more than 55% sold.

KEY FIGURES

REVENUE
$130.0 MILLION

PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS
$4.1 MILLION

PROFIT AFTER TAX
$3.0 MILLION

DEVELOPMENT PROPERTIES
$183.2 MILLION

INVESTMENT PROPERTIES
$881.3 MILLION

There is an addition to the Group's property portfolio in 2016 – a 99-year leasehold residential land parcel which is located at Jalan Kandis and is expected to launch for sale in 2Q 2017.

Rental revenue from investment properties at $17.0 million remained comparable as last year. Robinson Point has been fully leased under various durations until years 2017/18. Main construction for the redevelopment at the previous Robinson Towers has commenced in 2Q 2016 and is expected to complete by end 2018. The redevelopment plan was brought to fruition in order to boost the recurring income base 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 at the year end.

Overall, the Property segment profit after tax has decreased 94% to $3.0 million as a direct consequence of the completion of the development projects and the allowance for diminution in value of $3.6 million made for the development properties in Singapore. On the other hand, there was a slightly higher net fair value gain of $1.9 million for investment properties in Singapore this year as compared to $1.2 million in the previous year. Property remained an important driver and accounted for 32% of the Group's total revenue in 2016.

SINGAPORE PROPERTY MARKET REVIEW

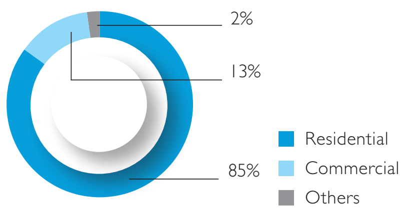
The Singapore property market continues to register weak performance following the property cooling measures and the lackluster economic performance. Private residential market in 2016 experienced a subdued growth in sales volume amid the continued prices decline as buyer sentiments improve. According to Urban Redevelopment Authority ("URA"), prices of private residential properties fell by 3.1% in 2016 compared with 3.7% decline in 2015. The number of units launched by the developers in 2016 was 7,877 units as compared to 7,056 units in 2015. Developers sold 7,972 private residential units, compared with 7,440 units in 2015. The weak economic growth had dampened the leasing market, causing office rents to decline. According to URA's Office Space Rental Indices, the prices and rentals of office space in 2016 fell by 2.8% and 8.2% respectively as compared with the previous year. Correspondingly, industrial sector also showed steeper year-on-year decline in prices and rental of industrial space. JTC Quarterly Market Report on Industrial Properties reported that industrial prices and rentals fell by 9.1% and 6.8% respectively in 2016 as compared to the previous year. Comparatively, industrial prices and rentals fell by 1.7% and 2.1% respectively in 2015.

OPERATIONS REVIEW

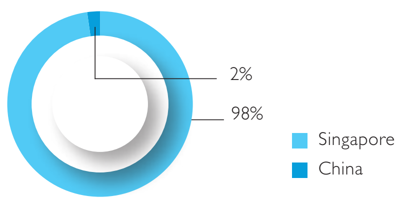
More than 95% of the units in Seletar Park Residence and Sennett Residence had been sold, and more than 55% of the units in Cluny Park Residence had been sold.

In April 2016, the Group successfully tendered for a land parcel at Jalan Kandis in Sembawang for $51.07m. The sale was put up by the URA. The Group offered ▸▸

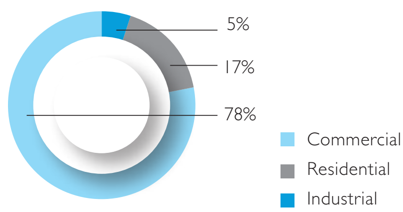
REVENUE BY TYPE
(TOTAL: $130.0M)



REVENUE BY COUNTRY
(TOTAL: $130.0M)



PROPERTY PORTFOLIO BY VALUE
(TOTAL: $1,064.5M)



PROPERTY

1.8% above the second highest bidder. The 99-year leasehold land has an area of approximately 7,046 square metres. With a plot ratio of 1.4, it can be developed into a residential project for sale with a permissible Gross Floor Area of 9,864 square metres.

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. The project was launched in March 2012 and as at 31 December 2016, 273 units had been sold. The TOP was obtained in August 2015 and CSC obtained in January 2016. The Project 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 2016, 320 units had been sold. The TOP was obtained in June 2016.

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 and 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 2016, 32 units had been sold. The TOP was obtained in July 2016 and CSC was obtained in October 2016.

Kandis Residence is designed by Ong & Ong and is expected to be launched by 2Q 2017. The Group intends to develop it into a condominium housing of three- and seven-storey high buildings (totaling 130 units) comprising one- to three-bedroom units and with full condominium facilities. The 99-year leasehold development is well-positioned within the North Coast Innovation Corridor earmarked by the Urban Redevelopment Authority and is a short drive to key commercial centres along the Corridor – Woodlands Regional Centre, future Seletar Regional Centre and Punggol Creative Cluster. The project is scheduled to be completed by 2019.

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 park 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 2016, the average occupancy rate was 96% and the average gross rental was around $8.00 per square foot per month.

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 2016, the average occupancy rate was 100% and average gross rental was around $6.40 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 2016, the average occupancy rate was 100% with average gross rental of around $8.00 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 2016, the average occupancy rate was 94% and the average gross rental was around $2.30 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. The Group intends to take part in a collective sale for L&Y Building.

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 Tower 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 by end 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 GoldPlus standards, thus reflecting Tuan Sing's green and sustainability efforts. This project won the 2014 Le marché international des professionnels de l'immobilier (MIPIM) Asia Awards – Best Futura Project (Silver) and was rated the Top 10 developers at 2016 BCI Asia Awards. BCA had already awarded the project its BCA Green Mark (Goldplus) in early 2017.

Readers may also be interested to know that this new Robinson Tower will be equipped with a new automatic carpark system that uses battery-powered automated guided vehicles ("AGVs"). The AGV system uses a laser-guided positioning system instead of conventional automatic parking systems which require conveyor belts to transport the cars. When drivers wish to retrieve their cars, they can call for them using their mobile phones. An AGV will then deliver the car to the car pick-up area. This will benefit drivers from a much quicker retrieval time compared to conventional mechanical carpark systems. This will be the first of its kind in Singapore and South-east Asia.

When completed, the Group expects a recurring income stream from the rental proceeds which helps to contribute to the more stable income stream of the Group.

BUSINESS OUTLOOK

Subdued growth in sales volume observed in 2016 is likely to persist in 2017 for the private residential market in view of the sustained declining prices. Improved market sentiments are on the back of buyer perception that residential property prices have begun bottoming out. The lackluster economic environment is expected to moderate overall demands from buyers. Adding to the uncertainty in economic environment includes the impact of the apparent protectionist stance arising from new presidential administration in United States.

Developers are expected to face intense competition for development sites from developers seeking to replenish land banks via state land tenders and reviving private collective sales market due to the recently improved housing demand. According to URA, the aggregate developers' sales of new residential units for 2016 grew 7.2% year-on-year to 7,972 units. Despite better growth in developers' sales in 2016, the government has not increase the residential sites available for bidding on the 1H 2017 Government Land Sales. *(Source: Colliers Quarterly Singapore Investment Report)*

The outlook for office property market is expected to remain weak considering the impact of supply overhang, the ramp-up in large supply completions in 2017 and the prospects of uncertain economic environment. Current muted demand for office space is foreseen to continue for the coming year, with the office rentals facing the sustained downward pressure. Similarly, cautious sentiments are expected to hover over the industrial property market as companies will continue to monitor the market and re-evaluate their office space needs while placing their expansion plans and office space commitment decisions on hold. Given 2.4 million square metres of industrial space are estimated to come on-stream in 2017, downward rental pressure is set to continue with overall industrial rents likely to reduce.

CHINA PROPERTY

MARKET REVIEW

The luxury residential market remains active in 2016 amid the fast-rising home prices and buoyant demand from buyers. The rebound in prices in 2016 arises from the easing of mortgage rules by the Chinese government, fueling the confidence of the buyers in Shanghai's luxury residential market. The easing of credit policies and sufficient market supply attributed to a surge in the sales volume of luxury homes since late 2015. Following the surge in property prices and sales, the Chinese government has implemented several cooling measures in major cities in 2016. Early signs of the market cooling are observed during the fourth quarter of 2016 in the aftermath of the policy tightening measures such as more stringent mortgage rules and tougher home purchase requirements.

OPERATIONS REVIEW

At present, the Group has no property development activities in China. 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.

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.

BUSINESS OUTLOOK

China's economic growth grew 6.7% in 2016 which was within the government's growth target of between 6.5% and 7.0%. Growth in property market is expected to be moderated in 2017 in the light of the tightening measures and the rising global economic uncertainties. Analysts at Goldman Sachs Research forecast a GDP growth of 6.5% in 2017 with continued fiscal and credit stimulus in support of the growth target. ■

HOTELS INVESTMENT

Grand Hyatt Melbourne
– An exclusive events place, the Courtyard.

MANAGEMENT DISCUSSION AND ANALYSIS

HOTELS INVESTMENT

"We are investing in the iconic mixed project in Perth to enhance our recurring income asset base"

In 2016, Hotels Investment recorded revenue of A$136.9 million and net property income of A$40.7 million. Net income from hotel operations was down 7% to A$26.2 million as Grand Hyatt Melbourne and Hyatt Regency Perth registered a combined 2% drop in Revenue Per Available Room ("RevPAR") coupled with an underperformance in food and beverage business. Net income from non-hotel operations (office, retail and carpark) of A$14.5 million was 0.9% lower than last year mainly due to lower occupancy rate at commercial centre in Perth.

Interest expenses decreased 7% to A$12.4 million from A$13.3 million a year ago; depreciation and amortisation increased 1% to A$7.4 million. In addition, a net fair value gain of A$0.3 million arising from non-hotel investment properties was recorded in the current year, as opposed to a net fair value loss of A$8.8 million a year ago. After deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed a higher profit after tax of S$9.5 million, as compared to S$5.2 million.

Hotel properties have recorded a net fair value gain of A$16.2 million, as compared to last year's A$22.0 million and such gain is reflected in the Group's balance sheet.

The Group 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 for Hyatt Regency Perth was for the period from 1 July 1996 and will expire on 31 December 2026. The Group 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 saw a strong growth in tourism amidst the subdued economic environment. The continued growth of the middle class in Asia, lower global oil prices and favourable exchange rates in currencies have fuelled the demand for the Australian experience. The demand for travel has strengthened the demand growth in the accommodation market with Australia's main leisure destinations performing well. ▶▶

KEY FIGURES

REVENUE
A$136.9 MILLION

NET PROPERTY INCOME
A$40.7 MILLION

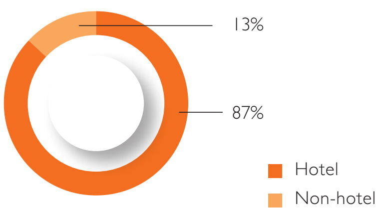
PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENT
A$17.1 MILLION

PROFIT AFTER TAX
A$16.2 MILLION

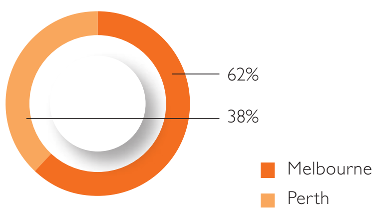
HOTEL PROPERTIES
A$396.0 MILLION

INVESTMENT PROPERTIES
A$217.1 MILLION

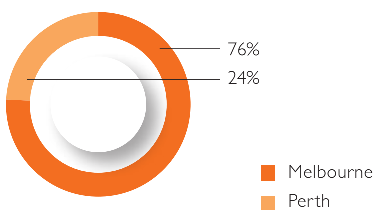
REVENUE BY TYPE
(TOTAL: A$136.9M)



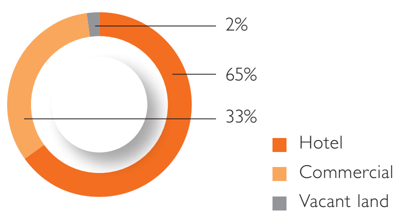
REVENUE BY LOCATION
(TOTAL: A$136.9M)



PROPERTY PORTFOLIO VALUE BY LOCATION
(TOTAL: A$613.1M)



PROPERTY PORTFOLIO VALUE BY CATEGORY
(TOTAL: A$613.1M)



HOTELS INVESTMENT

In our two key markets, Melbourne continued to experience growth in domestic and international visitors. Melbourne is Australia's second most populous city and a major corporate centre for the financial, manufacturing, education and logistics industries. Melbourne's accommodation market has experienced a robust level of growth over the last five years capitalising on the city's extensive calendar of events and the closure of the Sydney Convention and Exhibition Centre between 2014 and 2016. Melbourne also has a long history of investment in tourism and transport infrastructure as well as successful marketing of the city nationally and globally. *(Source: Deloitte Tourism and Hotel Market Outlook August 2016 & JLL Hotel Destinations Asia Pacific – October 2016)*

However in Perth, the occupancy rates are softening and the average room rates are also on the decline. The decline in average room rates coincides with the slowdown in mining sector, resulting in pressure from the corporate market. While occupancy has held up well to-date, the market has seen a shift away from corporate market and an increase in tourist segments, which gives rise to lower rates. At the same time, corporate and aircrew accounts have re-negotiated their contracted rates at lower rates, contributing to the decline of the overall average rates across the city. Increased supply in Perth is also creating challenging headwinds as downward pressure is set to continue. *(Source: Colliers Research and Forecast Report – Hotels 2016)*

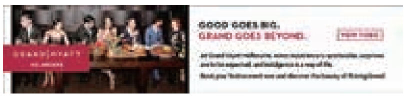
OPERATIONS REVIEW

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 550 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 eight years. Some of the luxurious and high-end stores in the hotel's shopping complex include Chanel, Bvlgari, Paspaley Pearls and Giorgio Armani. The basement car park comprises a total of 595 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 2016. For details, please refer to the "Awards and Accolades" section of this Annual Report. In 2016, net property income for both hotel and non-hotel operations amounted to approximately A$28.3 million.

In December 2016, Grand Hyatt Melbourne celebrated its 30th anniversary, a 30 years of excellence in service and care, in true Grand style. More than 120 invited guests and its own 30-year-long employees were welcomed by a 50-piece orchestra and celebrated the milestone with the cutting of a 2 metre-high birthday cake!



A video on Grand Hyatt Melbourne can be viewed at http://www.tuansing.com/hotelsinvestment/ghm.mp4

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

Celebrated 30 Years of Excellence in service and care at Grand Hyatt Melbourne.

Get inspired and informed at The Residence, another meeting & event space of Grand Hyatt Melbourne.

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 1,020 cars. Lease terms are a mixture of leases ranging from one to fifteen years. Rent reviews typically include a combination of market reviews and fixed or Consumer Price Index increases per annum. Fortescue Metals Group which occupies approximately 60% of the total office area is the major tenant. In 2016, net property income for both hotel and non-hotel operations amounted to about A$12.4 million.

In 2016, Hyatt Regency Perth received a Gold Plate Award – High Tea, conducted by The Catering Institute of Australia, a well-regarded and highly successful hospitality industry awards program.

Perth Land consists of Lots 11 and 12 Terrace Road of vacant land with freehold tenure and of 1,405 square metres and 1,667 square metres respectively. Both lots are adjoined to the Hyatt Regency Perth hotel and are capable of supporting future developments. These plots of land together with Hyatt Regency and the commercial centre are slated for an enhancement under the Group's Asset Enhancement Initiative ("AEI"). The proposed enhancement incorporates the redevelopment of its existing commercial space, development of new residential buildings, new hotel and office tower in several stages. Stage one, to be implemented by early 2018, shall involve the refurbishment of the existing commercial space in Lot 10 and construction of a new podium in Lot 11. The proposed development when completed shall increase the retail space, activate the centre with street engagement and innovate the space with modern retail concept and family entertainment attraction, making it a prominent destination and attraction because of its proximity to the Langley Park, Swan River, new Perth stadium and other landmarks in Perth.

BUSINESS OUTLOOK

The outlook for tourism sector remains strong. Despite the softening of global and local economic outlook, the current economic conditions continue to remain in support of the growth of Australia's tourism sector. The Australian dollar is expected to continue depreciating modestly before stabilising. In addition, oil prices have started increasing since February 2016 – albeit at gradual pace of increase, sustaining the affordability of air and road travel. The outlook for hotel performance in Australia remains positive as demand is set to grow at twice the pace of supply over the period to end-2018. National occupancies are projected to climb two percentage points to 72% by 2018. Demand pressure will sustain average room rate growth of 2.8% per annum and RevPAR growth. *(Source: Deloitte Tourism and Hotel Market Outlook August 2016).* ■

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 2016, Industrial Services reported revenue of $134.1 million and profit after tax of $1.7 million. In comparison, revenue of $128.3 million and profit after tax of $1.3 million were reported in the previous year.

KEY FIGURES

SP CORP

REVENUE

$125.6 MILLION

PROFIT AFTER TAX

$1.8 MILLION

HYPAK

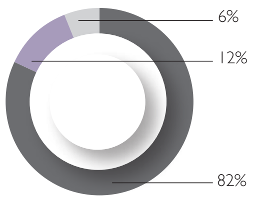
REVENUE

RM25.5 MILLION

LOSS AFTER TAX

RM0.1 MILLION

REVENUE BY TYPE
(TOTAL: $134.1M)



- Commodities trading
- Tyre distribution
- Manufacturing

SP CORP is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). It principally engages in commodities trading and tyre distribution. For 2016, SP Corp recorded revenue of $125.6 million, a 5% increase as compared to $119.7 million in 2015. As a result, profit after tax increased 23% to $1.8 million, up from $1.5 million a year earlier.

The Commodities Trading Unit primarily carries out trading and marketing of a broad range of commodities 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 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.

Commodities Trading Unit reported higher revenue of $109.3 million in 2016 as compared to $99.8 million in 2015 attributable to higher coal trading and sale of machinery. The Unit managed to increase its trading volumes for coal and rubber during this period when commodity prices were generally on the decline except for coal price. The volatility of commodity prices is expected to persist in the coming year considering the OPEC ministers meeting which is scheduled for 25 May 2017, several key European elections, headlines on policy priorities and cabinet choices in the new U.S. presidential administration and wider macroeconomic developments in emerging and developed economies. The Unit will continue to forge closer ties with its principals and customers to boost its commodities trading activities.

Tyre Distribution Unit distributes a wide range of bias and radial tyres for trucks and buses and passenger cars for established tyre brands, namely, GT Radial and Gajah Tunggal from Indonesia; and GT Radial, Primewell and Runway from China. Distribution network includes ASEAN countries, except for Indonesia, Philippines and Thailand. It commenced the distribution of Giti brand commercial tyres from China in 2016. The Unit provides tyre management services in Singapore and offers a one-stop solution for both new and retread tyres.

In 2016, Tyre Distribution Unit's revenue of $16.3 million was lower as compared to $19.9 million in the previous year. The weaker sales performance in 2016 was mainly due to the strong competition in the key tyre distribution markets in ASEAN region. Consequently, the Unit posted a loss of $0.7 million arising from lower revenue, partially offset by lower operating overheads and expenses. The tyre distribution business is expected to remain challenging in view of intense price competition.

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 2016, Hypak reported revenue of RM25.5 million, compared to last year's RM24.5 million and a loss after tax of RM0.1 million, compared to loss of RM0.5 million in the previous year.

Sales revenue and margins were both higher in 2016 which placed Hypak on better competitive footing to gain higher market share in Malaysia. The improved performance in 2016 was despite lower contribution from the Radiant Barrier Film business which was hit by construction sector slowdown.

The woven polypropylene bags market has been stable and prices of woven polypropylene bags have increased since the implementation of GST in 2015. ■

MANAGEMENT DISCUSSION AND ANALYSIS

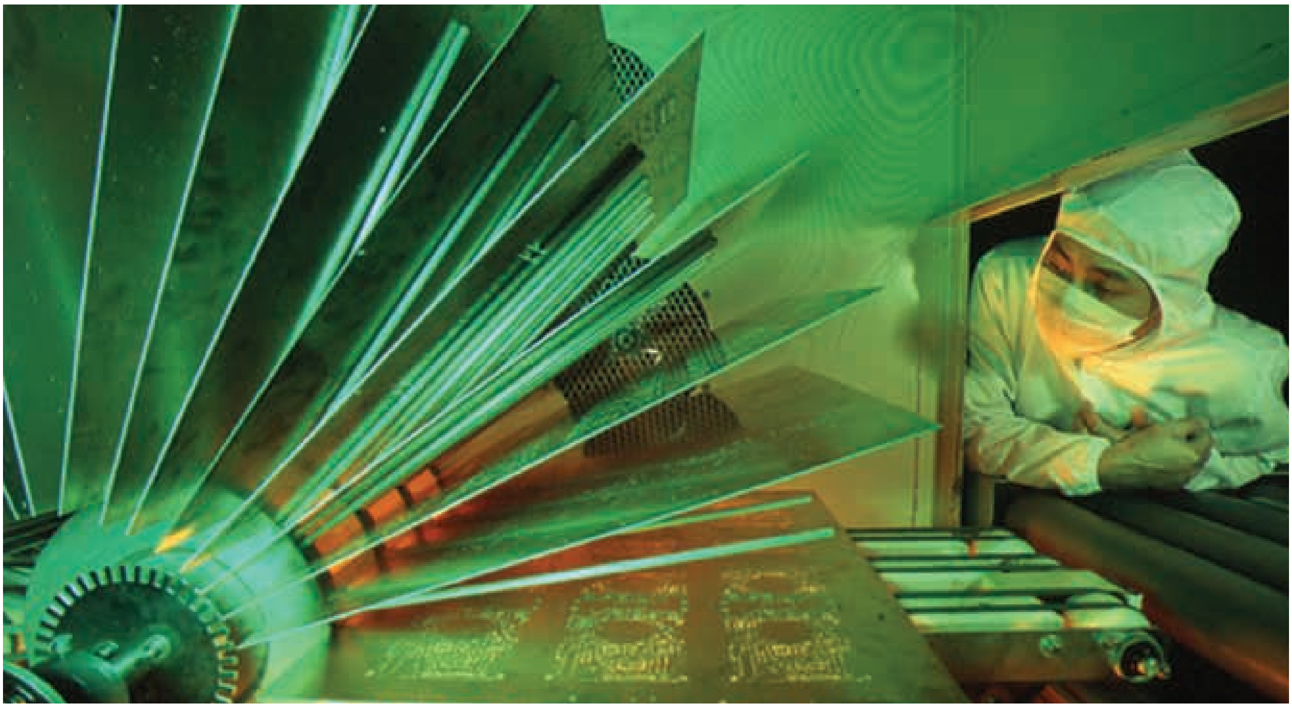
OTHER INVESTMENTS

The Group holds a 44.5% interest in GulTech and a 49% interest in Pan-West. These holdings are classified under "Other Investments" segment. In line with our strategic direction, the Group is not averse to dispose of its investments in these two entities when opportunity arises. For the full year 2016, Other Investments contributed a profit after tax of $12.3 million as compared to $6.7 million in the previous year, because of higher contribution from GulTech.

GULTECH is a respectable player in the printed circuit boards ("PCB") market, serving customers in the automotive, computer peripheral, consumer electronics, telecommunication, healthcare and instrument & control. GulTech has manufacturing 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.

GulTech reported revenue of US$244.3 million and profit after tax of US$28.8 million. Profit after tax increased 28% as compared to last year mainly attributable to improved performance from its new Jiangsu Plant. GulTech's net profit attributable to shareholders was up 103% to US$22.2 million on the back of its acquiring the remaining 38.6% shareholdings in GulTech (Suzhou) Electronics Co., Ltd in February 2016. The transaction turned GulTech Suzhou into a wholly-owned subsidiary of GulTech. The effect is in turn a higher share by the Group of GulTech's net profit (including fair value adjustment) of S$13.6 million.

PAN-WEST distributes golf-related lifestyle products, operating in 10 on-course and off-course outlets and concessionaires across Singapore and Malaysia. Pan-West is the exclusive distributor for some of the world's top golfing brands including Honma Golf, Cleveland Golf, Sun Mountain, Volvik, and High Definition Golf simulators. Pan-West is also an exclusive dealer of Asics Golf and Skechers Golf footwear in Singapore. ■



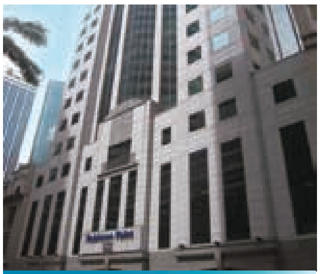
Auto-loader machine for loading printed circuit board panels at GulTech Plant.

GROUP PROPERTY PORTFOLIO

Seletar Park Residence, Singapore

Sennett Residence, Singapore

Cluny Park Residence, Singapore



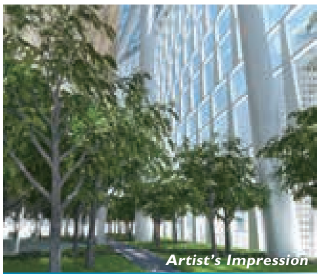
Robinson Point, Singapore

PROPERTY – RESIDENTIAL (SINGAPORE)

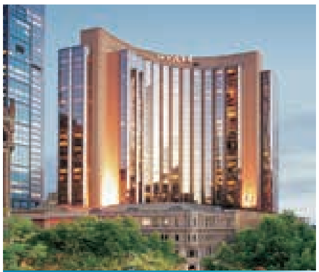
Name of Property	Location	Estimated GFA (sq. m.)	Tenure
Development property – under planning			
Kandis Residence	Singapore	10,850	99 years from year 2016
Development property – completed			
Seletar Park Residence	Singapore	26,862	99 years from year 2011
Sennett Residence	Singapore	33,328	99 years from year 2011
Cluny Park Residence	Singapore	6,997	Freehold

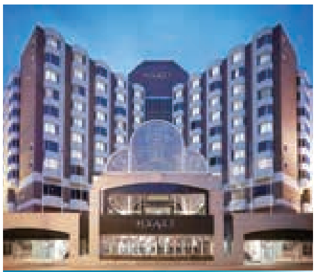
PROPERTY – COMMERCIAL

Name of Property	Location	Estimated Lettable/ Strata Area (sq. m.)	Tenure
Investment property – under redevelopment			
Robinson Towers	Singapore	18,058	999-years from year 1884 & 1885 (Lots 167X, 616W, 691X, 99280A, 99287W and 99289P) 99-years from year 2013 (Lots 485M and 488P)
Investment property – completed			
Robinson Point	Singapore	12,479	Freehold
The Oxley	Singapore	2,770	Freehold
Far East Finance Building – 11th Floor	Singapore	402	999 years
No. 2950 Chun Shen Road Property	China	2,170	58 years from year 2008



New Robinson Tower's Roof Garden


Grand Hyatt Melbourne, Australia


Hyatt Regency Perth, Australia


GulTech Jiangsu and Wuxi Factories, China

PROPERTY – INDUSTRIAL

Name of Property	Location	Estimated Lettable/ Strata Area (sq. m.)	Tenure
Investment property			
Century Warehouse (31 strata units)	Singapore	4,690	Freehold
L&Y Building (3 strata units)	Singapore	2,285	999 years

PROPERTY – HOTEL

Name of Property	Location	Land Area (sq. m.)	Tenure	Total Hotel Rooms	No. of Carpark Bays	Commercial Space Lettable Area (sq. m.)
Grand Hyatt Melbourne	Australia	5,776	Freehold	550	595	3,024
Hyatt Regency Perth	Australia	25,826	Freehold	367	1,020	23,415

INDUSTRIAL SERVICES & OTHER INVESTMENTS

Name of Property	Location	Land Area (sq. m.)	Tenure
Hypak Factory Building	Malaysia	19,100	99 years from year 1973
GulTech Suzhou Factory Building	China	40,455	48 years from year 1999
GulTech Wuxi Factory Building	China	78,800	50 years from year 2004
GulTech Jiangsu Factory Building	China	75,500	50 years from year 2012

CFO'S REVIEW OF FINANCIAL PERFORMANCE

OVERVIEW

OUR FINANCIAL STRATEGY & TARGET

Liquidity	Flexibility	Strong Metrics
To maintain sufficient cash (or near cash) to support business requirements and opportunities	To diversify source of financing, with varying interest periods and loan durations	To maintain cordial and strong relationship with the banking community and use non-recourse debt whenever possible
Cash & Bank Balances $163.7M	**Undrawn Facilities** $400.2M	**Weighted Average Cost of Financing from Financial Institutions** 2.9% p.a.
Cash & Cash Equivalents $95.9M	**Secured Debt/Total Assets** 0.44X	**Cost of Notes issued** 4.5% p.a.

KEY PERFORMANCE INDICATORS

		2016	2015	Change
Profitability – measures ability to generate earnings				
Revenue	$'M	404.0	677.1	-40%
Profit before tax and fair value adjustments	$'M	37.7	88.7	-57%
Profit after tax	$'M	33.8	69.1	-51%
Profit attributable to shareholders	$'M	33.6	68.8	-51%
Liquidity – measures ability to meet debt obligations				
Working capital	$'M	371.2	61.8	500%
Operating cash flow	$'M	190.1	152.3	25%
Free cash flow[1]	$'M	158.9	147.4	8%
Efficiency – measures efficiency of using fund and managing assets				
Total assets	$'M	2,123.1	2,162.5	-2%
Shareholders' funds	$'M	919.4	876.8	5%
Return on assets[2]	%	1.6	3.1	-49%
Return on shareholders' funds[3]	%	3.7	8.2	-54%
Debt leverage – measures capital employed and financial leverage				
Total borrowings	$'M	1,020.8	1,106.3	-8%
Net borrowings	$'M	857.1	964.6	-11%
Gross gearing[4]	times	1.10	1.25	-12%
Net gearing[4]	times	0.92	1.09	-16%
Shareholders' return – measures wealth creation for shareholders				
Earnings per share (excluding fair value adjustments)	cents	2.7	6.3	-57%
Earnings per share (including fair value adjustments)	cents	2.8	5.8	-52%
Net asset value per share	cents	77.7	74.4	4%
Dividend per share	cent	0.6	0.6	0%
Dividend payout ratio[5]	%	22.6	9.5	137%
Dividend yield[6]	%	2.0	1.7	18%

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 before fair value adjustments attributable to shareholders
6. Dividend yield = dividend per share/average share price during the year

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

The Group's financial statements are prepared in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards ("FRSs") in Singapore. Management reviews the financial performance of the business principally on a consolidated basis whereby the Group consolidated all subsidiaries' results and equity-accounted for its interests in associates which is shown as a single line item on the income statement and balance sheet.

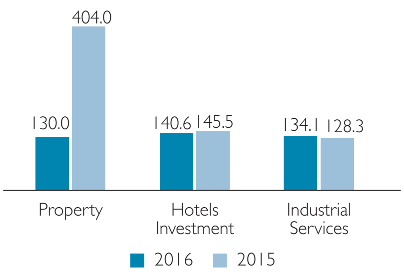
A summary of the income statement and balance sheet are separately included in the "Financial Performance" and "Financial Position" section of this report. Readers are advised to read this review together with the Statutory Reports and Accounts.

FINANCIAL PERFORMANCE

REVENUE

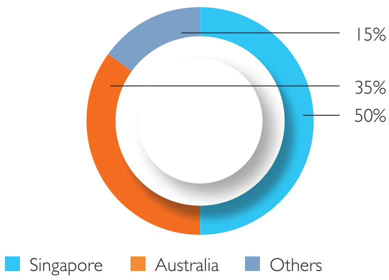
Group's revenue was $404.0 million, a drop of 40% as compared to $677.1 million last year. The decrease was largely due to lower revenue by Property segment as a result of the completion of various development projects in 2016. Revenue from development properties in Singapore have been recognised based on the percentage of completion method.

REVENUE BY BUSINESS SEGMENT ($'M)

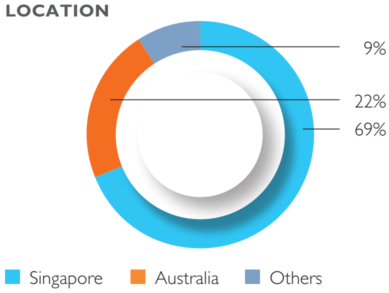


Property remains an important driver, contributing 32% of the Group's total revenue in 2016.

2016 REVENUE BY GEOGRAPHICAL LOCATION



2015 REVENUE BY GEOGRAPHICAL LOCATION



Customers from Singapore and Australia contributed 85% and 91% respectively of the Group's revenue in 2016 and 2015.

GROSS PROFIT

Gross profit decreased on the back of lower revenue as a result of the completion of the various development projects during the year.

OTHER INCOME AND EXPENSES

Other operating income increased by 31% to $4.5 million as compared to last year. It is attributable mainly to exchange gain from favourable Australian Dollar movement. Distribution costs was 35% higher at $5.9 million reflecting increased promotional activities and commission expenses mainly for the remaining units in Cluny Park Residence and Sennett Residence sold during the year. Administrative expenses was 16% higher at $29.7 million because of higher legal and professional fees incurred relating to the termination of the previous main contractor at Seletar Park Residence.

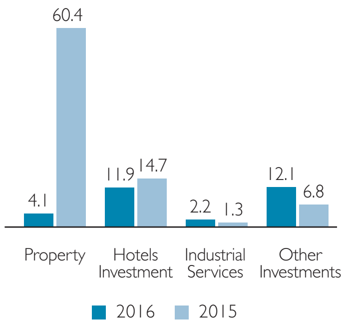
Other operating expenses were 23% lower at $7.7 million, as a result of lower allowance for diminution in value in this current year as compared to last year. Other operating expenses for the current year comprised mainly $3.6 million allowance for diminution in value for the unsold units in the three development projects in Singapore and $1.8 million on realised translation loss on the completion of liquidation of two dormant Malaysia subsidiaries. In comparison, last year's other operating expenses comprised mainly $8.9 million allowance for diminution in value for development properties.

The Group's share of results (before fair value adjustments) of equity-accounted entity (i.e. GulTech) increased 98% to $13.5 million attributable to improved performance from GulTech's Jiangsu Plant and GulTech's higher share (from 61.4% to 100%) of profits from its Suzhou Plant since February 2016.

PROFITABILITY

Profit before tax and fair value adjustments declined 57% to $37.7 million. All business segments were profitable in 2016. Property segment recorded lower profit because all three residential developments in Singapore had been completed during the year and an allowance for diminution in value was made for the unsold units of these developments. Hotels Investment and Other Investments segments were the other key contributors to the Group's profit after tax. ▶▶

PROFIT BEFORE TAX AND FAIR VALUE ADJUSTMENTS BY BUSINESS SEGMENT ($'M)



All business segments were profitable in 2016.

CFO'S REVIEW OF FINANCIAL PERFORMANCE

FINANCIAL POSITION

As at 31 December 2016, the Group's total assets was $2,123.1 million, a 1.8% decrease as compared to $2,162.5 million at the previous year-end. The decrease was due largely to lower carrying amount of the three development properties as they were completed and handed over to the buyers.

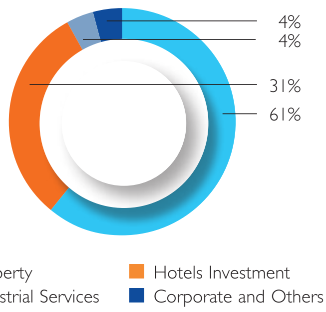
This decrease was offset partially by the increase in trade and other receivables, cash and bank balances, investment properties and property, plant and equipment. The increase in investment properties reflected the capitalised cost for the new Robinson Tower while its redevelopment is in progress. The increase in property, plant and equipment was mainly attributable to a net fair value gain of $17.0 million for the two hotels in Australia and foreign currency translation gain as a result of the appreciation of AUD.

Corresponding to the drop in the Group's total assets, total liabilities of $1,192.6 million represented a 6.5% decrease from the previous year-end. This was attributable primarily to the repayment of certain loans after the completion of the development projects. Accordingly, gross gearing improved to 1.10 times and net gearing to 0.92 times, as compared to 1.25 times and 1.09 times respectively.

During the year, shareholders' fund grew 4.9% or $42.6 million to $919.4 million as at 31 December 2016. Total equity (i.e. including non-controlling interests) increased to $930.5 million as at 31 December 2016, from $887.5 million at the previous year-end. These increases reflect mainly profit made during the year, gain from revaluation of properties and gain from foreign currency translation but reduced by payment of dividend to shareholders.

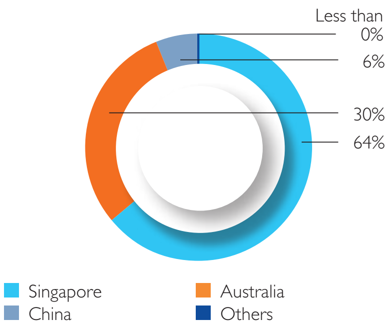
During the year, 4.4 million new shares were issued to shareholders under the Tuan Sing Scrip Dividend Scheme. In addition, 414,600 shares were cancelled after they were purchased from the open market. Accordingly in monetary term, the Company's share capital increased by approximately $1.1 million to $171.3 million as at 31 December 2016.

TOTAL ASSETS BY BUSINESS SEGMENT
(2016: $2,123.1M)



Property and Hotels Investment segments formed the bulk of the Group's total assets.

TOTAL ASSETS BY GEOGRAPHICAL LOCATION
(2016: $2,123.1M)



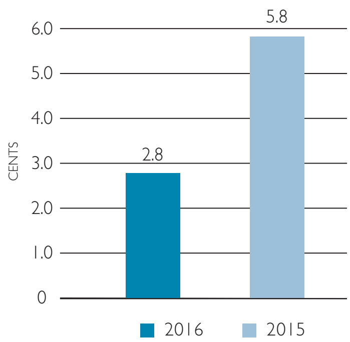
The Group had 64% of its total assets in Singapore. Major overseas assets were in Australia and China. The Group's interest in GHG represented its assets in Australia, while development properties and cash and bank balances formed the bulk of the assets in China.

SHARE CAPITAL AND EARNINGS PER SHARE ("EPS")

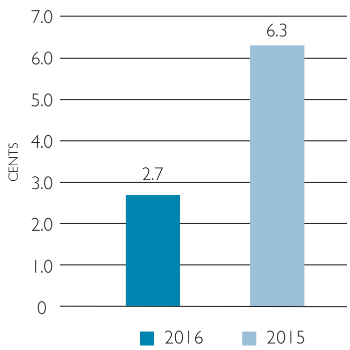
The number of issued ordinary shares as at 31 December 2016 was 1,182,842,055 as compared to 1,178,824,988 as at 31 December 2015, a net increase of 4,017,067 shares. On 24 June 2016, 4,431,667 new ordinary shares were allotted and issued at $0.27 per share to eligible shareholders who have elected to participate in the Company's Scrip Dividend Scheme in respect of the first and final tax exempted one-tier dividend of 0.6 cent per ordinary share in the capital of the Company for the financial year ended 31 December 2015. In addition, 414,600 ordinary shares were purchased under the "Share Purchase Mandate" and subsequently cancelled during the year.

Basic earnings per share, including fair value adjustments, were down 52% to 2.8 cents, as compared to 5.8 cents a year earlier. This reflects the decrease in profit after tax coupled with the impact of additional shares as mentioned above.

EPS, INCLUDING FAIR VALUE ADJUSTMENTS



EPS, EXCLUDING FAIR VALUE ADJUSTMENTS



DIVIDEND & SHAREHOLDERS' RETURN

DIVIDEND

Subject to the shareholders' approval at the forthcoming Annual General Meeting to be held on 26 April 2017, a first and final one-tier tax exempt dividend of 0.6 cent per share, amounting to about $7.1 million, will be paid on 23 June 2017 in respect of the financial year ended 31 December 2016. 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 purpose of determining dividend entitlements, book closure dates have been fixed on 8 and 9 May 2017.

For the previous financial year ended 31 December 2015, a first and final dividend of 0.6 cent per share amounting to $7.1 million was paid on 24 June 2016. This had been satisfied by way of a cash payment of $5.9 million and issuance of 4,431,667 ordinary shares at an issue price of $0.27 per share to eligible shareholders who have elected to participate in the Company's Scrip Dividend Scheme.

The Group has been declaring dividends every year since 2009. Total gross dividend payout amounts to $43.2 million, including $7.1 million proposed for FY2016.

DIVIDEND PAYOUT AND DIVIDEND YIELD

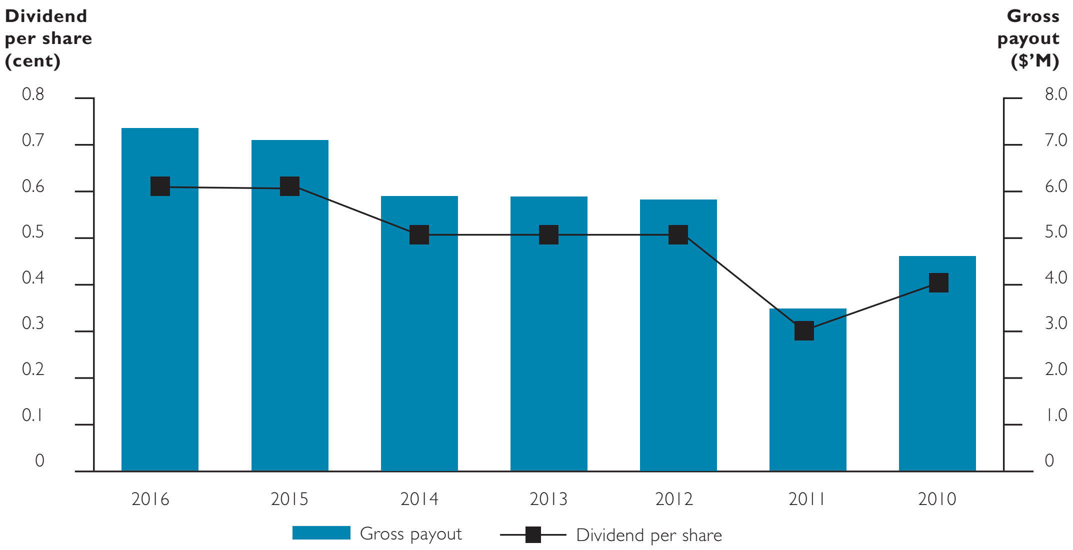
The proposed dividend of 0.6 cent per share for 2016 represents dividend payout ratio of 22.6% based on core earnings which are the net profit before fair value adjustments.

Dividend yield is 2.0% based on dividend per share over the average share price of 30.0 cents traded during the year.

We are aware of our shareholders' wish for more dividends. However, we have to balance shareholders' desire to have a higher dividend with sustainable annual returns and prudence to preserve cash and maintain sufficient working capital to support business growth. The bulk of the Group's profits, when made, shall therefore be retained for investing in the Group's future, while an appropriate dividend will be distributed annually – cash flow permitting – to reward shareholders. Please refer to the Group's "Dividend Policy" stated in Corporate Governance.

DIVIDEND PER SHARE AND DIVIDEND PAYOUT

	2016	2015	2014	2013	2012	2011	2010
Dividend per share (cent)	0.6	0.6	0.5	0.5	0.5	0.3	0.4
Number of shares (million)	1,183	1,179	1,176	1,173	1,161	1,154	1,146
Gross payout ($'000)	7,097	7,073	5,881	5,864	5,806	3,463	4,586
Cumulative payout ($'000)	43,182	36,085	29,012	23,131	17,267	11,461	7,998



CFO'S REVIEW OF FINANCIAL PERFORMANCE

CASH FLOW

FREE CASH FLOW

Cash is king! Hence, it is important for the Group to generate positive free cash flow. Free cash flow for a period is basically an arithmetic sum of two streams of cash flows during the period: cash generated from/(used in) operating activities and cash (used in)/ from investing activities. The sources of cash from operating activities are operating profit, a change in working capital, and interest receipts less tax payments. The avenue of cash used in investing activities could be for capital expenditure and investments.

During the year, free cash flow generated was $158.9 million, as compared to $147.4 million in year 2015. This was attributable to higher operating cash inflow of $190.1 million, offset partially by higher investing cash outflow of $31.2 million. In comparison, last year operating cash inflow and investing cash outflow were $152.3 million and $4.9 million respectively.

CASH FROM OPERATING ACTIVITIES

Higher operating cash flows were generated during the year attributable mainly to more cash received from the development properties following their completion.

CASH USED IN INVESTING ACTIVITIES

Net cash used in investing activities was $31.2 million in 2016, as compared to $4.9 million last year. The increase was due mainly to the redevelopment of the new Robinson Tower of $18.7 million in 2016 as compared to $10.3 million a year ago.

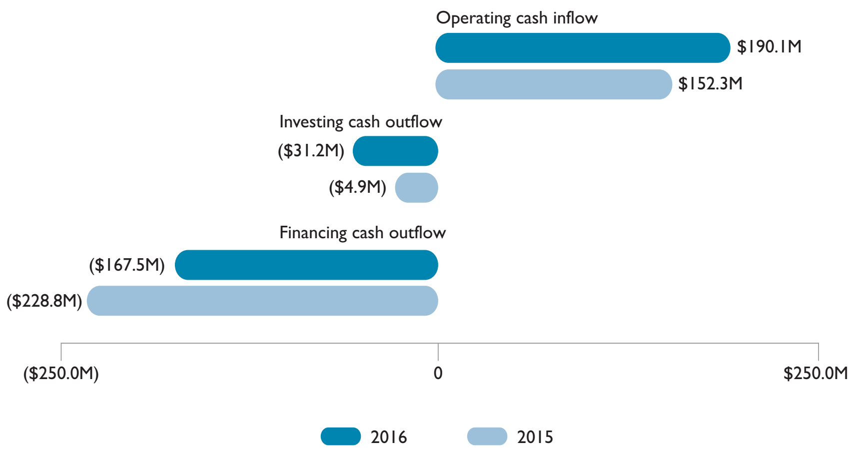
CASH USED IN FINANCING ACTIVITIES

Net cash used in financing activities was $167.5 million, reflecting mainly a net loan repayment of $94.4 million, interest payment of $34.2 million, cash dividend paid to shareholders of $5.9 million, and additional bank deposits pledged of $32.9 million for bank facilities. In comparison, net cash of $228.8 million was used last year mainly on a net loan repayment of $220.0 million and interest and dividend payment of $39.0 million.

CASH AND CASH EQUIVALENTS

As at 31 December 2016, cash and cash equivalents stood at $95.9 million, down from $105.7 million compared to previous year-end.

CASH FLOW ANALYSIS



SUMMARY OF CASH FLOW ACTIVITIES

	2016 $'M	2015 $'M
Operating cash inflow		
Profit before tax and fair value adjustments	37.7	88.7
Non-cash items	20.7	33.3
Operating cash flow before working capital changes	58.4	122.0
Working capital changes	133.1	26.5
Interest receipts and tax payments	(1.4)	3.8
	190.1	152.3
Investing cash outflow		
Investment and capital expenditure	(31.3)	(13.7)
Divestment proceeds	0.1	0.2
Distribution and dividend income	–	8.6
	(31.2)	(4.9)
Financing cash outflow		
Net inflow from loans and borrowings	(94.4)	(220.0)
Bank deposits pledged	(32.9)	30.2
Interest and dividend payments	(40.1)	(39.0)
Shares bought back and cancelled	(0.1)	–
	(167.5)	(228.8)

BORROWINGS & DEBT SECURITIES

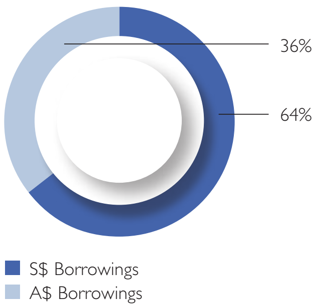
As of 31 December 2016, the Group had approximately $1,020.8 million of borrowings comprising long-term borrowings of $1,017.4 million and short-term borrowings of $3.4 million. 92% of the Group's borrowings were secured except for the $80 million notes issued under the MTN Programme. The secured borrowings were obtained mainly for financing development projects and investment properties in Singapore and Australia. Singapore Dollar borrowings represented 64% of total borrowings and the remaining 36% were in Australian Dollar. Australian Dollar borrowings, secured under GHG, act as a natural hedge against the Group's investment in Australia.

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. As at 31 December 2016, 92% of our borrowings were on floating rates with varying tenures. To mitigate interest rate risk, we monitor the trend of interest rate movements closely. Financial instruments are used, if it is deemed necessary, to hedge interest rate risk arising from the normal course of business. At present, we limit such hedging to two instruments – cross currency swaps and interest rate swaps.

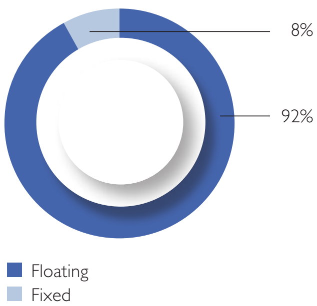
In addition, Tuan Sing has established a S$900 million MTN Programme under which it can issue notes in series or tranches and may be denominated in Singapore Dollar or other currency deemed appropriate at the time. The 1st tranche of S$80 million of fixed rate notes (the "Notes") were issued on 14 October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

DEBT PROFILE

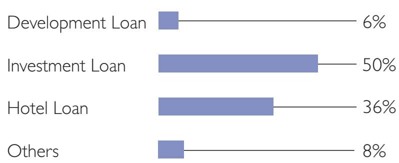
TOTAL BORROWINGS BY CURRENCY



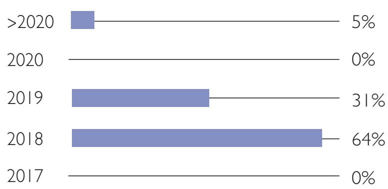
INTEREST RATE PROFILE



TOTAL BORROWINGS BY LOAN TYPE



LOAN MATURITY PROFILE



Note: The above analysis is based on total loans and borrowings outstanding as at 31 December 2016.

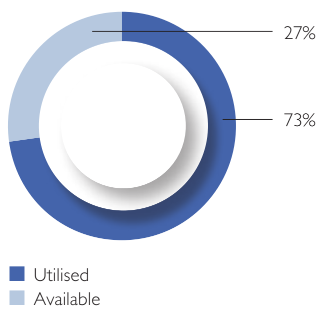
TREASURY MANAGEMENT

Treasury management is carried out by the strategic 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.

Each strategic business unit and the head office monitor working capital requirement, perform profit and cash flow forecast on a quarterly basis. We also watch out for loan covenants compliance, and maintain a mix of duration and interest period for the loans. The quarterly cash flow projections are 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 financial institutions.

Cash and cash equivalents and undrawn committed facilities are maintained for draw down at short notice. Maturity dates of our facilities are well spread out and up to year 2026.

TOTAL CREDIT FACILITY ($1,470.7M)



CFO'S REVIEW OF FINANCIAL PERFORMANCE

CAPITAL STRUCTURE MANAGEMENT

OUR CAPITAL STRUCTURE MANAGEMENT

On capital structure, we aim to strike a balance between shareholders' funds and leveraging through external borrowing. Leverage magnifies returns on shareholders' funds, both positive and negative. An increase in leverage may however increase the risk of breach of covenants on borrowings and borrowing costs may increase as a consequence in addition to other implications.

Tuan Sing has access to a variety of source of funding. We monitor the financial markets and decide on the financing best suited to our business needs at the time. In making the decision, we also bear in mind 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, buy them back from the market and cancel them, obtain new borrowings, sell assets to reduce borrowings, 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. In our view, Tuan Sing has adequate sources of financing to meet our normal business requirements in the foreseeable future through the operating cash flow generated, divestment proceeds, if any, from low yielding or non-core assets, secured borrowings and unsecured bonds that may be issued from time to time.

OUR DEBT FINANCING

We use a combination of short-term and long-term debt to finance our operations. As a matter of rule, our long-term investments are financed by long-term debt. This debt is normally in the same currency as the underlying investment and repayment terms are normally designed to match cash flows expected from that investment.

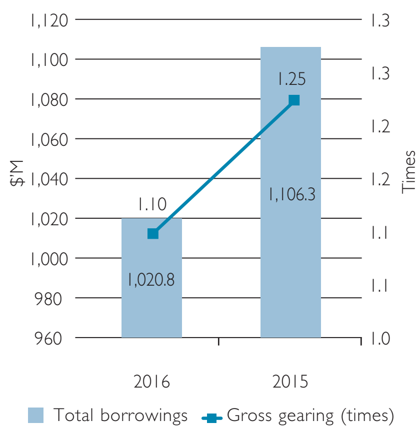
Our having access to reasonably-priced financing is dependent, in part, on the quality of our credit ratings. Although we do not engage credit rating agencies currently, we believe our reputation for having a culture of good governance and transparency is one of the attractive considerations to lenders and investment community in offering us competitive financing and at reasonably short notice. 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.

OUR GEARING

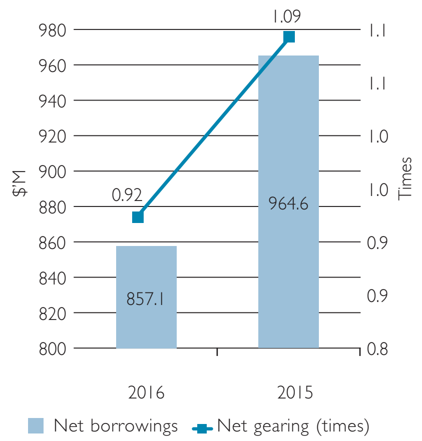
We use gross gearing ratio (debt as a percentage of total equity) and net gearing ratio (net debt as a percentage of total equity) to measure our debt leverage. Net debt is defined as debt less cash and bank balances.

As at 31 December 2016, gross gearing ratio improved to 1.10 times from 1.25 times in the previous year. Net gearing ratio was 0.92 times, improved from 1.09 times in the previous year. 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 appropriate capital structure.

GROSS GEARING



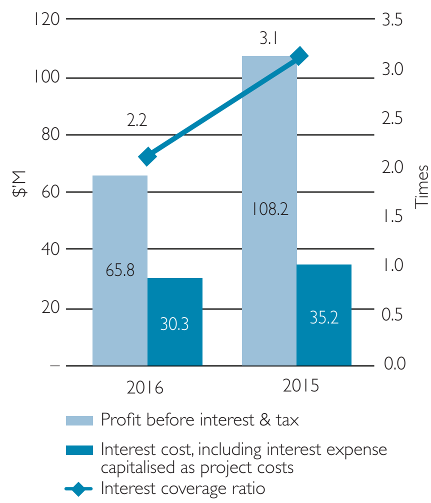
NET GEARING



OUR INTEREST COVERAGE RATIO

The Group's interest cover was 2.2 times as at end 2016 as compared to 3.1 times in 2015. The lower interest coverage ratio was due to lower profits. Indeed, the interest expense reduced by almost 14% from $35.2 million to $30.3 million. The lower interest expense was attributable to the repayment of certain loans after the completion of the development projects and lower interest rate on Australian Dollar borrowings for hotels investment in Australia also contributed to the improvement.

INTEREST COVERAGE RATIO



FINANCIAL RISK MANAGEMENT

For a full understanding of this topic, please also read "Business Dynamics Risk Factors Statement" section of this Annual Report and Note 32 of the Statutory Reports and Accounts.

SENSITIVITY ANALYSIS

Sensitivity analysis on currency and interest rate changes and associated risks are discussed in Note 32 of the Statutory Reports and Accounts. Other sensitivity analyses are discussed below:

FOREIGN CURRENCY EXPOSURE

As the Group has operations and properties outside of Singapore, it is subject to the effect of foreign currency translation when the assets and liabilities in foreign currencies are translated into Singapore Dollar for financial reporting or repatriation purposes. The translation exposure is primarily related to 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 2016 would have the shareholders' funds increase or decrease by approximately $11.9 million, $5.6 million and $6.1 million 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 sales of partly completed development properties in Singapore under deferred payment scheme and development properties outside Singapore, 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 2016, the incremental impact on the Group's profit before tax for development properties which have been completed and launched for sales, every additional 1% of the total saleable area sold would contribute an estimated $0.2 million to the Group's profit before tax. This is based on estimated profit margin and properties available for sale as at 31 December 2016. Readers should note that more than 95% of the units in Seletar Park Residence and Sennett Residence units and 55% of the units in Cluny Park Residence had been sold. As there were few unsold units, there is minimal impact in this respect.

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 have an approximately $0.3 million impact to the total rental income.

FAIR VALUE ADJUSTMENTS

The fluctuation of financial results caused by the inter-year fair value adjustment 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. Whilst there is no actual cash flow impact arising from such accounting entries, a substantial decrease in property valuation may trigger the activation of certain loan-to-value bank covenants.

As at 31 December 2016, the Group had $1,108.7 million of investment properties or 52% of the total assets of the Group. Hence, for every 1% increase or decrease in the fair value of investment properties, the Group's shareholder's funds will increase or decrease by approximately $11.1 million.

CRITICAL ACCOUNTING POLICIES

Tuan Sing's financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards ("FRSs") in Singapore 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 of the Statutory Reports and Accounts.

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 of the Statutory Reports and Accounts. ■

CFO'S REVIEW OF FINANCIAL PERFORMANCE

RESULTS AT A GLANCE

Revenue decreased due to the completion of the various development projects during the year. Revenue of GulTech and Pan-West are not included as their results are equity-accounted for.

Gross profit was accordingly decreased.

Other operating income comprised mainly foreign currency exchange gain arising from the appreciation of Australian Dollar against Singapore Dollar. In FY2015, it was mainly from forfeited deposits on abortive sales of development properties and compensation for early termination of lease by tenants of investment properties.

Higher distribution costs reflected increased promotional activities and commission expenses mainly for the remaining units in Cluny Park Residence and Sennett Residence sold during the year.

Higher administrative expenses were due to legal and professional fees incurred relating to the termination of the previous main contractor at Seletar Park Residence.

Other operating expenses decreased as there was lower allowance for diminution in value in this year than in last year. Other operating expenses for the current year comprised mainly $3.6 million allowance for diminution in value for the unsold units in the three development properties in Singapore and $1.8 million on realised translation loss on the completion of liquidation of two dormant Malaysia subsidiaries.

The Group's share of results (before fair value adjustments) of an equity-accounted investee reflected solely share of results of the 44.5%-owned GulTech. GulTech's increase in profit is mainly attributable to improved performance from GulTech's Jiangsu Plant and GulTech's higher share (from 61.4% to 100%) of profits from its Suzhou Plant since February 2016.

Overall, total finance costs have reduced as compared to last year. This was mainly due to repayment of certain loans after the completion of the development projects.

Fair value gain in 2016 arose mainly from the Group's investment properties in Singapore as opposed to a fair value loss last year which was due mainly to the fair value loss on non-hotel investment properties in Perth, mitigated partially by a fair value gain in Melbourne and Singapore.

SUMMARY OF FINANCIAL PERFORMANCE

	2016 $'000	2015 $'000
Revenue	**404,018**	**677,122**
Cost of sales	(319,634)	(535,259)
Gross profit	**84,384**	**141,863**
Other operating income	4,490	3,420
Distribution costs	(5,867)	(4,355)
Administrative expenses	(29,741)	(25,672)
Other operating expenses	(7,739)	(10,085)
Share of results of an equity-accounted investee	13,466	6,803
Interest income	4,465	4,258
Finance costs	(25,716)	(27,529)
Profit before tax and fair value adjustments	**37,742**	**88,703**
Fair value adjustments	2,336	(8,049)
Profit before tax	**40,078**	**80,654**
Income tax expenses	(6,272)	(11,535)
Profit after tax	**33,806**	**69,119**

SUMMARY OF FINANCIAL POSITION

	2016 $'000	2015 $'000
Cash and bank balances	163,688	141,717
Development properties	183,232	336,132
Property, plant and equipment	419,278	395,149
Investment properties	1,108,652	1,076,909
Investments in equity-accounted investees	83,579	71,511
Other assets	164,654	141,087
Total assets	**2,123,083**	**2,162,505**
Total borrowings	1,020,793	1,106,334
Other liabilities	171,834	168,714
Total liabilities	**1,192,627**	**1,275,048**
Total shareholders' funds	**919,422**	**876,805**
Total non-controlling interests	**11,034**	**10,652**

Increase in cash and bank balances largely due to progress billings received from the three development properties following their completion.

Decrease due largely to lower carrying amount of the three development properties as they were completed and handed over to the buyers.

Increase in property, plant and equipment was mainly attributable to a net fair value gain of $17.0 million for the two hotels in Australia and foreign currency translation gain as a result of the appreciation of Australian Dollar.

Increase in investment properties reflected the capitalised cost for the new Robinson Tower while its redevelopment is in progress.

The decrease in total borrowings was attributable primarily to the repayment of certain loans after the completion of the development projects.

These increases reflect mainly profit made during the year, gain from revaluation of properties and gain from foreign currency translation but reduced by payment of dividend to shareholders.

Camaraderie among the employees through regular meetings at Tuan Sing.

MANAGING RISK IN DELIVERING OUR STRATEGY

"It is necessary to take certain risks that we believe are manageable and appropriate in relation to expected opportunities"

Tuan Sing continues to explore 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. The ERM 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 community can be met.

In this discussion, we give an outline of the Group's approach in managing risks. Key risks in 2016 have been identified through the risk management system and are reported and reviewed by the Board of Directors. They are summarised in the "Business Dynamics and Risk Factors Statement" section of this Annual Report.

OUR APPROACH TO RISK MANAGEMENT

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 strategic business units 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 Group CEO and Group CFO, with significant and emerging risks escalated for the Board and 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.

MANAGE RISK IN DELIVERING OUR STRATEGY

We remain focused on property and hotels investment 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 risk appetite by taking into consideration our assessment of the macroenvironment that we are operating in. We use key risk indicators to ensure that the activities of the business are within our risk appetite.

OUR RISK MANAGEMENT PROCESS AND CULTURE

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 Group CEO and Group CFO to confirm the effectiveness of the financial reporting, risk management, compliance and internal control systems in their respective units. These representation letters in turn formed the basis on which the Group CEO and Group CFO issued the quarterly group management representation letters to the Audit and Risk Committee. To promote accountability and appropriate corporate culture, yearly compliance checklist and declaration on ethics by all employees have also been implemented.

- 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.

To increase risk awareness and to establish a culture of risk-conscious decision-making, risk management training sessions were held during the Tuan Sing Finance Conference in August 2016, bringing together employees from not only finance but also operational managers.

CRISIS MANAGEMENT AND BUSINESS CONTINUITY

The Group implements crisis management and business continuity programme as part of its ERM processes to ensure that the Group has the ability to respond and continue to operate critical business functions across a broad spectrum of interruptions to business.

In addition, to better prepare ourselves for business continuity, we conduct periodic emergency response exercises such as fire drills. Our SBUs also share information with one another on successful safety initiatives and accident cases so that others can learn from the experiences. In relation to preventive risk management measures, the Group protects itself by taking out appropriate group insurance policies.

RISK MANAGEMENT IMPLEMENTED: 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 as such data in our possession may be subject to unauthorised access, modification, disclosure, use, or copying, whether in hardcopy or electronic form. To mitigate this risk, the Group has implemented the Personal Data Protection Policy for employees and stakeholders after it was approved by the Board on 27 October 2016.

OUR RISK GOVERNANCE AND OVERSIGHT STRUCTURE

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 2016. ■

THE BOARD

- Determine strategies
- Set risk appetite and parameters
- Review external environment
- Manage and monitor risks
- Assess effectiveness of risk management system
- Instil corporate culture and approaches to risk governance

AUDIT & RISK COMMITTEE

- Direct delivery of strategic actions
- Report principal risks and uncertainties
- Oversees financial reporting, operational and compliance risks
- Oversees internal and external audit processes
- Consider aggregation of risk exposures across the businesses
- Monitor key risk indicators and the implementation of risk mitigation plans
- Oversees the adequacy and effectiveness of the Group's risk management and internal control systems

CEO & CFO

- Implement the Company's strategies
- Strengthen the Group's risk management culture ensuring the overall framework of risk management is comprehensive and responsive to changes in the business
- Regularly review the completeness and accuracy of risk assessments, risk reporting and the adequacy of risk mitigation efforts

STRATEGIC BUSINESS UNITS

- Identify emerging risks
- Monitor and manage operational risks on an ongoing basis
- Maintain risk registers which provide a framework for all relevant staff to recognise their shared responsibility for an effective management of risks on a regular and timely basis

BUSINESS DYNAMICS & RISK FACTORS STATEMENT

"We actively monitor key risks to ensure that our business activities are within our risk appetite"

KEY RISK PROFILE 2016

The changing business environment has caused the Group to closely monitor the impact on our risk landscape. Out of the twenty-six key risks identified, two risks, namely cyber security risk and terrorism risk, are newly identified during the year. This is caused by the increase in the scale and level of sophistication of cyber-attacks and terrorism that happen globally and near-misses regionally in the last twelve months. Otherwise, our risk appetite and risk profile remain broadly unchanged in 2016.

NO THREAT TO GOING CONCERN

After making due inquiry, we are satisfied that as of 31 December 2016, 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			
Moderate	* Derivative Financial Instrument * Insurance	* Processing, Sourcing & Execution	* Competition * Industry	* Reputation * Macroeconomic & Political * Price	* Foreign Exchange * Tax * Interest Rate
Low		* Alliance * People * Work Health & Safety * Terrorism * Cyber Security	* 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 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

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
BUSINESS & STRATEGY 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 the management's attention.	• 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 eventually approved 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 Singapore and in the region are rapidly changing and the Group has to respond 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 properties would reduce the competitiveness of older or existing properties.	• 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.
Industry risk	
• The Group is exposed to inherent risks in property developments. • Adverse weather, labour shortage, poor performance of main contractors, industrial accidents or delays in obtaining regulatory approvals may delay the completion of projects and cause cost overruns. • The Group is exposed to the hotel industry's supply and demand cycle which is dependent on the conditions of the hospitality and leisure industry 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 covering project management process are in place. • Project budget is established, approved and used by the project team to monitor progress. All variation orders are to be approved by the appropriate authority. • 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 particularly when the Group ventures into neighbouring country. • The property development business depends heavily on the continued health of the real estate market in Singapore and in the region. • Changes in government policies and regulations affect the market demand, land title acquisition, planning and design, construction hours and financing.	• The Group monitors key economic indicators and keeps itself updated on potential changes of policies by the authorities. • The Group remains optimistic of the median and long-term outlook for the property markets in Singapore and in the region.
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 changes. • Local strategic 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
BUSINESS & STRATEGY RISKS (CONT'D)	
Reputation risk • The Group may face adverse publicity if there is mishandling of transactions or events.	• 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 the Group's operations. • The Group has in place Investor Relations Policy, 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.	• 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. • A portfolio of investment properties provides a platform of growth and generates recurring income. • Business development and project management functions have been strengthened in recent years.
Terrorism risk • The Group could be adversely affected by the unpredictable terrorist attacks due to its geographical footprints. • This would potentially result in damage on properties, facilities and activities and cause injury or death to personnel as well as disruption in operation and causes financial implication to the Group.	• This is an inherent risk and uncontrollable event that the Group could not avoid. • The Group has disaster recovery plan in place. • Property is protected through the implementation of other security measures.
FINANCIAL RISKS	
Liquidity risk • Renewal or additional debt-financing on favourable terms is subject to prevailing global and local economic conditions, credit and capital market sentiments.	• The Group monitors and maintains a level of cash and cash equivalents deemed adequate. • The Group manages debt financing proactively to ensure all covenants are met as and when required. • Cash flow projections, free cash pool structure, debt maturity profile and available bank facilities are actively reviewed to ensure efficient management of liquidity position. • 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 structure or weakness in financial management could impact the Group's ability to provide adequate returns to the shareholders.	• The Group conducts regular reviews to ensure optimal capital structure. • 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. During the year, the Group bought certain number of shares from the market and cancelled them.

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
FINANCIAL RISKS (CONT'D)	
Derivative financial instrument risk	
• Market conditions may move against the assumptions the Group adopts at the time of hedging transactions, an inherent risks.	• 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 purposes.
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 in the region are subject to rounds of government cooling measures.	• This is an inherent systemic risk that the Group could not avoid. • Diversify the property portfolio. • For development properties, reduce the gestation period of a property launch. • For investment properties, fix the rental periods to at least two to three years.
Credit risk	
• Credit risk arises when counterparties default on their contractual obligations resulting in financial loss to the Group.	• Standard operating procedures are in place which includes extending pre-approved credit terms to only credit-worthy customers and monitoring credit risk on a regular basis. • Major collectability issues are highlighted to all concerned.
Foreign exchange risk	
• Exchange gains or losses may arise when the assets and liabilities in foreign currencies are translated into Singapore Dollar for financial reporting or repatriation purposes.	• 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 borrowings.	• 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 underprovision in the book of accounts. • The Group developed Transfer Pricing Documentation Master File to provide a guideline on transfer pricing for all subsidiaries across different countries.

BUSINESS DYNAMICS & RISK FACTORS STATEMENT

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
FINANCIAL RISKS (CONT'D)	
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 strategic 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 from time to time.	• Internal controls over financial reporting are reviewed regularly and embedded within our corporate governance structure. • On a quarterly basis, strategic 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 strategic business units 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.	• Major investments are reviewed by the Board or its committee 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.
OPERATIONAL RISKS	
Alliance risk	
• Business associates or joint venture partners' median or long-term interest may not necessarily be aligned with the Group's. • 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 & environmental risk	
• Heightened awareness by the public and environmental agencies may increase the Group's operating expenses in environmental issues.	• The Group adopts environmental-friendly practices across countries, so as to bring them in line with best practices in the market and remedy promptly shortcomings identified. • The Group provides eco-themed amenities and nature-inspired landscaping at development projects. The Group is also committed to meeting green building requirements for our projects.
People risk	
• The Group depends on the service of good personnel for business continuity. • Succession plan execution is a challenge given the size of the Group.	• The Group provides a safe working environment under which employees could develop their career with work-life balance so as to ensure that human capital are nurtured and retained. • Attractive award and bonus are given to good performers.
Processing, sourcing & execution risk	
• Property development projects take 3-5 years to complete. Delays in the project completion and cost overruns may arise from labour and material shortage, poor performance of contractors, or delay in obtaining necessary regulatory approvals and industrial accidents. • 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 analysed and highlighted to the senior management and the Board.

DESCRIPTION OF RISKS	WHAT WE DO TO MANAGE THE RISKS
OPERATIONAL RISKS (CONT'D)	
Work health & safety risk	
• The Group is exposed to work, health and safety risks of employees arising from incidents in the production process and pandemics.	• The Group cultivates a safety-consciousness culture at all levels including the setting up of employees' safety council, where appropriate. • Refresher drills on fire safety, emergency evacuation and first aid responses 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 financial loss 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.
Cyber security risk	
• The Group's operation is exposed to disruptions to the network • This can happen through targeted attacks from hackers, insider attacks and accidental cyber incidents. • Resulted cyber thefts of sensitive and confidential information could lead to litigations from customers and/or regulatory fines and penalties.	• The Group adopt a holistic approach by keeping abreast of the threat landscape and business environment. • During the year, the Group revised the Information Security Policy covering cyber security and data protection measures.
COMPLIANCE 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 in place for some time. • External auditors are engaged for statutory audit and internal auditors are engaged to conduct operations review; both report directly to the Audit and Risk Committee.

SUSTAINABILITY AT TUAN SING

"In our sustainability strategy, we address the economic, environmental and social issues that are relevant to our business and important to our stakeholders"

MANAGING SUSTAINABILITY

While we have all along been practicing sustainability, we are pleased to have codified our Sustainability Policy during the year. The policy, approved by the Board of Directors, has been uploaded onto the Company's website and epitomises our belief in building sustainable businesses that deliver long-term value and growth to all our shareholders. We continue to strike a balance on our triple bottom line of Profits, People and Planet: Growing sustainable PROFIT; Caring for PEOPLE; and Nurturing our PLANET. The triple bottom line concept is embedded in our business decisions and processes.

Growing sustainable PROFIT

We secure sustainable growth and performance through maintaining a high standard of corporate governance and strengthening risk-centric culture.

Caring for PEOPLE

We are committed to nurturing and developing our employees through continuous training and development.

Nurturing our PLANET

We feel privileged to give back to community and society. We cultivate a green mind set among our employees and encourage them to volunteer for charitable causes.

OUR SUSTAINABILITY VISION AND OUR PROGRESS

SUSTAINABILITY VISION	KEY ACTIONS IN 2016
Governance	
• To ensure the highest standards of governance, transparency, honesty and integrity in our business operations; and also to ensure a clear management framework in our sustainable development.	• Strived to adhere to a high level of corporate governance, accountability and transparency. • Continued to carry out our business in an honest and responsible manner which is essential for the sustainability of the Group's performance as well as to create long-term value for all our stakeholders.
Sustainable buildings	
• To construct sustainable buildings that add significant tangible value to the communities we serve; and maintain those buildings with a strong priority on the triple bottom line of profit, people and planet.	• Continued to benchmark environmental performance of our new and existing buildings against international and local standards such as BCA or equivalent. • Implemented environmental initiatives targeting at reduction of energy and water consumption and waste generation for our buildings in Singapore and hotels in Australia.
Working environment	
• To ensuring a respectful, harmonious and safe working environment by providing training and career development opportunities and enabling our employees to act with integrity and feel motivated.	• Monitored remuneration package to ensure its competitiveness. • Provided staff training based on needs and requirements for all staff. • Delivered management training to enhance career development opportunities.
Community engagement	
• To acknowledge that we are an integral part of the communities we serve by becoming an active member and supporter of those communities in every way we can – strategically, financially and socially.	• Encouraged employees to volunteer their time and give financial support to the less fortunate groups in the society. • Increased donation and sponsorship by 10% compared to 2015.

SUSTAINABILITY CONTACT

Your feedback is an important way of improving our sustainability practices. If you have any comments or feedback on the matter, please send it to us at http://www.tuansing.com/contactus/feedback.aspx

INVESTOR RELATIONS

"Tuan Sing ranked 7th amongst 631 listed companies at the Singapore Governance and Transparency Index in 2016"

We believe we have over the years been conveying full, accurate and credible information in a timely manner to the shareholders and the investment community. The Group has an Investor Relations Policy to ensure that we engage the investor community in an open and transparent manner using various communication platforms. The policy is periodically reviewed and updated as it needed and is available on the Company's website at www.tuansing.com

COMMUNICATION WITH SHAREHOLDERS

We provide shareholders with quarterly result announcements within one month of the quarter's close as well as the audited statutory financial statements within one month after the financial year-end. Additional information is disclosed voluntarily in the releases so as to enhance readers' understanding of the subject matters. These disclosures are beyond a mere compliance with regulatory requirements. We also promote regular, effective and fair communication with shareholders. All press statements and quarterly financial statements are published on our website and the SGX website.

Our corporate website is kept updated regularly. Included therein is a separate "investor relations" section featuring past financial results announcements, press releases, investor presentations, half-yearly 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 on financial information. The website also provides contact details for investors to make enquiries and submit their feedback.

CONDUCT OF SHAREHOLDERS' MEETINGS

Tuan Sing encourages and values shareholders' participation at its shareholders' general meetings. Such meetings provide shareholders with the opportunity to share their views and to meet the Board and members of senior management. At the last Annual General Meeting ("AGM") held on 29 April 2016, the Group's financial performance for 2015 was presented to shareholders by the Group CFO. The Group's future development plans and investment strategies were presented by the Senior Vice President of Business Development. The AGM was well attended by many shareholders and the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, Board members and the management.

To promote shareholders' participation, all resolutions at general meetings were put to vote by electronic poll and the results were announced by showing the number of votes casted for and against each resolution and the respective percentage. The results of the electronic poll voting were announced immediately after each resolution had been put to a vote, and the number of votes casted for and against and the respective percentage were displayed in real-time at the general meetings. We maintained an audit trail of all votes casted at the general meetings.

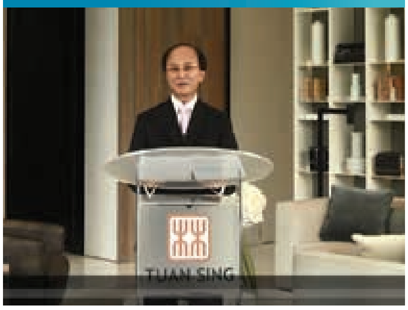
Starting from the general meetings held on the said 29 April 2016, the minutes of the meeting can be accessed via our website, including the attendance of the Directors, senior executives and the shareholders.

SINGAPORE CORPORATE AWARDS 2016 – BEST CHIEF EXECUTIVE OFFICER AND BEST INVESTOR RELATIONS

This year, Tuan Sing was privileged to have received two Singapore Corporate Awards. The event was co-organised by The Business Times, Institute of Singapore Chartered Accountants and Singapore Institute of Directors; and supported by the Singapore Exchange and the Accounting and Corporate Regulatory Authority to recognise exemplary corporate governance practices for listed companies in Singapore.

After winning various awards since 2010, from "Best Annual Report", "Best Investor Relations" to "Best Managed Board Award", Tuan Sing was conferred again with the "Best Investor Relations (Silver)" awards in 2016. To top it all, our Group CEO, Mr. William Liem, was also conferred "The Best CEO" award.

FY2016
Results Announcement Webcast
26 January 2017



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 recorded and uploaded to our website.

INVESTORS' CHOICE AWARDS 2016

During 2016, Tuan Sing was glorified with three wins at the 17th Investors' Choice Awards organised by Securities Investors Association (Singapore): Merit for the Singapore Corporate Governance Award, Merit for the Most Improved Category and winner of Most Transparent Company Award under Mainboard Small Caps Category. The Investors' Choice Awards recognise excellence in companies adopting good corporate governance practices.

MAXIMISE LONG-TERM VALUE FOR SHAREHOLDERS

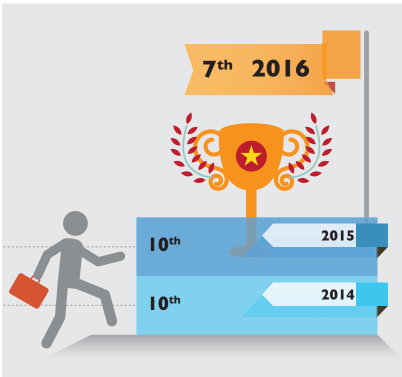
Tuan Sing continued to work towards creating long-term shareholders' value. For the past five years, we have delivered a cumulative profit attributable to shareholders of $325.1 million. Our average earnings per share was 5.6 cents per annum for the five-year period. In tandem, net asset value per share grew from 60.9 cents in 2012 to 77.7 cents in 2016. Please refer to our "Five-Year Performance" section in this Annual Report.

The Group has also declared yearly dividend since 2009. The Board of Directors has recommended 0.6 cent per share dividend totaling $7.1 million for the financial year ended 31 December 2016. Total gross payout for the years from 2009 to 2016 inclusive would have amounted to $43.2 million.

SINGAPORE GOVERNANCE AND TRANSPARENCY INDEX

Singapore Governance and Transparency Index ("SGTI") has replaced the Governance and Transparency Index in 2016 as the benchmark for corporate governance assessments among SGX-listed companies. It strengthens measurements for corporate practices and disclosures along these principles.

Tuan Sing has been consistently ranked among the top companies in the SGTI. The latest ranking was published on 4 August 2016 and Tuan Sing was advanced from the 10th position in 2015 to the 7th among 631 listed companies in Singapore. Tuan Sing has consecutively for three years been the only non-big-market-capitalisation company to have achieved the top 10 position as the other nine companies are all big-capped. ■



Tuan Sing ranked 7th amongst 631 listed companies at 2016 SGTI.

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

LABOUR PRACTICE & CONDUCIVE WORKPLACE

We recognise that employees are the Group's most important asset for the continued success and sustained growth of the Company. We believe that an engaged workforce contributes positively to motivating one another to bring the Company into new height. As such, we endeavour to provide our employees with a safe working environment, adequate learning and career advancement opportunities.

A SAFE WORKING ENVIRONMENT

In this respect, we promote and nurture mental health and well-being by preventing discrimination (including bullying and harassment) of any spectrum. New employees are briefed on the Company's policy and practices during the orientation programme.

The safety and health committees in GHG and GulTech have been in existence for many years and have regularly reviewed safety and health issues and sought ways to make working environment safer. As a result, an appropriate sum of capital expenditure had been incurred to improve work safety. A pandemic preparedness plan has also been in place that can be activated with short notice in Singapore, Australia 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.

In addition to having an Automatic External Defibrillator ("AED") in all buildings owned by Tuan Sing in Singapore and the two hotels in Australia, we had also trained and provided refresher course to our employees on Cardiac Pulmonary Resuscitation and the use of AED periodically to ensure that they are competent and confident enough to render help when it is necessary.

FAIR AND MERIT-BASED EMPLOYMENT

All employees are given amble 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 review appraisal criteria regularly to reflect more closely the changing expectations of different category and nature of employees. The last review was in year 2016.

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's. 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. Our last survey on Singapore-based employees' satisfaction was conducted in May 2016; some of the feedback obtained had been taken into consideration in rolling out HR practices and activities for the employees.

Ms Urszula Jurczyk, is not only the longest serving employee at Grand Hyatt Melbourne but also the most "senior" staff member. She has been with the hotel since 18 August 1986 as a pre-opening team member in preparation for the November 1986 official opening.

Urszula in fact retired in April 2013 but missed her workplace so much that she returned to work less than three months later.

Over many years, Urszula has pressed and dry-cleaned thousands of garments belonging to celebrities, head of States and people from all walks of life. She is very proud of her work and is a very loyal and well-liked employee.

EMPLOYEE DEVELOPMENT

Committed to be a preferred employer, 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. Training materials are also made available to all employees who are interested. 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 are in place to handle change. Employees are given priority whenever there is a job vacancy within the Group. Quite a number of employees have benefited from this, broadening their exposure and skill-set across business functions.

EMPLOYEE CODE OF CONDUCT

Tuan Sing upholds a strong sense and belief in integrity and professionalism in conducting our business activities and expects our employees to embrace, practice and adopt these values as well. 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 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 at each year-end to make a declaration on whether they had been involved in any situation of conflict of interest and if they had complied with the Code of Conducts. A formal "Anti-bribery and Anti-corruption Policy" had been codified and published during the year.

EMPLOYEE WELLNESS AND WORK-LIFE BALANCE

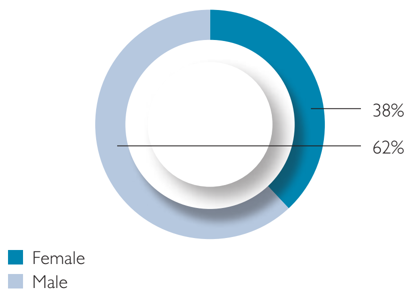
In addition to having five-day work-week, we promote a holistic and balanced lifestyle for our employees in various ways. These include allowing employees to work from home when their need requires them to do so and to decide on their own starting and finishing work time in a day for a period.

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. Comprehensive health screening packages, dental services and telecommunication services were also offered at preferential corporate rates.

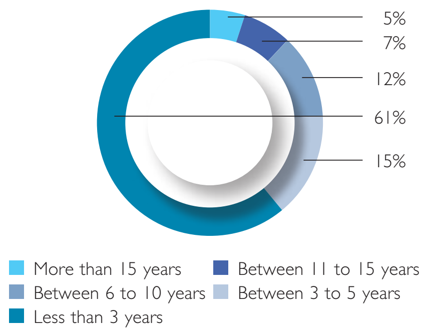
Our employees in Australia get complimentary hotel stay at participating Hyatt hotels worldwide. ■

EMPLOYEE PROFILE 2016

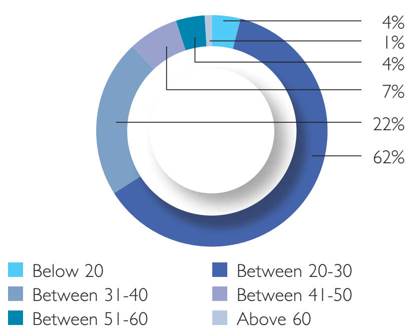
EMPLOYEES BY GENDER



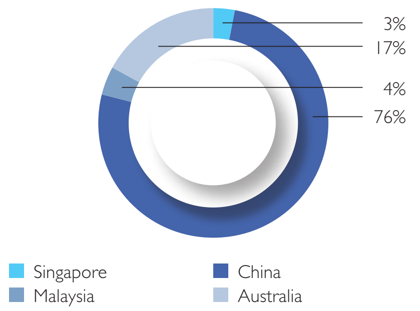
EMPLOYEES BY YEARS OF SERVICE



EMPLOYEES BY AGE BAND



EMPLOYEES BY COUNTRY



Note: Including HQ, subsidiaries and associates.

SUPPLY CHAIN MANAGEMENT

"Supply chains built on strong, transparent and trusted partnerships, are critical to ensuring product and service quality for our customers"

SUSTAINABLE SOURCING

Tuan Sing proactively engages contractors, consultants and suppliers on areas relating to quality of work and commitment to environment, health and safety.

We select our suppliers, consultants, contractors and vendors based on their ability to complement our guiding principles of producing high quality products and services while adhering to environment, health and safety standards or practices. Reflecting our belief in a more efficient use of resources, for the selection of vendors, we give preference to those who use eco-friendly and recycled materials and products, or who are ISO 14001 or OHSAS18001 certified.

The BCA Construction Quality Assessment System (CONQUAS) has been the industry benchmark for quality and workmanship standards for construction projects in Singapore. Although it is not mandatory for private sector projects to subscribe to CONQUAS, we successfully convinced our main contractors for Sennett Residence and Cluny Park Residence projects to submit their work for such assessment. Sennett Residence achieved an above average CONQUAS score which enhances quality assurance to our customers and further strengthens the marketability of our new projects going forward.

In 2016, the carpark at the Grand Hyatt Melbourne was converted to using LED based lighting. The conversion involved the replacement of 1,087 light fixtures and tubes resulting in an energy saving of 70% and a carbon dioxide reduction of 3,924 tonnes per annum.

CUSTOMER SATISFACTION AND SERVICE EXCELLENCE

Our commitment to excellence in customer service for the two hotels in Australia is recognized by various bodies and a number of prestigious awards were conferred to us over the years. Grand Hyatt Melbourne indeed is one of the only few hotels in Melbourne that is deemed fit to host distinguished US government officials. In this respect, we are proud to have Mr. Joe Biden, the then Vice President of the USA and his delegation stayed in our hotel in July 2016.

To underscore our commitment in upholding a high standard of food safety and thus customer satisfaction, our hotels undergo an annual food safety audit conducted by an independent food safety auditor. The audit encompasses an assessment of the operations of our hotels and the food documentation relating to food safety. Such audits contribute to the continual improvement of our hotels in delivering quality and reliable food and services. The 2016 audit results were the best ever as both hotels achieved scores exceeding the excellent mark of 85%.

Grand Hyatt Melbourne rolled out red carpet for the 3-day stay by the former US Vice President Mr. Joe Biden and his entourage.

SUSTAINABLE PROPERTY PORTFOLIO

We recognise that each property purchase is a significant investment for the buyers. We therefore make it a priority to deliver aesthetically pleasing, good workmanship development projects.

Our sustainability policy for development projects aims to enable us to comply with applicable sustainability practices which include meeting the Building and Construction Authority of Singapore's ("BCA") Green Mark certification standard, ISO 26000: 2010 Guidance on Social Responsibility, ISO 14001 Certificate of Developers, Main Builder, M&E Consultant and Architect, ISO 14064-1 Greenhouse Gas (GHG) Emission and SS 557: 2010 Code of Practice for Demolition.

Over the years, Tuan Sing has been recognised in Singapore for our efforts in promoting sustainability. We have garnered a good number of awards and accolades for development and investment properties as listed below. ■

AWARDS AND ACCOLADES FOR DEVELOPMENT PROPERTIES

Seletar Park Residence
- Asia Pacific Property Awards under the category of Architecture Multiple Residence for Singapore

Mont Timah
- Best Residential Design (Cluster Housing) at the SIA Architectural Design Awards
- Best Housing at the South East Asia Property Awards
- PAM Award Gold (Overseas) at the PAM (Pertubuhan Akitek Malaysia) Awards
- Green Mark (Gold) Award by the Building Construction Authority of Singapore

Botanika
- SIA Architectural Design Award for Best Residential Design

The award-winning Botanika is a perfect fusion of architectural elegance and tranquil nature.

AWARDS AND ACCOLADES FOR INVESTMENT PROPERTIES

Robinson Tower Redevelopment
- Green Mark (Gold^{plus}) Award by the Building Construction Authority of Singapore
- BCI Asia Awards of Top Ten Developers
- MIPIM Asia Awards – Best Futura Project (Silver)

Robinson Point
- Green Mark (Gold) Award by the Building Construction Authority of Singapore

Another green building under our extensive portfolio – Robinson Point.

ENVIRONMENT INITIATIVES

"To care for the environment and to conserve resources whilst going about our business of seeking profitability"

As an early adopter of sustainability with our first dedicated section of sustainability reporting published in our 2011 Annual Report, we continue with our practice of minimising environmental impact, implementing appropriate energy-efficient processes and technologies, seeking resource conservation and pollution prevention as well as other measures towards reducing resource depletion, greenhouse gas emission and waste generation.

GREEN BUILDINGS: SUSTAINABLE DEVELOPMENT

Tuan Sing develops a range of properties from mass market condominiums to luxury homes. We believe that resource-efficient buildings can be a differentiator and we aim to let all our new buildings in Singapore achieve the Building and Construction Authority of Singapore's (BCA) Green Mark Gold rating.

Our Robinson Point building has the BCA Green Mark Award (Gold) and has many green features such as energy efficient air-conditioned plant, naturally well-ventilated car park, sub-meters that track energy and water consumption by tenants, and recycling waste management system. The building was also named by BCA as one of the "Top 10 Commercial Buildings (Private Offices)" in Singapore in terms of energy performance last year.

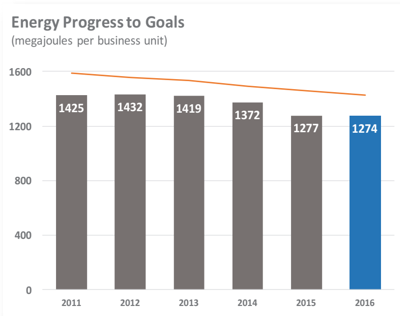
The Robinson Tower redevelopment which is expected to complete by end 2018, has obtained BCA Green Mark Gold[Plus] rating in January 2017. Some of the significant features include the efficient use of energy and water in having energy-efficient air-conditioning system, lifts and escalators systems, extensive use of LED lightings on all areas within the building, excellent building envelope system using high performance glazing to minimise heat gain into the building, as well as efficient water fittings which will be fitted in the new building. Provision of greenery such as rooftop gardens with lush landscaping at roof terraces on different levels will also be included in the design. During its construction, there will be extensive use of eco-friendly and sustainable materials complying with the Singapore Green Label Certificate.

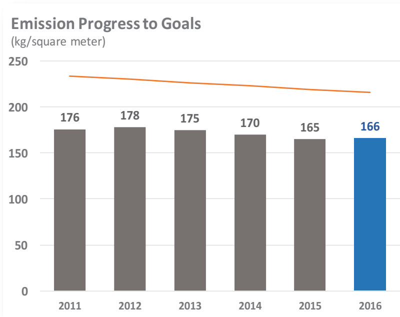
GREEN INITIATIVES AT HOTEL OPERATIONS

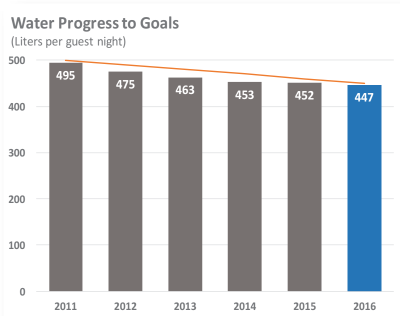
During 2016, Grand Hyatt Melbourne ("GHM") continued its commitment to care for our planet by focusing on using resources thoughtfully. Compared with 2011, GHM achieved 11% reduction in energy intensity and 6% reduction in greenhouse gas emission. In addition, GHM achieved a 10% reduction in water intensity from the 2011 level. Landfill waste diversion rate is expected to reach the goal of 40% by the end of 2016 as a result of new on-site food composting.

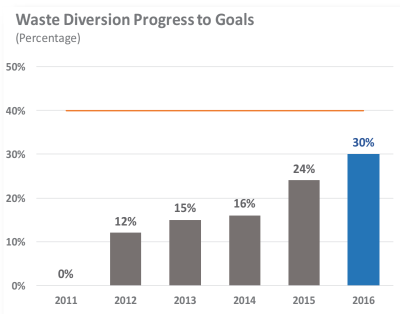
For Hyatt Regency Perth ("HRP"), it has continued during the year to focus on implementing strategies and innovation to reduce the hotels impact on the environment. There have been significant increases in landfill waste diversion increasing from 13% in 2014, to 55% in 2015 and to 63% in 2016. This is attributable to training of hotel staff on proper food waste segregation. In addition, HRP achieved energy reduction of 3.9% and greenhouse gas emissions reduction of 6.3% using 2011 as the base year. Whilst water consumption has seen an increase in 2016, new initiative is planned for 2017 to assist in the reduction of litres per guest night. Continued monitoring and focus to meet the water reduction goal of 348 litres per guest night will be undertaken. ▶▶

GRAND HYATT MELBOURNE – ENVIRONMENTAL GOAL TREND

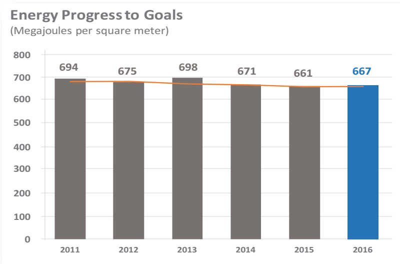


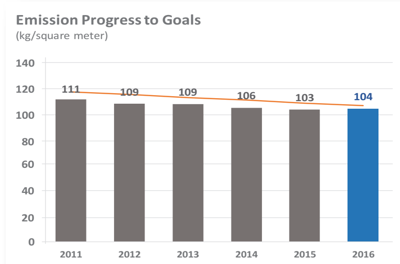


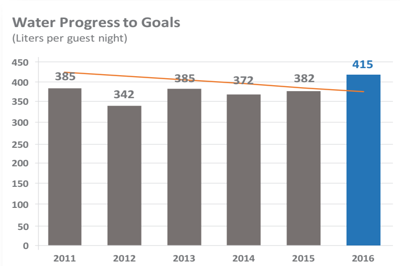


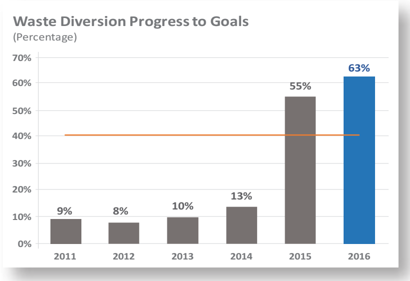


HYATT REGENCY PERTH – ENVIRONMENTAL GOAL TREND









Notes:

Red lines in graphs above indicate year 2020 goals:

- 25% reduction in energy use and greenhouse gas emission compared to 2006
- 25% reduction in water use per guest night compared to 2006
- Minimum of 40% in landfill waste diversion

2016 data is rolling 12 months from previous quarter

"CLOSED LOOP" ORGANICS COMPOSTER

Grand Hyatt Melbourne installed a "Closed Loop" Organics Unit (Composter) in March 2016, revolutionising the hotel's sustainability practices and making it the first five-star hotel in Victoria, Australia to implement this sustainable recycling program. A video on this closed loop sustainability project can be viewed at http://www.tuansing.com/sustainability/closedloop.mp4

With the installation, approximately 500 kilograms (kg) of food waste are processed every day at Grand Hyatt Melbourne and diverted from landfill. Food waste from meal preparation and plate scrapings from the hotel's restaurant is now collected and composted on-site, producing a nutrient rich organic fertiliser.

Transforming food wastage into compost, the organics unit poses multiple environmental benefits, reducing food wastage by up to 90 per cent in 24 hours. The innovative technology of the unit will also result in at least 160,000 plus kg of avoided landfill per year, 150,000 plus kg of avoided Carbon Emissions ("Green House Gases") per year and 30,000 kg of Composted Organic Fertiliser harvested as a resource.

The compost produced from the organics unit has been used at the hotel's own rooftop herb garden and assisted in organic farming of locally sourced herbs and ingredients. In addition, the compost has been used in the city of Melbourne to grow thriving vegetable gardens and productive urban farms. Our collaboration with City Harvest on compost not only delivers a social and environmental solution to turn local waste into a resource, it has also provided skilled and accredited horticultural training programs for Melbourne's disadvantaged youth.

At Grand Hyatt Melbourne, locally sourced produce is of prime importance and is reflected in the hotel's food philosophy, where meat, seafood, vegetables and fruit are sourced from small boutique producers from across regional Victoria.

Not only can guests be assured that the food served at the hotel's signature restaurant, Collins Kitchen, is of high quality and locally sourced, but is presented in a sustainable practice, by reducing carbon emissions and empowering individuals to make a positive impact to the future of our sustainable environment.

Grand Hyatt Melbourne

25%
Reduction in energy use and Greenhouse Gas Emission

25%
Reduction in water use per guest night

40%
Diversion of waste from landfill

150,000 kg
Of avoided Carbon Emissions per year

30,000 kg
of Composted Organic Fertiliser harvested as a resource

ENVIRONMENT INITIATIVES

Another Green Initiative at Grand Hyatt Melbourne – Organic Composter avoiding 160,000 plus kg of landfill per year.

GREEN AWARENESS AND EFFORT AMONGST ALL OUR PEOPLE

Our green effort starts with our people and we spur them towards adopting a sustainable green and environmentally-friendly culture. We have our intranet promoting go-green practices and ideas to our employees to integrate green awareness in their daily work life. These include reducing electricity consumption by turning off lights and machines during lunch time and after office hours, reducing paper and print usage via digital file storage as well as regular waste paper collection for recycling in the office.

This year is the sixth consecutive year that Forest Stewardship Council™ ("FSC™") certified environmental-friendly paper is used for printing this annual report. Our announcements and annual reports are available electronically on the corporate website and SGXNET. We have digital CD Annual Reports to reduce paper usage as well. Implementing sustainable practices in our various activities evidences our eco-efforts to reduce paper utilisation, carbon footprint and to protect the environment in our daily operations. ■

SUSTAINABILITY REPORT

COMMUNITY INVOLVEMENT

"Serving and contributing to the communities in which we live and work"

As a good corporate citizen, we seek to give back to society through our volunteerism movement. We believe that volunteerism not only helps the communities we serve, but also develops character and empathy among our employees. This year again we continue to contribute to the well-being of the communities and care for the underprivileged.

CARING FOR THE COMMUNITY

Our colleagues recognize that businesses have a part to play in providing assistance to people who are less fortunate than others. For the fifth consecutive year, we joined hands with RSVP Singapore, a non-profit organisation, to organise a Company-sponsored event at Bollywood Veggies Farm. This is a learning journey for the senior beneficiaries under the Enriching Lives of Seniors Programme (ELSP). ELSP is a RSVP 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 14 October 2016, more than forty seniors took part in the farm tour and game 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 and gifted with goodies bags of necessity supplies after the farm tour. The farm was lit up by the seniors' laughter, parading along the farm. It was a rewarding experience for the seniors and our employees.

Over the years, Tuan Sing also provides donations and sponsorships to a number of community services and organisation. This year, we contributed to various bodies which included National Heart Centre Singapore towards the funding of essential healthcare programmes, Roxy Foundation to grant financial assistance to underprivileged children from primary, secondary and tertiary institutions, and the UOB Heartbeat Run/Walk to raise funds for a good cause in support of programmes for children.

HOTELS PHILANTHROPY

In 2016, Grand Hyatt Melbourne ("GHM") held several "Casual for a Cause Day" events to raise funds for nominated charity. GHM also took part in various events organised by Salvation Army which included volunteering at the Hamodava Café for Breakfast and Lunch service and participation in Salvation Army Christmas. In July, GHM staff also dedicated time and donated food to 160 less-privileged people at Bourke Street, Melbourne. ■

A happy learning journey with the senior beneficiaries at the Bollywood Veggies Farm, Singapore.

Blood donation by the hotel employees in April 2016.

CORPORATE STRUCTURE

TUAN SING HOLDINGS LIMITED

PROPERTY

- Asiaview Properties Pte Ltd
- Asplenium Land Pte. Ltd.
- Bauhinia Land Pte. Ltd.
  - Qingdao Shenyang Property Co., Ltd.
- Clerodendrum Land Pte. Ltd.
- Dillenia Land Pte. Ltd.
- Episcia Land Pte. Ltd.
- Fuchsia Land Pty Ltd
- Golden Cape Investments Ltd#
- Megaton Investments Pte Ltd
- Oxley Development Pte Ltd
- Pemimpin Properties Pte. Ltd.
- Robinson Point Limited
  - 39 Robinson Road Pte. Ltd.
- Silveridge Investments Pte Ltd
  - Shelford Properties Pte Ltd
- Sing-Hu International Pte Ltd
  - Premiera Development Pte. Ltd.
  - Shanghai Shenyu Interior Decoration Limited Liability Company
    - Fujian Ji'Xing Real Estate Development Co. Ltd
- Superluck Properties Pte Ltd
- TSH China Holdings Pte Ltd
  - Yewglade Pte Ltd
    - Habitat Properties (Shanghai) Ltd. (91%)[1]
  - Shanghai Shenjia Property Management Co., Ltd.
- Tuan Sing (China) Investments Limited#
- Shanghai Xin Min Real Estate United Development Co., Ltd.# (70%)[2]
- Maylands Investment Pte Ltd (70%)

HOTELS INVESTMENT

- TSH Australia Holdings Pte Ltd
  - Tuan Sing (Australia) Pty Limited ("TSA")
  - Tuan Sing Real Estate Pty Limited ("TSRE")
    - Grand Hotel Group – Grand Hotel Company Pty Ltd
      - GH Operations Pty Ltd
      - HR Operations Pty Ltd
      - Grand Hotel Management Pty Ltd
      - GHG Capital Pty Ltd

INDUSTRIAL SERVICES

- SP Corporation Limited* (80.2%)
  - SP Performance Pte. Ltd.
    - Performance Retreads Sdn. Bhd.
  - SP Energy Pte. Ltd.
    - SP Mining & Engineering Pte. Ltd.
      - PT. SP Mining & Engineering (99%)[3]
  - Globaltraco International Pte Ltd
  - SP Resources International Pte. Ltd.
  - SP Global International Pte. Ltd.
- Hypak Sdn. Berhad (97.9%)

OTHER INVESTMENTS

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

100% owned
Less than 100% owned
TSA and TSRE each holds 50% in that entity

Entity incorporated outside Singapore

1 Balance of 9% is held by TSH China Holdings Pte Ltd
2 Balance of 30% is held by Tuan Sing (China) Investments Limited
3 Balance of 1% is held by SP Energy Pte. Ltd.
* Public listed company
# In members' voluntary liquidation

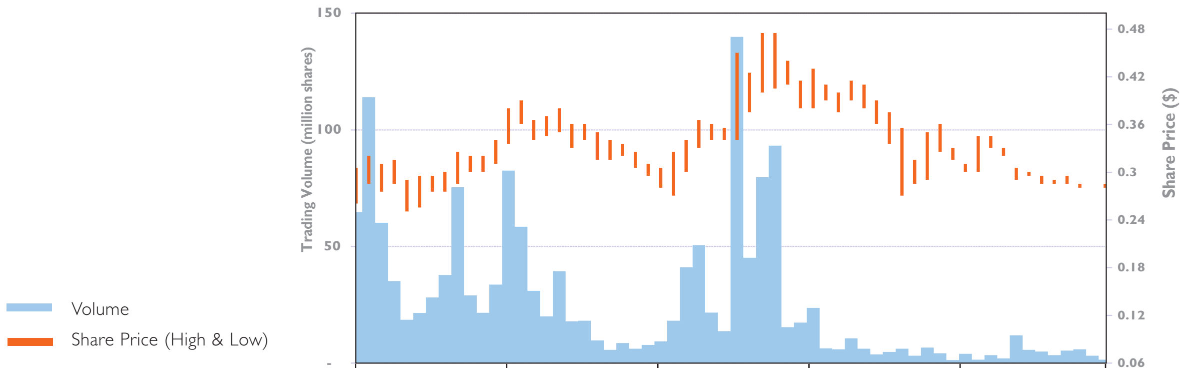
ON THE STOCK MARKET

Share Price and Trading Volume (2012 – 2016)

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

SGX Code: T24
Bloomberg Code: TSH SP

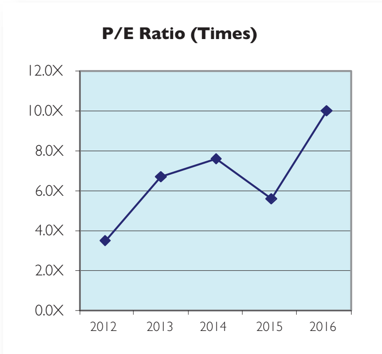
TSH Share Price and Trading Volume (2012-2016)

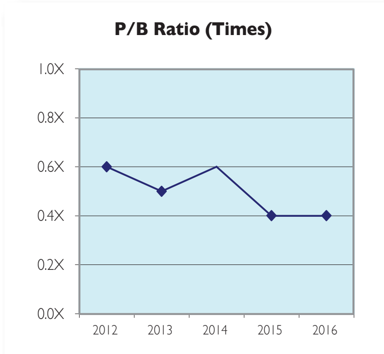


	2012	2013	2014	2015	2016
Last transacted (cents)#	33.5	30.0	39.5	32.5	28.5
High (cents)	34.0	38.5	47.5	42.5	34.0
Low (cents)	25.5	29.5	27.0	28.0	27.5
Average (cents)##	29.2	34.1	36.6	36.1	30.0
Market capitalisation ($'M)	389.0	351.8	464.6	383.1	337.1
Trading volume (million shares)	539.0	305.2	545.1	82.5	52.6
Number of shares issued (million shares)	1,161.3	1,172.7	1,176.2	1,178.8	1,182.8
P/E Ratio (times)	3.5X	6.7X	7.6X	5.6X	10.0X
P/B Ratio (times)	0.6X	0.5X	0.6X	0.4X	0.4X

Notes:
Last transacted share price as 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





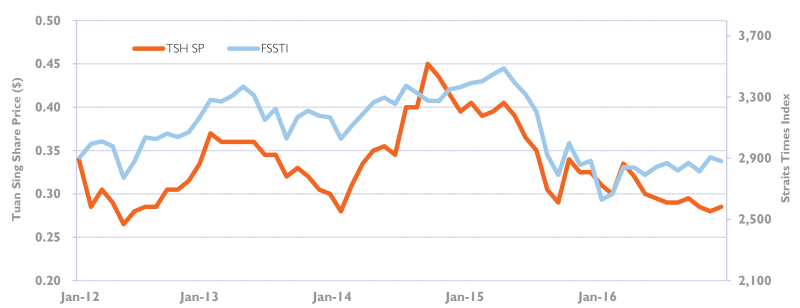
SHARE PRICE PERFORMANCE (1-YEAR)
TSH SHARE PRICE VS. ST INDEX & ST REAL ESTATE INDEX (2016)

Share Performance	3M2016	6M2016	9M2016	FY2016
Period Commencing	**4/1/2016**	**4/1/2016**	**4/1/2016**	**4/1/2016**
Period Ending	**31/3/2016**	**30/6/2016**	**30/9/2016**	**30/12/2016**
Tuan Sing (TSH SP)	3%	-9%	-9%	-12%
Straits Times Index (FSSTI)	0%	0%	1%	2%
ST Real Estate Index (FSTRE)	-2%	-1%	5%	0%
ST Real Estate Holding & Development Index (FSTREH)	-8%	-9%	-1%	-2%

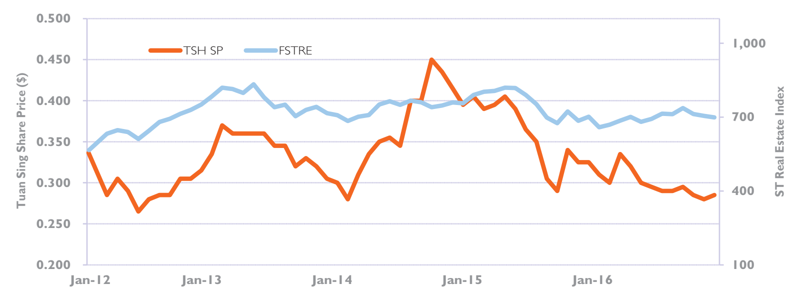
SHARE PRICE PERFORMANCE (5-YEAR)
TSH SHARE PRICE VS. ST INDEX & ST REAL ESTATE INDEX (2012 – 2016)

Share performance	1-year	2-year	3-year	4-year	5-year
Period Commencing	**4/1/2016**	**2/1/2015**	**2/1/2014**	**2/1/2013**	**3/1/2012**
Period Ending	**30/12/2016**	**30/12/2016**	**30/12/2016**	**30/12/2016**	**30/12/2016**
Tuan Sing (TSH SP)	-12%	-30%	-5%	-19%	6%
Straits Times Index (FSSTI)	2%	-15%	-9%	-10%	7%
ST Real Estate Index (FSTRE)	0%	-8%	-1%	-12%	29%
ST Real Estate Holding & Development Index (FSTREH)	-2%	-6%	-2%	-12%	35%

TSH Share Price Vs ST Index (2012-2016)



TSH Share Price vs. ST Real Estate Index (2012-2016)



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

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

Source:
Bloomberg

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
Neo Ban Chuan

AUDIT AND RISK COMMITTEE

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

NOMINATING COMMITTEE

Choo Teow Huat Albert, Chairman
Chow Kok Kee
Michelle Liem Mei Fung
Neo Ban Chuan
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 team
Email: whistle-blowing@tuansing.com

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

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 Risk Services Pte. Ltd.
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 INFORMATION

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31 DECEMBER 2016

28 APRIL 2016
Announcement of first quarter financial results for the period ended 31 March 2016

28 JULY 2016
Announcement of half-year financial results for the period ended 30 June 2016

27 OCTOBER 2016
Announcement of third quarter financial results for the period ended 30 September 2016

26 JANUARY 2017
Announcement of full-year financial results for the year ended 31 December 2016

28 MARCH 2017
Dispatch of 2016 annual report

26 APRIL 2017
47th Annual General Meeting

8 & 9 MAY 2017
Books closure dates for 2016 first and final tax-exempt dividend

23 JUNE 2017
Proposed payment date for 2016 first and final tax-exempt dividend (subject to shareholders' approval at AGM)

FINANCIAL YEAR ENDING 31 DECEMBER 2017 ("FY2017")

27 APRIL 2017
Proposed announcement of first quarter financial results for the period ending 31 March 2017

27 JULY 2017
Proposed announcement of half-year financial results for the period ending 30 June 2017

26 OCTOBER 2017
Proposed announcement of third quarter financial results for the period ending 30 September 2017

25 JANUARY 2018
Proposed announcement of full-year financial results for the year ending 31 December 2017

Note: The dates for the proposed FY2017 results announcements are indicative only and are subject to change.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE AT A GLANCE

Governance[Note 1]	Implemented and/or Presented in Annual Report
BOARD RESPONSIBILITIES	
Board size	
■ The Board comprises 7 members	Guideline 2.1 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 includes being independent from shareholders ■ Independent Directors who have served on the Board beyond 9 years	Guidelines 2.1, 2.2, 2.3 and 2.4 of CG Report
Role Separation – Chairman and CEO	
■ The Chairman is a Non-Executive Director and unrelated to the CEO ■ Roles and responsibilities of the Chairman	Directors' Profile and Guideline 3.1 of CG Report Guideline 3.2 of CG Report
Board competencies	
■ The Board comprises members with diverse qualifications and backgrounds ■ Directors are informed of relevant training programs, seminars and workshops organized by professional bodies and organisations ■ Appropriate induction programme was organized for new Director	Directors' Profile and Guideline 2.5 of CG Report Guideline 1.6 of CG Report
Board duties and responsibilities	
■ Roles and responsibilities of the Board	Guideline 1.1 of CG Report
Board and committee meetings and attendance during the year	
■ Board met 8 times ■ Remuneration Committee met twice ■ Nominating Committee met once ■ Audit and Risk Committee met 6 times ■ 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
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
Selection of Directors	
■ The Company has in place a process seeking candidates with the relevant skills/experience	Guideline 4.6 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

Note 1: Guided largely by the governance factors set out under the Singapore Governance and Transparency Index framework

CORPORATE GOVERNANCE AT A GLANCE

Governance[Note 1]	Implemented and/or Presented in Annual Report
Remuneration committee	
■ All members are non-executive with the majority, including the Chairman, being independent	Guideline 7.1 of CG Report
■ Remuneration committee has access to professional advice	Guideline 7.3 of CG Report
Structure for Non-Executive Directors' fees	
■ Framework for Non-Executive Directors' fees is presented	Guidelines 7.2 and 8.3 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 ■ Remuneration Committee reviews and approves the remuneration of the CEO and the senior executives	Guideline 8.1 of CG Report
Disclosure of remuneration of the Directors and top 5 executives	
■ Full disclosure for remuneration of all Directors including the CEO	Guideline 9.2 of CG Report
■ Remuneration of top 5 executives in bands of $100,000	Guideline 9.3 of CG Report
RIGHTS OF SHAREHOLDERS	
Fundamental shareholder right	
■ Scrip Dividend Scheme applies to our FY2016 dividend payment ■ Payment of dividend is between 30 and 35 market days from the books closure date	Corporate Governance in Action and Notice of Books Closure and Dividend Payment Dates
Rights to participate effectively and vote in general shareholder meetings	
■ Shareholders are provided with opportunity to approve amongst others, the remuneration for the Non-Executive Directors at each AGM	Guideline 8.3 of CG Report and Notice of AGM
■ Voting and vote tabulation procedures are disclosed and both declared before the meeting proceeds	Guidelines 14.2 and 16.5 of CG Report
■ Shareholders are provided with opportunities to ask questions in the latest AGM and the meeting minutes record details of shareholders' questions and answers. The minutes are posted on the website of both SGX-ST and the Company	Guidelines 15.3, 15.4 and 16.4 of CG Report
■ Appointment of an independent party to be the scrutineer to count and validate the votes at the AGM	Guideline 16.5 of CG Report
■ The attendance of the Chairman of the Board and the CEO at the latest AGM	Guideline 1.4 of CG Report
■ Poll voting is used for all resolutions at the latest AGM	Guideline 16.5 of CG Report
Conduct of interested person transactions (IPTs) and management of conflicts of interest	
■ Internal guidelines have been established for board members who have a conflict of interest in a particular item to recuse from the discussion	Guideline 1.5 of CG Report and Corporate Governance in Action
■ The Company has in place a policy to ensure that IPTs are conducted fairly and on arm's length basis	Corporate Governance in Action
Institutional investors	
■ Disclosure is made of share ownership of institutional investors, other than controlling shareholders, whose interest in the Company exceeds 5%	Shareholding Statistics

Note 1: Guided largely by the governance factors set out under the Singapore Governance and Transparency Index framework

Governance[Note 1]	Implemented and/or Presented in Annual Report
Shareholder participation	
■ No limit is imposed on the number of proxies for nominee companies	Guideline 14.3 of CG Report
■ Annual Report is sent to shareholders 28 days before the AGM	Guidelines 15.2 and 16.1 of CG Report and Notice of AGM
■ Full information (including explanatory notes) is provided on each agenda item for the AGM	Notice of AGM
■ All Directors are required to stand for re-election by the shareholders at least once every 3 years	Guideline 4.2 of CG Report
Dividend payment	
■ Proposed dividend is for FY2016	Notice of AGM
■ Dividend policy is published in the Company's website and a summary of the policy disclosed in the annual report	Guideline 15.5 of CG Report and Corporate Governance in Action
■ Tuan Sing Holdings Limited Scrip Dividend Scheme implemented since 2009	Corporate Governance in Action
ENGAGEMENT OF STAKEHOLDERS	
Rights of stakeholder established through law and mutual agreements upheld	
■ In FY2016, the Company established 4 new policies, namely, Information Security Policy, Personal Data Protection Policy, Sustainability Policy and Anti-bribery and Anti-corruption Policy	Guideline 11.2 of CG Report
■ The Sustainability Policy ensures that sustainability and ecological awareness are incorporated into our business practices, processes and operations	Environment Initiatives and Supply Chain Management under Sustainability Report
■ Activities that (a) demonstrate the Company's attempts to employ eco-friendly and sustainable value chain processes; and (b) describe the Company's interaction and cooperation with the relevant communities are disclosed in the Sustainability Report	Community Involvement under Sustainability Report
■ Anti-corruption procedures are set out in the Anti-bribery and Anti-corruption Policy	Labour Practice & Conducive Workplace under Sustainability Report
Stakeholders' avenue for redress for violation of rights	
■ The Company has put in place internal guidelines to ensure the health, safety and welfare of its employees ■ Details of training and development programmes provided for the employees	Labour Practice & Conducive Workplace under Sustainability Report
■ To safeguard the creditors' rights, the Company has in place internal guidelines to ensure that businesses with the customers, service providers, suppliers and competitors are conducted in a fair manner	Supply Chain Management under Sustainability Report
Whistle-blowing policy	
■ Disclosure on key details of the Company's Whistle-blowing Policy	Guideline 12.7 of CG Report and Corporate Governance in Action

Note 1: Guided largely by the governance factors set out under the Singapore Governance and Transparency Index framework

CORPORATE GOVERNANCE AT A GLANCE

Governance[Note 1]	Implemented and/or Presented in Annual Report
ACCOUNTABILITY AND AUDIT	
Composition of the audit and risk committee ("ARC")	
■ All members are non-executive with the majority, including the Chairman, being independent	Guidelines 12.1 and 12.2 of CG Report
■ Chairman and members have had relevant accounting and finance background	Guidelines 12.1 and 12.2 of CG Report and Directors' Profile
Risk management and internal control systems	
■ Assessed and managed key risks, including operational risks ■ Process and framework used to assess the adequacy of internal control systems and risk management	Guidelines 11.1, 11.2 and 11.3 of CG Report, Managing Risk in Delivering our Strategy and Business Dynamics & Risk Factors Statement
■ Statement by the Board on the adequacy of the risk management and internal control systems	Guideline 11.3 of CG Report
■ Quarterly CEO/CFO written representations given to the Board and the ARC regarding the effectiveness of the company's risk management and internal control systems and certification of financial statements	Guidelines 10.1 and 11.3 of the CG Report and CEO & CFO Responsibility Statement
Internal audit function	
■ Discloses the name of the external firm that conducts the Company's internal audit	Guidelines 13.1 and 13.2 of CG Report
■ The internal auditor complies with its own Global Internal Audit Services methodology which in turn is aligned to IIA standards	Guidelines 13.3 and 13.4 of CG Report
External auditor and auditor report	
■ ARC is primarily responsible for proposing the appointment and removal of the external auditor	Guideline12.6 of CG Report
DISCLOSURE AND TRANSPARENCY	
Transparent ownership structure	
■ Disclosures on the direct and indirect (deemed) shareholdings of Directors	Directors' Statement in the Statutory Reports and Accounts
Quality of Annual Report	
■ Disclosures on: (a) Corporate objectives (b) Financial performance indicators (c) Non-financial performance indicators (d) Key risks (including operational risks) and how these risks are assessed and managed	➤ Delivering our Strategy ➤ CFO's Review of Financial Performance ➤ Portfolio Highlights ➤ Group Property Portfolio ➤ Labour Practice & Conducive Workplace under Sustainability Report ➤ Environment Initiatives under Sustainability Report ➤ Managing Risk in Delivering Our Strategy ➤ Business Dynamics & Risk Factors Statement ➤ Guidelines 11.1, 11.2 and 11.3 of CG Report

Note 1: Guided largely by the governance factors set out under the Singapore Governance and Transparency Index framework

Governance[Note 1]	**Implemented and/or Presented in Annual Report**
Disclosure of related party transactions (RPTs) and IPTs	
■ The Company has in place an Interested Person Transactions Policy that sets out the procedure for the review and approval of all IPTs	Corporate Governance in Action
■ For each IPT, the Company identifies all related parties and its relationship with each party and discloses the nature and value of each transaction for each IPT	SGX-ST Listing Manual Requirements
■ Type of material transactions that require Board's approval	Guideline 1.5 and Key Activities of the Board – 2016 set out in CG Report
Directorships/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 and Guideline 4.7 of CG Report
Timeliness of release of financial results	
■ Unaudited quarterly financial results and full-year audited results were announced within 30 days of each quarter and within 1 month from year-end (as appropriate)	Guideline 15.2 of CG Report, Investor Relations under Sustainability Report and Financial Calendar
Medium of communication	
■ The Company communicates regularly with shareholders and the investment community, with timely disclosures of material and other pertinent information, through regular dialogues and announcements to SGX-ST	Guideline 15.1 of CG Report and Investor Relations under Sustainability Report
Corporate website	
■ Description of the Company's code of conduct/ethics and practices on its website	Company's website
■ The Company's website link and QR Code is provided in the Annual Report and a link is provided on the SGX's website	Company's website and SGX's website
■ An Investor Relations Policy is published on the Company's website	Company's website
■ The Company's website also has a clearly dedicated "Investor Relations" link and the investor relations contact is provided	Company's website
■ The latest and past 5 years financial results and annual report are available on the Company's website	Annual Report and Company's website
■ Up-to-date information of the Group's corporate structure and clear vision and mission statements are found on the Company's website	Company's website
Responsiveness of Investor Relations Function	
■ The Company endeavors to respond to email enquiries within 2 working days	Guideline 15.1 of CG Report
Results briefings	
■ An adequate Investor Relations Policy is in place to ensure regular and effective convey of pertinent information to shareholders	Guideline 15.1 of CG Report
■ Steps and measures are being taken to understand shareholders' viewpoints and concerns	Guideline 15.4 of CG Report

Note 1: Guided largely by the governance factors set out under the Singapore Governance and Transparency Index framework

CORPORATE GOVERNANCE
AT A GLANCE

Governance[Note 1]	**Implemented and/or Presented in Annual Report**
ADDITIONAL GOVERNANCE PRACTICES	
Confirmation Statement	
■ The Company provides a positive confirmation statement at the start of the corporate governance report that it has adhered to the principles and guidelines of the Code, and if there is any deviation from the Code, each area of non-compliance is specified	Page 1 of CG Report
Annual Sustainability Report	
■ The Company publishes a sustainability report which forms part of the Annual Report	Sustainability Report
Percentage of share capital to be offered – S161 of the Act	
■ 10 percent	Notice of AGM
Risk management policy	
■ The Company has in place a Risk Management Policy that sets out its tolerance for various classes of risk by the Board	Managing Risk in Delivering our Strategy and Business Dynamics & Risk Factors Statement
Publishing its notice of AGM (with detailed agendas and explanatory notes) at least 28 days before the meeting	
■ The Company publishes its notice of AGM on 28 March 2017, 28 days before the date of AGM	Notice of AGM

Note 1: Guided largely by the governance factors set out under the Singapore Governance and Transparency Index framework

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

"Tuan Sing is committed to achieving and maintaining a high standard of corporate governance to promote transparency as we believe that good governance supports long-term value creation"

The Board and Management 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. Tuan Sing will continue to review and refine its corporate governance framework based on best practices that we are aware of and which are appropriate with the needs and circumstances of the Group.

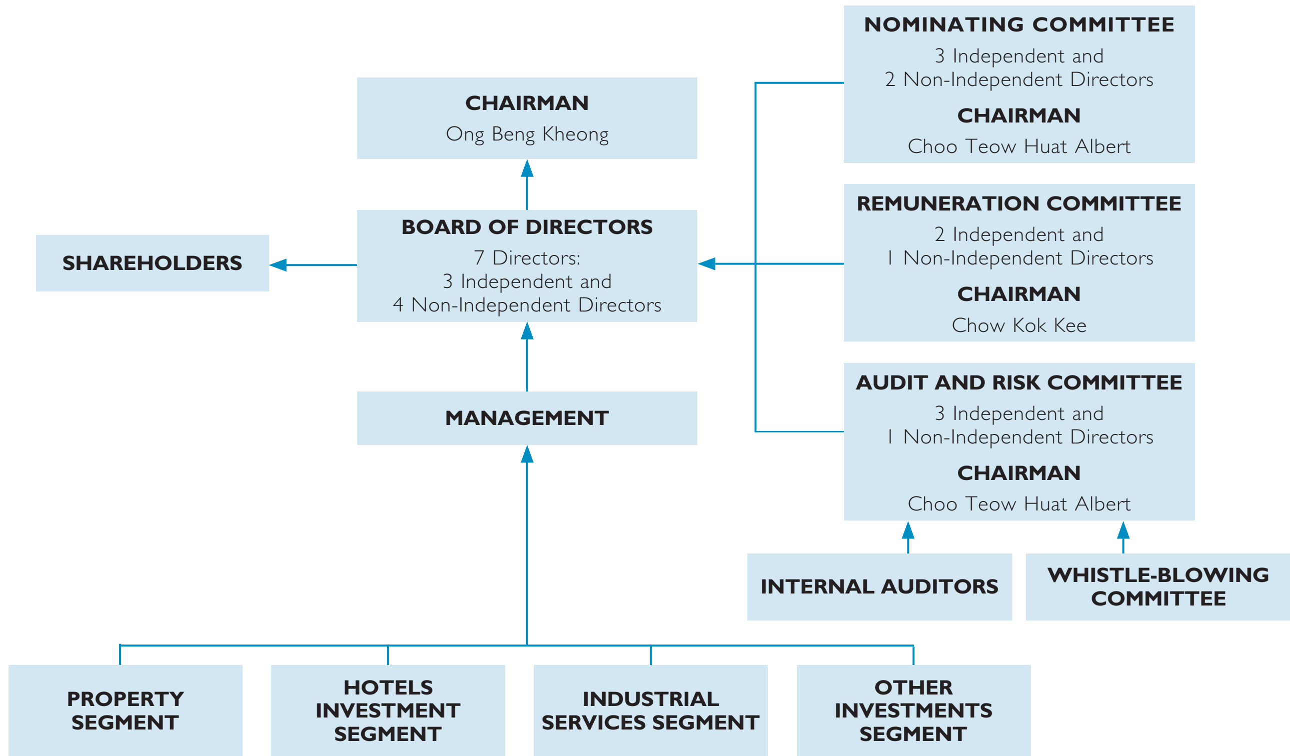
In 2016, the Group received a number of awards in recognition of the Group's commitment to adopting high standards of corporate governance. In addition, the Group was also ranked 7th in The Singapore Governance and Transparency Index (SGTI) 2016, out of 631 Singapore-listed companies.

Welcome to the Corporate Governance section of our Annual Report

This Report sets out the Company's primary corporate governance policies and practices during the financial year ended 31 December 2016 ("**FY2016**") with specific references made to each of the principles of the Code of Corporate Governance 2012 (the "**Code**").

The Board believes that the Company has complied, in all material aspects, with the principles and guidelines as set out in the Code. Insofar as any principle and/or guideline has not been complied with, the reason has been presented.

CORPORATE GOVERNANCE FRAMEWORK



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. To assist the Board in the fulfilment of their responsibilities, the Management has been providing Directors with true, fair and timely information.

PRINCIPLE 1: BOARD'S CONDUCT OF ITS AFFAIRS

Guideline 1.1

Principal Duties of the Board

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.

Apart from its statutory duties, during FY2016 the Board also performed the following:

i. providing entrepreneurial leadership, setting corporate strategies and ensuring that the necessary financial and human resources were in place for the Group to meet its objectives;

CORPORATE GOVERNANCE REPORT

ii. reviewing and approving the Group's annual business plan, including the annual budget, operational and capital expenditure plans as well as constructively challenged Management on the strategic options and planning process;

iii. reviewing the adequacy and effectiveness of the Group's risk management and ensuring that the Management maintained a sound system of internal controls (including financial, operational and compliance) to safeguard the shareholders' investments and the Company's assets;

iv. overseeing the conduct of the Company, evaluating and having satisfied themselves that the business was properly managed; and

v. monitoring the Group's performance, position and prospects and reviewing the performance of the Management against agreed goals and objectives.

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 require specific written approval of the Board.

Guideline 1.3

Delegation by the Board

The Board is supported/assisted by 3 Board committees, namely, the Audit and Risk Committee ("**ARC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"), in the discharge of its oversight functions. 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 & revised periodically (last reviewed on 29 January 2014). More details on the Board's delegation are presented below. The Board committees and the Management remain accountable to the Board.

Guideline 1.4

Board and Board Committees Meetings and Attendance Records of the Board Members

The Board and its committees met regularly based on schedules planned 1 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 participation at the meetings is allowed under the Constitution of the Company. To enable members of the Board and its committees to prepare for the meetings, agendas and materials were circulated at least 1 week before the meetings.

To go green, the Company has since year 2014 ceased to provide hard copy meeting papers to Directors. In its stead, Directors have been provided with electronic tablet devices to enable them to access and read such 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.

The attendance of the Directors at the meetings during FY2016 is set out below:

	Board	ARC	NC	RC	General Meetings
Total Number of Meetings held	8	6	1	2	2
	Total Number of Meetings attended				
Executive Director					
William Nursalim alias William Liem	8	N.A.	N.A.	N.A.	2
Non-Executive Director					
Ong Beng Kheong	8	N.A.	1	N.A.	2
Choo Teow Huat Albert	8	6	1	2	2
Chow Kok Kee	8	6	1	2	2
David Lee Kay Tuan	8	6	N.A.	N.A.	2
Michelle Liem Mei Fung	8	N.A.	1	2	2
Neo Ban Chuan (appointed on 1 July 2016)	4	3	0	N.A.	0
Ng Siow How (resigned on 30 June 2016)	0	N.A.	1	N.A.	0

In June 2016, the Board held a Strategy Meeting to review the Company's strategic plans to ensure that the work of the Company was aligned with its short and long term objectives taking into account the challenges in the global environment in which the Company operate.

In September 2016, members of the Board and the ARC made a site visit to Grand Hyatt Melbourne and *inter alia*, held a Board meeting, an ARC meeting and an in-depth discussion session with the managers from both Grand Hyatt Melbourne and Regency Hyatt Perth regarding the hotel operations, their internal controls and IT security. These discussions enabled the Board members to gain an insight of the operations and the challenges ahead and could thus provide comments and guidance accordingly.

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:

i. material acquisition and disposal of land/assets/investments

ii. corporate/financial restructuring/corporate exercises

iii. budgets/forecasts

iv. delegation of authority matrix, policies and procedures

v. material financial/funding arrangements and providing of all 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 – 2016

Regular agenda:

– Reports of the ARC, NC and RC

– CEO's monthly management report, quarterly updates on the businesses including risk profile

– Quarterly updates on compliance of financial covenants and 16-month cash flow projection

– Review and approval of all announcements including those for quarterly results and year-end financial statements

– Conflict of interest and IPT 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 FY2016:

– Proposed acquisitions of land

– New banking relationship

– Business strategy

– Formalised policies on Information Technology, Personal Data Protection, Anti-bribery and Anti-corruption and Sustainability

– Revised dividend policy

– 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

– Dividend payout

– CEO's KPI and performance review

Guideline 1.6

Board Orientation and Training

It is our policy to provide new Directors with detailed and thorough induction, including meeting with key management personnel, an overview of their responsibility and where necessary an opportunity to visit the Company's key properties and developments. In July 2016, Mr. Neo Ban Chuan joined the Board as an Independent Director and received an appropriate induction.

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.

The Board is routinely being updated on pertinent developments in the business including changes in laws and regulations, code of corporate governance, financial reporting standards and industry-related matters so as to enable Directors to effectively discharge their duties. The Company will fund Directors' participation at industry conferences, seminars or any training programme in connection with their duties as Directors.

During FY2016, Management informed the Directors of relevant training programs, seminars and workshops organised by various professional bodies and organisations. Apart from the external training programmes attended by the respective Directors, the Company also invited Directors to take part in the annual Finance seminar organised by the Company for the internal staff.

Guideline 1.7

Appointment Letter to new Director

Upon appointment to the Board, all new Directors receive a formal letter of appointment setting up his/her duties and responsibilities as well as explaining the policies and practices of the Group. New Directors also receive an information pack that contains the Group's organisation structure, the Company's Annual Report, Constitution, respective Board committees' terms of reference, the Group's policy relating to disclosure of interests in securities and prohibition on dealings in the Company's securities as well as guidelines on directors' fees. Directors are given appropriate briefings by the Management on the business activities of the Group, its strategic directions,

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and the Company's corporate governance policies and practices when they are first appointed to the Board.

The Company observed the aforesaid practice when Mr. Neo Ban Chuan became a Director of the Company in July 2016.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

Guideline 2.1

Independent Element of the Board

There were 7 Board members throughout FY2016 – 3 were independent and 4 were non-independent. Other than the CEO, all Directors were non-executive.

An Independent Director is one who has no relationship with the Company, its related companies, its 10% shareholders[Note 1] or its officers who 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.

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, Mr. Ong Beng Kheong, is not an Independent Director, the NC has reviewed the percentage of Independent Directors on the Board and has recommended to the Board to consider increasing the independence element so as to be in line with Guideline 2.2 of the Code. During FY2016, Mr. Neo Ban Chuan was appointed as an additional Independent Director to the Board.

The Code provides that Independent Directors shall make up at least half of the Board where, *inter alia*, the Chairman of the Board is not an Independent Director. The NC and the Board noted that such guideline shall be complied with by not later than the date of the Company's Annual General Meeting to be held in year 2018.

Guideline 2.3

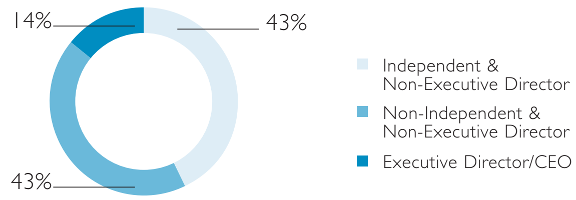
Independence of Directors

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 process includes the use of a self-assessment questionnaire which each Independent Director is required to complete and submit to the NC for review. The self-assessment questionnaire is collated and reported to the Board.

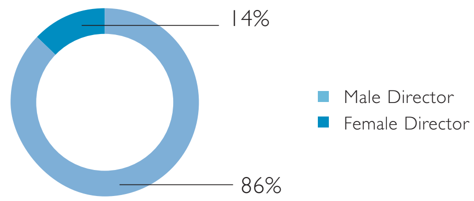
The NC has assessed the independence of Messrs Choo Teow Huat Albert, Chow Kok Kee and Neo Ban Chuan, and is satisfied that there is no relationship or other factors such as gifts or financial assistance, past association, business dealings, representative of shareholder, financial dependence, relationship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

Board Composition at one glance

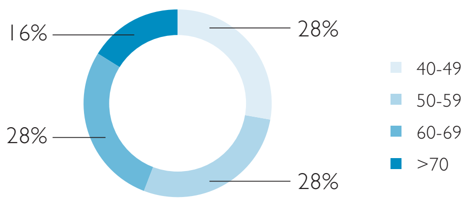
Independence



Gender diversity



Age group of our Directors



Guideline 2.4

Independence of Directors who have served on the Board beyond 9 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 Directors with long tenure, the Board will review rigorously their continuing contributions and independence and may exercise its discretion to extend the tenure of these Directors.

In subjecting the independence of Messrs Choo Teow Huat Albert and Chow Kok Kee to a particularly rigorous assessment (with both Messrs Choo and Chow abstaining from the exercise), placed more emphasis on whether they have continued to demonstrate integrity, professionalism and independent judgement and/or decisions on matters with the interests of the Company at heart without undue reliance on and influence by others. Fellow Directors also noted that there are no relationships or circumstances which affect or are likely to

Note 1: A "10% shareholder" is a person who has an interest or interests in one or more voting shares in the company and the total votes attached to that share or those shares is not less than 10% of the total votes attached to all the voting shares in the company. "Voting shares" exclude treasury shares.

affect the 2 gentlemen's judgement and ability to discharge their responsibilities as Independent Directors.

The Board is of further view that an individual's independence cannot be determined arbitrarily on the basis of a set period of time. Furthermore, there have been changes to the composition of the Board since their respective appointment, allowing for progressive renewal of the Board.

Guideline 2.5
Board Composition and Size

The Company recognises and embraces the benefits of diversity on the Board and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The current composition of the Board provides diversity in terms of skills, experience, gender and knowledge of the Company.

In terms of gender diversity, the Company has 1 female Director, namely, Ms. Michelle Liem Mei Fung, on the Board. Female therefore represents 14% of total Board membership which is compared favourably to the national average of 9.7%[Note 1]. Ms. Liem has been a member of the Board since 2001. The Company continues to benefit from her membership in terms of improved discussions, debates and decision-making at 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.

During FY2016, Mr. Ng Siow How stepped down from the Board due to his other personal commitments whilst Mr. Neo Ban Chuan joined and was appointed Independent and Non-Executive Director of the Company. Details of Mr. Neo's qualifications, background and working experience, principal commitments and shareholdings in related corporations are provided under the "Directors' Profile" section of this Annual Report.

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. 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 increasing the representation of Independent Directors so as to comply with the relevant guidelines of the Code.

The current composition of the Board and its committees is set out under "Corporate Data" section of this Annual Report.

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. 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 assessing 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 FY2016, Independent Directors met regularly and on an ad hoc basis with the CEO and senior management team or other Non-Executive Directors to discuss challenges facing the Group. The Company 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.

As and when warranted, the Board sets aside time to meet without the presence of the Executive Director and Management at Board meetings.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Guideline 3.1
Separation of the Role of Chairman and the 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 and the CEO 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 Beng Kheong and the CEO, Mr. William Nursalim alias William 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.

Note 1: Source: Diversity Action Committee (DAC), 5 October 2016.

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Prior to each Board meeting, the Chairman sets the agenda for the meeting and ensures that Board members are provided with adequate and timely information. As a general rule, meeting papers are sent to Directors at least 1 week in advance in order for Directors to be adequately prepared for the meeting. The Chairman leads the meetings and ensures full discussion of each agendum. He also ensures that the Board members are able to engage the Management in constructive debate on various matters including strategic issues. Management staff who have prepared the papers, or who can provide additional insights into the matters to be discussed are invited to present their papers during the meetings.

At Annual General Meetings ("**AGMs**") and other shareholder meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and the Management.

Guideline 3.3

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 7 members with 3 being Independent Directors, the Board is of the view that the appointment of a Lead Independent Director is not necessary.

The Directors and Management are accessible to the Company's shareholders, and the Company has always responded to queries raised by its shareholders. The absence of a Lead Independent Director has not impacted and is unlikely to impact such accessibility or the Company's response to shareholders' queries.

Nevertheless, the Board will annually examine the need for the appointment of a Lead Independent Director.

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 of the Board 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: BOARD MEMBERSHIP

Guideline 4.1

NC Membership and Key Terms of Reference

The NC consists of the following 5 members with the majority, including the Chairman, being independent:

- Mr. Choo Teow Huat Albert, Chairman
  (Independent and Non-Executive)
- Mr. Chow Kok Kee
  (Independent and Non-Executive)
- Mr. Neo Ban Chuan
  (Independent and Non-Executive)
- Ms. Michelle Liem Mei Fung
  (Non-Independent and Non-Executive)
- Mr. Ong Beng Kheong
  (Non-Independent and Non-Executive)

The NC is guided by its written Terms of Reference which stipulates its principal roles as follows:

i. nomination of new Directors to the Board and re-election of Directors at regular intervals;

ii. review annually whether or not a Director is independent;

iii. determine a suitable size of the Board;

iv. 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;

v. recommend to the Board on appropriate internal guidelines to address the competing time commitments that are faced by Directors serving on multiple boards;

vi. 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;

vii. review, as appropriate, the independence of any Director who has served on the Board beyond 9 years from the date of his/her first appointment; and

viii. review the appointment and termination/dismissal of the following persons in the Company:

  (a) the CEO and Company Secretary for recommendation to the Board for approval; and

  (b) the personnel occupying key positions such as Chief Financial Officer, Chief Operating Officer, Financial Controller, Senior Vice President, General Manager or its equivalent.

When deciding on the appointment of new Directors to the Board, the NC and the Board consider a variety of factors including the relevant expertise and experience that are required on the Board and the Board committees, diversity, independence, conflicts of interest and time commitments.

Guideline 4.2

Responsibilities of NC

The 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 Constitution of the Company which stipulates that at each AGM, one-third of the Board, including the CEO who is also the sole Executive Director (or, if their number is not 3 or a multiple of 3, the number nearest to one-third), shall retire from office by rotation at least once every

3 years in accordance with the Constitution, and may stand for re-election. The NC having reviewed and has recommended and the Board has agreed for the following Directors to retire by rotation and seek re-election at the Company's forthcoming AGM:

(a) Mr. David Lee Kay Tuan; and

(b) Ms. Michelle Liem Mei Fung.

In accordance with the Constitution of the Company, newly appointed Directors by the Board during the financial year, without shareholders' approval at the AGM, shall only hold office until the next AGM, and thereafter be eligible for re-election at the AGM. They are in addition to the number of Directors to retire by rotation at the AGM. In this aspect, Mr. Neo Ban Chuan, who was appointed as Director of the Company with effect from 1 July 2016, will be eligible for re-election at the Company's forthcoming AGM.

Subject to their re-election, Mr. David Lee Kay Tuan shall continue to serve as a member of the ARC, Ms. Michelle Liem Mei Fung shall continue to serve as a member of the NC and the RC whilst Mr. Neo Ban Chuan shall continue to serve as a member of the ARC and the NC.

Guideline 4.3

Continuous Review of Directors' Independence

During FY2016, the NC conducted an annual review of the independence of the Directors based on their declarations of independence, which were drawn up in accordance with the guidelines provided under the Code. The NC is also committed to reassess the independence of each individual Director as and when warranted.

Guideline 4.4

Commitments of Directors sitting on multiple boards

There are internal guidelines 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. In this respect, the Company's current policy stipulates that if a Director is an Executive Director or key management personnel of another listed company or a major corporation, he/she should preferably not hold more than 3 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, their principal commitments and attendance and contributions to the Board. Despite the multiple directorships of 2 Directors, the NC is satisfied that the 2 Directors have discharged their duties adequately and satisfactorily for FY2016.

Guideline 4.5

Appointment of Alternate Directors

As at 31 December 2016, the Company has no alternate director on its Board.

Guideline 4.6

Nomination and Selection of Directors

The NC is responsible for recommending identified candidates to the Board to fill vacancies arising from resignation, retirement or any other reasons or if there is a need to appoint additional directors with the required skill or knowledge to the Board to fill the competency gap in the Board as identified by the NC. The potential candidate may be proposed by existing Directors, the Management or through third party referrals.

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 by taking into consideration diversity of skills, experience, background, gender, age, ethnicity and other relevant factors 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.

The NC confirmed that during the year it had observed the due process enumerated above which led to the appointment of Mr. Neo Ban Chuan as a Director.

Guideline 4.7

Key Information on Directors

Key information of each member of the Board including directorships and chairmanships both present and those held over the preceding 3 years in other listed companies, other principal commitments, academic/professional qualifications, memberships/chairmanships in the Company's Board committees, date of appointment, last re-election and other relevant information, are furnished under the "Directors' Profile" section of this Annual Report. Similar information is also published on the Company's website.

PRINCIPLE 5: BOARD PERFORMANCE

Guideline 5.1

Board Evaluation Process

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 other consideration of such factors as provided under the guidelines of the Code. The Board would act on the results where appropriate.

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The evaluation of individual Director is differentiated between Executive Director and Non-Executive Directors. Executive Director is evaluated by Non-Executive Directors, *inter alia*, through assessment of his performance against certain key performance indicators set by the relevant Board committees in the early part of the year.

For FY2016, due process was observed and all Directors were requested to complete a Board Performance Assessment checklist. The questionnaire included assessment criteria such as the size of the Board, the degree of independence of the Board, information flow from management, and adequacy of the Board and committees' meetings held to enable proper consideration of issues. To ensure confidentiality, the evaluation returns completed by all Directors were submitted to the Company Secretary for collation. The results of the performance evaluation on a collective basis were presented first to the NC for review and discussion and then to the Board. The Board was satisfied with the results of the assessment for FY2016.

Guideline 5.2

Board Performance Criteria

The NC has implemented a process for evaluating the effectiveness of i) the Board and its Board Committees; ii) the contribution by each individual Director; and iii) the Chairman of the Board.

The NC has also 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 5-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 5-year period. More relevant and meaningful criteria would also be used when applicable.

For FY2016, the NC duly observed the aforesaid process and criteria and was satisfied with the results of the review.

Guideline 5.3

Individual Director Evaluation

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 meetings; 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: ACCESS TO INFORMATION

Guideline 6.1

Complete, Adequate and Timely 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 the time. All scheduled Board and Board committees' meetings are planned 12 months ahead and all discussion papers are distributed to Directors at least 1 week in advance of the meetings.

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.

In line with the Company's commitment to conservation of the environment as well as sustainability efforts, the Company provides tablet devices to the Directors to enable them to access and read Board and Board committee papers prior to and during the meetings.

Guideline 6.3

Company Secretary

The role of the Company Secretary is clearly defined which includes, *inter alia*, advising the Board on all matters regarding the proper functioning of the Board, compliance with the Company's Constitution and applicable regulations, requirements of the Companies Act, Cap. 50 ("**Companies Act**"), the Securities and Futures Act and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual. She assists the Board in implementing and strengthening corporate governance policies and procedures.

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 mails, telephone and face-to-face meetings. During FY2016, 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.

Guideline 6.5

Independent Professional Advice

Directors, individually or as a group, in the furtherance of their duties and after consultation with the Chairman of the Board, may seek independent professional advice at the expense of 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 notes to the Financial Statements of the Company and of the Group.

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Guideline 7.1

RC Composition

The RC comprises the following Directors, all of whom are non-executive and the majority, including the 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 stipulates its principal roles as follows:

i. 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;

ii. 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;

iii. 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;

iv. 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;

v. review and approve the compensation of key management personnel;

vi. review the appropriateness and transparency of remuneration matters for disclosure to shareholders; and

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

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.

Non-Executive Directors receive remuneration packages consisting of Directors' fees and attendance fees which are based on a scale of fees divided into basic retainer fees as Director, an additional fees for serving on any of the Board committees and attendance fees for participation in meetings at the Board and any of the Board committees.

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	

In determining the quantum of such fees, factors such as frequency of meetings, time spent, responsibilities of Non-Executive Directors, and the need to be competitive in order to attract, motivate and retain these Directors are taken into account. The Chairman and members of the ARC receive higher additional fees to take into account the nature of their responsibilities. The current remuneration framework for the Non-Executive Directors remains unchanged from that of the previous financial year ended 31 December 2015.

The CEO, being an Executive Director, does not receive Director's fee.

The determination of the remuneration of the Directors is the purview of the Board as a whole; individual Directors do not participate in discussion regarding their own remuneration.

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Guideline 7.3

RC's access to advice on remuneration matters

The RC has direct access to the Company's Head of Human Resources should they have any queries on human resources matters. 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, at the Company's expense. In this regard, the RC draws on a pool of independent consultants for diversified views and specific expertise to ensure that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

In FY2016, the Company took part in Mercer's Singapore Total Remuneration Survey (Property). The results of the survey are being perused and where applicable, they would be used in updating the Company's remuneration framework for implementation in 2017 and onwards.

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 approves the overall annual increment and bonus of the Company and 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, key performance indicators ("**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.

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

Throughout FY2016, the Board has only 1 Executive Director, namely the CEO. 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 nominated and appointed to these boards.

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 also reviewed the performance of the Group's senior executives (excluding those employed by the listed subsidiary which has its own remuneration committee), after taking into consideration the CEO's assessment of and recommendation for bonus and remuneration.

Guideline 8.2

Long-term Incentive Scheme

Currently, the Company does not have any long-term incentive scheme or schemes involving the offer of shares or grant of options or any other forms of deferred remuneration. The Board is of the view that such long-term incentive plan is not effective and that it is difficult to determine how much such long-term incentive plan contributes to the retention of employees and/or motivating desired performance. The employees might not view it as "long-term" – disposing of shares when they are vested, rather than holding the shares and receiving dividend payments and enjoying future share price appreciation.

Guideline 8.3

Remuneration of Non-Executive Directors

Non-Executive Directors have no service contracts with the Company and their terms are specified in the Constitution. Non-Executive Directors are paid a basic fee, an additional fee for serving on any of the committees and an attendance fee for participation in meetings of the Board and any of the Board committees. The fee structure for Non-Executive Directors is presented under Guideline 7.2 of this Report.

The Board concurred with the RC's proposal for Non-Executive Directors' fees for FY2016. 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 aggregate fees of the Non-Executive Directors are subject to the approval of the shareholders at each 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 OF REMUNERATION

Guideline 9.1

Remuneration Report

Details on remuneration of Directors and key management personnel for FY2016 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

The remuneration of the Executive Director and Non-Executive Directors which is paid or payable by the Company for FY2016 is set out below:

Name of Directors	Directors' Fees[1]	Salary[2]	Benefits[3]	Variable Bonus	Total
Executive Director					
William Nursalim alias William Liem[4]	–	$672,000	$45,626	$290,000	$1,007,626
Non-Executive Directors					
Ong Beng Kheong	$97,000	–	–	–	$97,000
Choo Teow Huat Albert	$109,000	–	–	–	$109,000
Chow Kok Kee	$94,000	–	–	–	$94,000
David Lee Kay Tuan	$73,000	–	–	–	$73,000
Michelle Liem Mei Fung	$63,000	–	–	–	$63,000
Neo Ban Chuan[5]	$41,668	–	–	–	$41,668
Ng Siow How[6]	$25,873	–	–	–	$25,873
Total Directors' Remuneration	**$503,541 33.32%**	**$672,000 44.47%**	**$45,626 3.02%**	**$290,000 19.19%**	**$1,511,167 100%**

Annotations:

(1) If approved, the aggregate amount of Directors' fees of $503,541 will be paid to the Non-Executive Directors upon approval by shareholders at the forthcoming AGM.

(2) Salary refers to basic salary (CPF contribution is not applicable).

(3) Benefits refer to car benefits.

(4) As an Executive Director, Mr. William Nursalim alias William Liem does not receive Director's fees.

(5) Pro-rated fees as Mr. Neo Ban Chuan was appointed as a Director and a member of the ARC and the NC effective 1 July 2016.

(6) Pro-rated fees as Mr. Ng Siow How stepped down from the Board and from the NC on 30 June 2016.

During the year 2016, there was no change in the fee structure for Directors. The total Directors' fees proposed this year of $503,541 is 8% higher than that for year 2015 reflecting solely an increase in the number of overseas engagements, meetings held during the year and the appointment of an additional ARC member mid-year.

CORPORATE GOVERNANCE REPORT

Guideline 9.3

Remuneration of Top 5 Key Management Personnel

The table below sets out the range of gross remuneration of the top 5 key management personnel (excluding the Executive Director) of the Group including those in the Company's listed subsidiary, SP Corporation Limited ("**SP Corp**") but excluding those in associated companies:

Name of Top 5 Key Management Personnel	Designation	Salary[(1)]	Benefits[(2)]	Bonus[(3)]	Remuneration Bands of $100,000
Chong Chou Yuen[(4)]	Group Chief Financial Officer	72%	1%	27%	$700,000 – $799,999
Ilan Weill	General Manager, Grand Hyatt Melbourne	78%	8%	14%	$600,000 – $699,999
Boediman Gozali (alias Tony Wu)[(5)]	Managing Director & Chief Executive Officer, SP Corp	90%	2%	8%	$500,000 – $599,999
Sholto Smith	General Manager, Hyatt Regency Perth	89%	10%	1%	$400,000 – $499,999
Ng Choong How Nick	Senior Vice President (Business Development)	72%	1%	27%	$300,000 – $399,999

Annotations:

(1) Salary refers to basic salary, allowance and employer's provident fund or equivalent contribution thereof.

(2) Benefits refer to car benefits and taxable health insurance.

(3) Bonus refers to variable bonus and employer's provident fund or equivalent contribution thereof.

(4) In accordance with the Company's Group Policy, Mr. Chong Chou Yuen does not receive Director's fees acting as Non-Executive Director in SP Corp.

(5) Mr. Boediman Gozali (alias Tony Wu) is an uncle of Ms. Michelle Liem Mei Fung, a Non-Executive Director of the Company, and of Mr. William Nursalim alias William Liem, the CEO and an Executive Director of the Company.

The aggregate remuneration paid to the above key management personnel in FY2016 was $2,854,399.

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

Guideline 9.4

Employee related to Directors or CEO

Save as disclosed above, Mr. Lee Kay Chen, General Manager 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 a brother-in-law of Ms. Michelle Liem Mei Fung (Non-Executive Director and deemed substantial shareholder), whose remuneration exceeded $50,000 for FY2016.

Guideline 9.5

Employee Share Schemes

The Company has no employees share/stock options scheme nor long-term incentive scheme.

Guideline 9.6

Link between remuneration and performance

The information on the link between remuneration paid to the Executive Director and key management personnel, and performance is set out under Guideline 8.1 of this Report.

III. ACCOUNTABILITY AND AUDIT

The Board recognises the importance of providing accurate and relevant information on a timely basis to all stakeholders. In this respect, the ARC reviews all financial statements and results announcements and recommends them to the Board for approval. The ARC also ensures that the Company maintains a sound system of internal controls over financial reporting, operational risks and compliance risks and that all areas of weaknesses identified in internal audit reports are properly dealt with in a timely manner.

During the year, quarterly unaudited results and the audited full-year results of the Group have all been announced within 1 month after the end of each period.

PRINCIPLE 10: ACCOUNTABILITY

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 to shareholders on a timely manner.

The business and finance heads of individual subsidiaries and strategic business units are 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 i) the financial statements present a true and fair view of the financial position of the Group and of the Company as of the date; ii) the financial processes and controls, and the integrity of the Group's financial statements are in place. In addition, the CEO and CFO's quarterly written representations highlight, *inter alia*, material financial risks, their impact and provide updates on significant financial issues of the Group.

Based on the CEO and CFO's representation, enquiries made thereof and 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 its attention which might render the financial statements false or misleading in any material aspect.

Guideline 10.2

Compliance with Legislative and Regulatory Requirements

During FY2016, the Board reviewed quarterly representation letters from the Management regarding compliance by strategic business units of the Group's policies, operational practices and procedures, and relevant legislative and regulatory requirements.

The Company has on 28 April 2016 received signed undertakings from all its Directors and executive officers based on the revised form of Appendix 7.7, pursuant to Listing Rule 720(1) of the SGX-ST Listing Manual. The undertakings replaced and superseded the ones previously signed by the Directors and executive officers which were announced by the Company on 29 October 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 framework which is in line with ISO 31000 – Risk Management Principles and Guidelines and the recommended best practices.

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. In addition, the Group's risk appetite and risk tolerance are being classified into 4 acceptable categories, namely, Business & Strategy Risks, Financial Risks, Operational Risks and Compliance Risks 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 provided in "Managing Risk in Delivering Our Strategy" and "Business Dynamics and Risk Factors Statement" sections of this Annual Report.

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

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 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.

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.

As part of the Group's continuous effort to ensure that its risk management and internal control systems are adequate and effective, the Company has implemented the following new policies during FY2016:

i. Information Security Policy

   This policy provides guidelines to employees on the proper use of the Company's information systems and to ensure that the confidentiality of proprietary information is protected. It also supports the Company's business objectives of ensuring that the security, integrity and availability of information technology systems are balanced against the need for staff to access systems and services that are necessary for their job, within the limits imposed by this policy.

ii. Personal Data Protection Policy

   This policy aims to ensure that employees are aware of the legal obligations of the Company under the Personal Data Protection Act 2012, Singapore or similar legislation in countries which the Group operates so as to protect the security and confidentiality of data of third parties it obtains during its operations.

CORPORATE GOVERNANCE REPORT

iii. Anti-bribery and Anti-corruption Policy

This policy sets out guidelines to ensure that the Company, its Directors, officers, employees and agents conduct their activities in an honest and ethical manner as well as to comply with the applicable anti-bribery or anti-corruption laws and regulatory requirements in the various jurisdictions in which the Company operates.

iv. Sustainability Policy

This policy codifies the Company's commitment to reducing the impact of our business operations on the environment by ensuring that sustainability and ecological awareness are incorporated into our business practices, processes and operations.

Guideline 11.3

Board's Comment on Adequacy and Effectiveness of Internal Controls

The Board, with the concurrence of the ARC, is of the view that the Group's risk management and internal control systems were effective and adequate as at 31 December 2016 to address the financial, operational, compliance and information technology risks of the Group. In arriving at this view, the Board had considered the following: the risk management evaluation, internal controls implementation, internal auditors' reports, statutory audit undertaken by the external auditors, and the written representation issued by the CEO and CFO.

In this respect, the CEO and CFO have provided assurance to the Board that the financial records have been properly maintained and that the financial statements give a true and fair view of the Company and the Group's operations and finances for the year ended 31 December 2016 and financial position as of the date and that the Company's risk management and internal control systems are adequate and effective for the purpose. The CEO and CFO's Responsibility Statement published in this Annual Report explicitly acknowledged these points in details.

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 and operations as well as its existing internal control and risk management systems, the Board is of the view that currently a separate Risk Committee is not 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: AUDIT & RISK COMMITTEE

Guidelines 12.1 & 12.2

ARC Composition and Expertise of ARC Members

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. Neo Ban Chuan
(Independent and Non-Executive)
- Mr. David Lee Kay Tuan
(Non-Independent and Non-Executive)

The ARC members bring with them professional expertise and experience in the accounting, financial management and legal domains. The NC is of the view that the members of the ARC 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 its principal roles as follows:

i. assist the Board in fulfilling its responsibilities for the Company's financial reporting, management of financial 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;

ii. 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;

iii. 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;

iv. review the activities 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;

v. satisfies itself that adequate countermeasures are in place to identify and mitigate any material business risks associated with the Company. Review the adequacy and effectiveness of the Company's internal controls over financial, operational, compliance, information technology, and risk management policies and systems established by the Management;

vi. 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 internal control and risk management systems. Recommend to the Board its findings and proposed course of actions to be taken by Management;

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

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

Minutes of the ARC meetings are routinely tabled at Board meetings for information.

On a quarterly basis, Independent Directors who formed majority of the ARC also reviewed and if appropriate, approved all disclosable interested person transactions. Directors who are interested in the transaction had recused themselves from the deliberation and approval process in both the ARC and Board deliberation.

In the review of the financial statements for FY2016, the ARC has discussed with the Management and the Independent Auditors on significant issues and assumptions that impact the financial statements. The most significant matters have also been included in the Independent Auditor's Report to the members under "Key Audit Matters". Following the review, the ARC is satisfied that those matters, including the revenue recognition of development properties, valuation of completed properties held for sale and valuation of investment properties, have been properly dealt with and recommended the Board to approve the financial statements. The Board has on 26 January 2017 approved the financial statements.

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 FY2016 and as in the past years, the Company's external and internal 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 oversees the Group's relationship with its external auditors. It reviews the selection of the external auditors and recommends to the Board the appointment, re-appointment or removal of the external auditors as well as the remuneration and terms of engagement of the external auditors. The appointment of the external auditors is subject to shareholders' approval at each AGM of the Company.

The ARC reviewed the independence and objectivity of the external auditors through discussions with the external auditors and an annual review of the nature, extent and charges of non-audit services provided by the external auditors.

During FY2016, the ARC is satisfied with the independence and objectivity of the external auditors. A breakdown of the fees paid to the Group's external auditors (including its member firms) is disclosed in the table below:

FY2016	S$	% of Total Fees
Total Audit Fees	499,274	85.62
Total Non-Audit Fees	83,862	14.38
Total Fees	583,136	100

The Company has complied with SGX-ST Listing Rules 712 and 715 in relation to the Company's appointment of auditing firms.

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 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 from the employees.

CORPORATE GOVERNANCE REPORT

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

Disclosure on ARC's activities and measures taken by ARC to keep abreast of changes to Accounting Standards

The ARC met 6 times during FY2016 consisting of 4 scheduled meetings and 2 ad hoc meetings. The CEO, CFO, Company Secretary, external and internal auditors were invited to attend these meetings. 1 of the ARC meetings was held in Melbourne, Australia during a Directors' visit to review the Group's operations there. In the said meeting, remedial action for points highlighted in a recent internal audit report, internal controls in general, and information technology security in particular were discussed with the Hyatt representatives.

The ARC has been 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 incumbent auditing firm or its member firms is a member of the ARC.

PRINCIPLE 13: INTERNAL AUDIT

Guidelines 13.1 & 13.2

Internal Auditors and Compliance

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 Risk Services Pte. Ltd. ("**PwC**"). Upon the recommendation by ARC, the Board approved the re-engagement of PwC as IA of the Group. The ARC assesses the adequacy of the IA function through the review of PwC's audit plan and the quality of its reports. The IA has unrestricted access to the ARC and access to the Company's documents, records, properties and personnel, where relevant to their work. 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 external audit. The IA, PwC, is a corporate member of the Institute of Internal Auditors Singapore, and staffed with professionals with relevant qualifications and experience. The Group's 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 issued by the Institute of Internal Auditors.

At the beginning of each year, an annual internal audit plan entails the review of selected functions or business units of the Group is developed and agreed by the ARC. Having reviewed the audit plan of PwC, 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. As such, it reviews and updates relevant arrangements regularly and embraces effective and fair communication with its shareholders. It also encourages shareholders to participate at general meetings. Fuller discussion can be found in "Investor Relations" section of this Annual Report.

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 through the appropriate media that could have a material impact on the price or value of its shares. Such channels include news releases, annual reports, shareholder circulars, shareholders' meetings and announcements through SGXNet.

Guideline 14.2

Providing Opportunity for Shareholders to Participate and Vote at General Meetings

Shareholders are entitled to attend the general meetings and are given the opportunity to participate effectively in and vote at the general meetings of the Company.

Shareholders are informed of general meetings through reports/circulars/letters 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 which are 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's Constitution provided that no limit shall be imposed on the number of proxies for indirect investors who hold the Company's shares through a nominee company or custodian bank or through CPF agent bank. This is to facilitate shareholders holding shares through nominee companies to attend general meeting as proxies. This practice is therefore well ahead of the introduction of the multiple proxies under the amended Companies Act (effective 3 January 2016).

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

Guideline 15.1

Communication with Shareholders

Since November 2015, an Investor Relations Policy ("**IR Policy**") had been established setting out the principles to provide shareholders and prospective investors with information necessary to make well-informed investment decisions. This 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 has been provided in the Company's website which stakeholders can use to voice their concerns or feedbacks about possible violation of their rights. In the event that the shareholders make any enquiries to the Company, Management endeavours to respond within 2 working days. 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 is practicable. The Company disseminates all announcements, press releases and presentation slides to SGX-ST via SGXNet as well as through its corporate website.

Guideline 15.2

Disclosure of Information on a Timely Basis

The Company communicates with shareholders and the investment community through timely release of announcements to SGX-ST via SGXNet. The planned date of release of quarterly financial results is disclosed in the Annual Report of the preceding year and confirmed at least 2 weeks prior to the actual date of announcement via SGXNet.

During the year, unaudited quarterly results were announced within 28 days of the succeeding month; and full-year audited results were released on 26 January 2017. Each results announcement is accompanied by a press release in both the English and Chinese languages, and a PowerPoint presentation. In addition, webcasting on the results were posted in the same evening of the announcement of the Group's half-yearly and full-year results. The 2016 Annual Report will be distributed to shareholders 28 days before the AGM scheduled to be held on 26 April 2017.

To further enhance its communication with the investors, the Company's website allows the public to have access to information on the Group including the Company's announcements made to the SGX-ST.

Guideline 15.3

Interaction with Shareholders

General meetings have been and are still the principal forum for dialogue with shareholders. During 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. Simultaneously, the Company is also able to gather views or input and address shareholders' concerns at general meetings.

Guideline 15.4

Soliciting and Understanding Views of Shareholders

In order to have a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. 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 communicate with the Company. The Company also attends to shareholders' queries made via telephone.

Guideline 15.5

Dividend Policy

The Company has established a policy on payment of dividends which attempts to balance the need to conserve cash for working capital and investment into the future for long-term capital growth as well as shareholders' desire to receive returns from their investment in the Company. 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, investor guides, prepared by SGX, titled "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 encouraged to participate in such meetings by raising relevant questions or seeking clarification on the motions to be debated and decided upon.

Shareholders are informed of these meetings 28 days in advance through notices in the annual reports or circulars. These notices are also released via SGXNet, published in the newspapers and posted on the Company's website. In line with the Company's commitment towards environment responsibility, the Company's annual reports and circulars are sent to shareholders in the form of a CD-ROM. The annual reports and circulars may also be viewed on the Company's website. However, we are mindful that some shareholders may prefer to receive a printed copy and this will be provided upon request.

CORPORATE GOVERNANCE REPORT

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. Detailed information on each item in the AGM agenda is also provided in the explanatory notes to the Notice of AGM in this Annual Report.

Guideline 16.3

Attendees at General Meetings

In the past years, the Chairman of the Board and the Chairman of each of the Board committee, CEO and CFO have all had attended all the general meetings to address issues raised by shareholders. The Company's external auditors and its legal advisers were also present to address relevant queries from shareholders.

Guideline 16.4

Minutes of General Meetings

The Company prepares minutes of general meetings detailing the proceedings and questions raised by shareholders and answers given by the Board and Management. The minutes of the last AGM and EGM held on 29 April 2016 were published via SGXNet and the Company's website on 4 May 2016 within 2 working days from the date of the general meetings.

Guideline 16.5

Voting By Poll at General Meetings

To promote greater transparency in voting process and effective participation, the Company conducted electronic poll voting for all resolutions passed at its last AGM and Extraordinary General Meeting ("**EGM**") held on 29 April 2016. Through 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 the screen at the meeting site.

An independent scrutineer firm was present to validate the votes at the last AGM and EGM. The results of the electronic poll voting on each resolution tabled at the last AGM and EGM, including the total number of votes cast for or against each resolution, were also announced after the said meetings via SGXNet.

CORPORATE GOVERNANCE IN ACTION

The Company has in place internal codes of conduct and practices for its Board members and employees to observe on i) securities transactions while in possession of price-sensitive information and ii) their conduct of business activities. In addition, the Company has a Whistle-blowing Policy and a Dividend Policy.

INTERESTED PERSON TRANSACTIONS
– Listing Manual Rule 907

Interested Person Transactions ("**IPTs**") are executed on fair terms and at arm's length regardless of nature and size. Quarterly report on IPTs entered into by the Group is submitted to the ARC for review. Under the SGX listing rules, where any IPT requires shareholders' approval, the interested person will abstain from voting and the decision will be made by disinterested shareholders. When a potential conflict of interest arises, the Director concerned neither take part in discussions nor exercise any influence over other members of the Board.

The Board has adopted an IPT policy and last revised the IPT procedures in 2011 that sets out the procedure of monitoring, reviewing and approving IPTs in the Group.

Disclosure of IPTs is presented in the "SGX-ST Listing Manual Requirements" section of this Annual Report.

DEALINGS IN SECURITIES
– Listing Manual Rule 1207(19)

The Company has 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 and during the period commencing 1 month before the announcements of the listed entities' full-year results, and 2 weeks before the announcements of the first three quarters 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 have refrained from dealing in the listed entities' securities for short-term considerations.

During FY2016, 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's 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 which 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/her during his/her 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 to always 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.

While the Whistle-blowing Policy is meant to protect genuine whistle-blowers from any unfair treatment as a result of their report, it strictly prohibits frivolous and bogus complaints. The policy is also not a route for taking up personal grievances.

There may be circumstances where there is insufficient evidence for the Whistle-blowing Committee ("**WBC**") to proceed with the investigation, particularly in situations of anonymous reporting or in cases where the reliability and/or credibility of the reported concern is questionable.

A mechanism for the submission of issues/concerns has been established which includes a dedicated e-mail address allowing whistle-blowers to contact the 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 receive reports relating to serious offences, and/or criminal activities in the Group, they and the Board have access to appropriate external professional advice. Where appropriate or required, a report will be made to the relevant governmental authorities for further investigation.

➢ Whistle-blowing Committee

The WBC consists of:

- CEO;
- CFO; and
- 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 Board may at its absolute discretion, consider recommending a special dividend to commemorate the Company having achieved exceptional operational performance in a particular year or in a major investment sale.

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 who are 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.

STATUTORY REPORTS AND ACCOUNTS

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Directors of the Company present their statement 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 2016.

In the opinion of the Directors:

(a) 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 114 to 190 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 2016, 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

(b) 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 statement are as follows:

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 Neo Ban Chuan	(Appointed on 1 July 2016)

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 was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

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 or of related corporations as recorded in the Register of Directors' Shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act (the "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 2016**	**As at 31 December 2016**	**As at 1 January 2016**	**As at 31 December 2016**
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]	546,383,829[1]
SP Corporation Limited (Ordinary Shares)				
Ms Michelle Liem Mei Fung	–	–	28,146,319[1]	28,146,319[1]

Note:

1 By virtue of interest in Nuri Holdings (S) Pte Ltd.

By virtue of Section 7 of the 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 2017.

4 SHARE OPTIONS

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

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

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

5 AUDIT AND RISK COMMITTEE

The Audit and Risk Committee performed functions specified in Section 201B(5) of the 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, David Lee Kay Tuan and Neo Ban Chuan, all of whom are non-executive Directors and the majority including the Chairman, are independent. The Audit and Risk Committee met six times during the financial year ended 31 December 2016 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 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 Directors of the Company 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 Rules;

(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 Group at the forthcoming Annual General Meeting of the Company.

6 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

26 January 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the 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 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 114 to 190.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition of development properties

Revenue recognition from development properties in the course of construction, based on the percentage of completion ("POC") method, is a key revenue stream of the Group. The stage of completion is measured by reference to certification of the value of work performed to date by third party quantity surveyors or the total costs incurred to date as compared to the total budgeted costs of the development projects as approved by management.

Significant judgements are required to estimate the total budgeted contract costs which include estimation for variation works and any other claims from contractors. Any changes to the total budgeted contract costs will impact the percentage of completion, resulting in an impact to the revenue recognised.

Our audit performed and responses thereon

We performed procedures to evaluate the design and implementation of the relevant controls put in place by the Group in respect of revenue recognition from these development properties in the course of construction. We reviewed management's budgeted cost estimates for each of the development projects, and assessed the reasonableness of the assumptions and estimates applied by management which included key elements such as contractor costs, variation works, expected finance costs and property expenses, taking also into consideration the need by management to account for any effects of significant or unusual events that occurred during the year. In addition, we also used the value of the work performed to date, compared to the budget sheet (i.e. contract cost) and performed arithmetic computations of the POC and revenue to be recognised for the year.

We found management to have the relevant controls in place, and that the key assumptions applied by management to be reasonable based on supportable information available.

Further disclosures are made in Note 21 to the financial statements.

Valuation of completed properties held for sale

The Group has residential properties held for sale located mainly in Singapore. These development properties are stated at the lower of cost and net realisable values. The determination of the estimated net realisable value of these development properties is dependent upon the Group's expectations of future selling prices.

The weak demand of residential units and uncertain economic sentiments may impact and create downward pressure on the prices of these properties. There is therefore a risk that the estimates of net realisable values may exceed future selling prices, resulting in losses when properties are sold.

Our audit performed and responses thereon
We discussed with and challenged management on the basis used in their assessment in determining whether the Group's completed properties held for sale are impaired and the amount of impairment to be recorded if any, based on the Group's estimated selling prices of these properties, by comparing where available, to recently transacted prices and prices of past sales of comparable properties in surrounding locations. We also performed sensitivity analysis on the estimated selling prices used by management in their assessment and considered the adequacy of the disclosures in respect of the impairment losses presented in the financial statements for these properties.

We found management's estimates to be reasonable based on supportable information available, and that management had applied its knowledge of the business in determining the estimated selling prices of the respective properties, where the management took into account the selling prices of past sales and comparable properties, and expectations of the property market conditions. We found that the Group had appropriately recorded the impairment loss in profit or loss and found the related disclosures to be appropriate.

Further disclosures are made in Note 8 to the financial statements.

Valuation of investment properties
The Group has investment properties stated at fair value, determined based on professional external valuers engaged by the Group.

The valuation process involves significant judgement and estimation. The valuations are dependent on the valuation methodology applied and these are underpinned by a number of assumptions which included price per square metre of market comparables used; capitalisation rates; price per square metre of gross/net lettable area; and with reference to investment property under redevelopment, costs to complete and gross development value. A change in the key assumptions applied may have a significant impact to the valuation.

Our audit performed and responses thereon
We read the terms of engagement of the external valuers to consider the objectivity and independence of the external valuers, and also considered the qualification and competency of the external valuers engaged.

We considered the appropriateness of the valuation techniques used by the external valuers for the respective investment properties, taking into account the profile and type of the investment properties. We discussed with the external valuers on the results of their work, and compared the key assumptions used in their valuations by reference to externally published benchmarks where available and considered whether these assumptions are consistent with the current market environment.

For the investment property under development, we also evaluated the Group's estimated cost of development and where relevant, agreed to third party contracts for work contracted or to supportable documents.

We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates.

We found that the external valuers were recognised professionals with appropriate level of qualifications and experience. The valuation methodologies adopted were in line with generally accepted market practices. The key assumptions used were within reasonable range, taking into account historical rates and available industry data for comparable markets and properties. For investment property under development, the estimated total cost of development and cost of work performed were supported by third parties' construction certificates and other relevant documents. We also found that the related disclosures in the financial statements to be adequate.

Disclosures on key assumptions and valuation techniques of investment properties are found in Note 10 to the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Company and Strategy, Highlights of the Year, Corporate Stewardship, Management Discussion and Analysis, Sustainability Report, Corporate Governance and Shareholding Statistics reports, which are expected to be made available to us after that date.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TUAN SING HOLDINGS LIMITED

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have received the Directors' Statement and performed our work and have nothing to report in this regard.

When we read the other information which are expected to be made available to us after the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs. We have not performed our work at the date of this auditor's report.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Deloitte.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Loi Chee Keong.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

26 January 2017

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
ASSETS					
Current assets					
Cash and bank balances	5	**163,688**	141,717	**301**	431
Trade and other receivables	6	**158,793**	134,390	**7,994**	142
Amounts due from subsidiaries	15	**–**	–	**255,467**	285,748
Inventories	7	**3,564**	3,641	**–**	–
Development properties	8	**183,232**	336,132	**–**	–
Total current assets		**509,277**	615,880	**263,762**	286,321
Non-current assets					
Property, plant and equipment	9	**419,278**	395,149	**–**	–
Investment properties	10	**1,108,652**	1,076,909	**498**	498
Investments in subsidiaries	11	**–**	–	**684,755**	661,900
Investments in equity-accounted investees	12	**83,579**	71,511	**–**	–
Deferred tax assets	17	**2,286**	3,045	**–**	–
Other non-current assets		**11**	11	**–**	–
Total non-current assets		**1,613,806**	1,546,625	**685,253**	662,398
Total assets		**2,123,083**	2,162,505	**949,015**	948,719
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	13	**3,406**	428,924	**–**	–
Trade and other payables	14	**112,333**	117,214	**20,096**	10,661
Amounts due to subsidiaries	15	**–**	–	**265,956**	292,716
Income tax payable		**22,290**	7,914	**52**	17
Total current liabilities		**138,029**	554,052	**286,104**	303,394
Non-current liabilities					
Loans and borrowings	13	**1,017,387**	677,410	**79,562**	79,404
Derivative financial instruments	28	**1,019**	904	**–**	–
Deferred tax liabilities	17	**35,730**	42,320	**–**	–
Other non-current liabilities	14	**462**	362	**–**	–
Total non-current liabilities		**1,054,598**	720,996	**79,562**	79,404
Capital, reserves and non-controlling interests					
Share capital	18	**171,306**	170,230	**171,306**	170,230
Reserves	19	**748,116**	706,575	**412,043**	395,691
Equity attributable to owners of the Company		**919,422**	876,805	**583,349**	565,921
Non-controlling interests		**11,034**	10,652	**–**	–
Total equity		**930,456**	887,457	**583,349**	565,921
Total liabilities and equity		**2,123,083**	2,162,505	**949,015**	948,719

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

STATUTORY REPORTS AND ACCOUNTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 $'000	Group 2015 $'000
Revenue	21	**404,018**	677,122
Cost of sales		**(319,634)**	(535,259)
Gross profit		**84,384**	141,863
Other operating income		**4,490**	3,420
Distribution costs		**(5,867)**	(4,355)
Administrative expenses		**(29,741)**	(25,672)
Other operating expenses		**(7,739)**	(10,085)
Share of results of an equity-accounted investee	12	**13,466**	6,803
Interest income	22	**4,465**	4,258
Finance costs	23	**(25,716)**	(27,529)
Profit before tax and fair value adjustments		**37,742**	88,703
Fair value adjustments	24	**2,336**	(8,049)
Profit before tax	25	**40,078**	80,654
Income tax expenses	26	**(6,272)**	(11,535)
Profit for the year		**33,806**	69,119
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties	28	**16,980**	22,447
Income tax relating to components of other comprehensive income that will not be reclassified subsequently	28	**(5,094)**	(6,719)
		11,886	15,728
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	28	**4,903**	(9,450)
Share of other comprehensive income of an equity-accounted investee	28	**2,829**	4,557
Cash flow hedges	28	**(90)**	(904)
Income tax relating to components of other comprehensive income that may be reclassified subsequently	28	**27**	271
		7,669	(5,526)
Other comprehensive income for the year, net of tax	28	**19,555**	10,202
Total comprehensive income for the year		**53,361**	79,321
Profit attributable to:			
Owners of the Company		**33,585**	68,833
Non-controlling interests		**221**	286
		33,806	69,119
Total comprehensive income attributable to:			
Owners of the Company		**52,979**	78,798
Non-controlling interests		**382**	523
		53,361	79,321
Basic and diluted earnings per share (in cents)			
Including fair value adjustments	27	**2.8**	5.8
Excluding fair value adjustments	27	**2.7**	6.3

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Group 2016 $'000	Group 2015 $'000
Operating activities			
Profit before tax		**40,078**	80,654
Adjustments for:			
Fair value (gain)/loss	24	**(2,336)**	8,049
Share of results of an equity-accounted investee	12	**(13,466)**	(6,803)
Allowance for diminution in value for development properties	8	**3,649**	8,935
Depreciation of property, plant and equipment	9	**7,772**	7,701
Allowance for inventory obsolescence, net	7	**1**	89
Allowance for doubtful trade and other receivables, net	6	**52**	197
Write-back of recognised corporate guarantee no longer required	25	**(445)**	–
Net loss on liquidation of subsidiaries	25	**1,794**	–
Net loss/(gain) on disposal of property, plant and equipment	25	**5**	(62)
Interest income	22	**(4,465)**	(4,258)
Finance costs	23	**25,716**	27,529
Operating cash flows before movements in working capital		**58,355**	122,031
Development properties less progressive billings receivable		**149,759**	74,432
Inventories		**83**	362
Trade and other receivables		**(12,424)**	(51,004)
Trade and other payables		**(4,276)**	2,685
Cash generated from operations		**191,497**	148,506
Interest received		**2,129**	10,100
Income tax paid		**(3,523)**	(6,303)
Net cash from operating activities		**190,103**	152,303
Investing activities			
Purchase of property, plant and equipment	9	**(4,098)**	(3,319)
Proceeds on disposal of property, plant and equipment		**64**	241
Additions to investment properties		**(19,364)**	(10,341)
Deposit paid for acquisition of land in Batam	6	**(7,830)**	–
Dividends and distribution received from an equity-accounted investee	12	**–**	8,563
Net cash used in investing activities		**(31,228)**	(4,856)
Financing activities			
Proceeds from loans and borrowings		**98,166**	80,533
Repayment of loans and borrowings		**(192,611)**	(300,484)
Interest paid		**(34,161)**	(34,172)
Bank deposits pledged as securities for bank facilities		**(32,922)**	30,196
Dividend paid to shareholders		**(5,877)**	(4,911)
Shares bought back and cancelled	18	**(120)**	–
Net cash used in financing activities		**(167,525)**	(228,838)
Net decrease in cash and cash equivalents		**(8,650)**	(81,391)
Cash and cash equivalents at the beginning of the year		**105,675**	187,414
Foreign currency translation adjustments		**(1,129)**	(348)
Cash and cash equivalents at the end of the year	5	**95,896**	105,675

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

STATUTORY REPORTS AND ACCOUNTS

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	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 Equity $'000
Group									
At 1 January 2016		170,230	(23,722)	94,534	116,342	519,421	876,805	10,652	887,457
Total comprehensive income for the year									
Profit for the year		–	–	–	–	33,585	33,585	221	33,806
Exchange differences on translation of foreign operations	28	–	7,571	–	–	–	7,571	161	7,732
Revaluation of properties	28	–	–	16,980	–	–	16,980	–	16,980
Cash flow hedges	28	–	–	–	(90)	–	(90)	–	(90)
Income tax adjustments relating to other comprehensive income	28	–	–	(5,094)	27	–	(5,067)	–	(5,067)
Other comprehensive (loss)/ income for the year, net of tax		–	7,571	11,886	(63)	–	19,394	161	19,555
Total		–	7,571	11,886	(63)	33,585	52,979	382	53,361
Transactions with owners, recognised directly in equity									
Transfer from revenue reserve to other capital reserves		–	–	–	14,873	(14,873)	–	–	–
Issue of shares under the Scrip Dividend Scheme	18	1,196	–	–	–	–	1,196	–	1,196
Shares bought back and cancelled	18	(120)	–	–	–	–	(120)	–	(120)
Dividend paid to shareholders									
– Cash	20	–	–	–	–	(5,877)	(5,877)	–	(5,877)
– Share	20	–	–	–	–	(1,196)	(1,196)	–	(1,196)
Goodwill paid over acquiring additional shares in a member of associate	12	–	–	–	(4,365)	–	(4,365)	–	(4,365)
Total		1,076	–	–	10,508	(21,946)	(10,362)	–	(10,362)
At 31 December 2016		171,306	(16,151)	106,420	126,787	531,060	919,422	11,034	930,456

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	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 Equity $'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 properties	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.

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

	Note	Share capital $'000	Other capital reserve# $'000	Revenue reserve $'000	Total equity $'000
Company					
At 1 January 2016		**170,230**	**101,264**	**294,427**	**565,921**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**23,425**	**23,425**
Transactions with owners, recognised directly in equity					
Issue of shares under the Scrip Dividend Scheme	18	**1,196**	**–**	**–**	**1,196**
Dividend paid to shareholders					
– Cash	20	**–**	**–**	**(5,877)**	**(5,877)**
– Share	20	**–**	**–**	**(1,196)**	**(1,196)**
Shares bought back and cancelled	18	**(120)**	**–**	**–**	**(120)**
Total		**1,076**	**–**	**(7,073)**	**(5,997)**
At 31 December 2016		**171,306**	**101,264**	**310,779**	**583,349**
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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

1 GENERAL

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

The principal activity of the Company is that of investment holding. The principal activities of its significant subsidiaries and associates are disclosed in Note 33 and Note 34 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 2016 were authorised for issue by the Board of Directors on 26 January 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

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 2016, 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 the 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 (with clarifications issued)*[2]
- FRS 116 *Leases*[3]
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*[1]

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standards issued but not yet effective (cont'd)

- Amendments to FRS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*[1]
- Amendments to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]

1 Applies to annual periods beginning on or after 1 January 2017, with early application permitted.

2 Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

3 Applies to annual periods beginning on or after 1 January 2019, with earlier application permitted if FRS 115 is adopted.

4 Application has been deferred indefinitely, however, early application is still permitted.

Consequential amendments were also made to various standards as a result of these new or revised standards.

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption 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.

Management anticipates that the initial application of the new FRS 109 will result in changes to the accounting policies relating to the impairment provisions of financial assets. Additional disclosures will also be made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group'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 109.

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. Further clarifications to FRS 115 were also issued in June 2016.

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 contract(s) 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standards issued but not yet effective (cont'd)

FRS 115 Revenue from Contracts with Customers (cont'd)

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. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, 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 on sale of development properties. Additional disclosures will also be made with respect to the sale 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 Group'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.

FRS 116 Leases

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

Management is currently still assessing the possible impact of implementing FRS 116. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group'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 above new FRS 116.

IFRS convergence in 2018

Singapore-incorporated companies listed on the SGX will be required to apply a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") for annual periods beginning on or after 1 January 2018. The Group will be adopting the new framework for the first time for financial year ending 31 December 2018.

Based on a preliminary assessment of the potential impact arising from IFRS 1 *First-time adoption of IFRS*, management does not expect significant changes to the Group's current accounting policies or material adjustments on transition to the new framework, other than those that may arise from implementing new/revised IFRSs as set out in the preceding paragraphs on the equivalent FRSs.

Management is currently performing a detailed analysis of the transition options and other requirements of IFRS 1. The preliminary assessment above may be subject to change arising from the detailed analysis.

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

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 and associates 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

Business combinations (cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

Associates and joint venture (equity-accounted investees) (cont'd)

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 associate or joint venture.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

Associates and joint venture (equity-accounted investees) (cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Foreign currency transactions and translation (cont'd)

Foreign currency translation (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Financial assets at fair value through profit or loss (FVTPL) (cont'd)

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 32(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 financial assets. 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 32(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.

Loans and 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". Loans and receivables (including trade and other receivables, bank balances and cash) 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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Financial liabilities at fair value through profit or loss (FVTPL) (cont'd)

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 32(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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments (cont'd)

Hedge accounting (cont'd)

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.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 – 15 years
Motor vehicles	5 – 10 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate being accounted for on a prospective basis.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Goodwill (cont'd)

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 considered to be 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.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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 against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of assets (cont'd)

Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and non-tangible assets 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.

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.

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.

(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. 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 represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Allowance is made where necessary for obsolete, slow-moving and defective inventories.

(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 the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. 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 immediately.

(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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Leases (cont'd)

The Group as lessor (cont'd)

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

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.

(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;
- The amount of revenue can be measured reliably;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Revenue recognition (cont'd)

Sale of goods (cont'd)

- 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. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ab) Income tax (cont'd)

Deferred tax (cont'd)

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.

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.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Critical judgements in applying the Group's accounting policies (cont'd)

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 2016, 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. Legal and professional expenses of $6,472,000 (2015: $2,487,000) however have been recorded in the profit or loss for the year ended 31 December 2016.

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 as approved by management.

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 and revenue recognised based on the percentage of completion are disclosed in Note 8 and Note 21 to the financial statements respectively.

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 $3,649,000 (2015: $1,200,000) was made on Singapore development properties, taking into account and with reference to past sales, comparable properties, location and market conditions.

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.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

Fair value measurement and valuation processes (cont'd)

In determining fair values, the valuers have used valuation techniques (including direct comparison method, income 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. The Group has estimated deferred tax liability arising from an increase in the carrying amount of its investments in GHG amounting to A$32,509,000 (2015: A$27,469,000) or equivalent to $34,034,000 (2015: $27,969,000) [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.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

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. A dormant subsidiary had been put to members' voluntary liquidation as a result of which, the Company recognised an impairment loss of $6,132,000 for the investment but a gain of $7,782,000 under the inter-company balance waived by the subsidiary. The Company made a write-back on impairment loss made in prior years of $7,337,000 (2015: impairment loss of $1,178,000) for investments in subsidiaries, and an impairment loss of $1,509,000 (2015: $1,520,000) for amount due from subsidiaries in 2016. 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 and refundable deposit

Allowance for doubtful receivables and refundable deposit are based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including current creditworthiness, past collection history of each customer 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 are 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.
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.
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.

Information regarding each of the Group's reportable segments is presented below.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

4 SEGMENT INFORMATION (CONT'D)

Segment revenues and results

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others[2] $'000	Inter-Segment Eliminations $'000	Total Consolidated $'000
2016							
Revenue							
External revenue	129,084	140,606	134,148	–	180	–	404,018
Inter-segment revenue	923	–	–	–	18,070	(18,993)	–
	130,007	140,606	134,148	–	18,250	(18,993)	404,018
Results							
Gross profit	33,193	41,818	5,643	–	10,782	(7,052)	84,384
Other operating income	1,637	1,411	963	445	22,816	(22,782)	4,490
Distribution costs	(3,362)	–	(2,505)	–	–	–	(5,867)
Administrative expenses	(10,620)	(11,197)	(3,678)	1	(2,300)	(1,947)	(29,741)
Other operating expenses	(12,031)	(1,641)	(49)	(1,794)	(7,918)	15,694	(7,739)
Share of results of an equity-accounted investee	–	–	–	13,466	–	–	13,466
Interest income	4,113	27	1,840	–	5,214	(6,729)	4,465
Finance costs	(8,808)	(18,503)	(9)	–	(5,125)	6,729	(25,716)
Profit before tax and fair value adjustments	4,122	11,915	2,205	12,118	23,469	(16,087)	37,742
Fair value adjustments	1,910	288	–	138	–	–	2,336
Profit before tax	6,032	12,203	2,205	12,256	23,469	(16,087)	40,078
Income tax expenses	(2,989)	(2,702)	(537)	–	(44)	–	(6,272)
Profit for the year	3,043	9,501	1,668	12,256	23,425	(16,087)	33,806
Profit attributable to							
Owners of the Company	3,159	9,501	1,331	12,256	23,425	(16,087)	33,585
Non-controlling interests	(116)	–	337	–	–	–	221
Profit for the year	3,043	9,501	1,668	12,256	23,425	(16,087)	33,806

Notes:

1. No revenue is reported under "Other Investments" as the Group equity accounts for its investment in GulTech.
2. "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 revenues and results (cont'd)

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others[2] $'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 an equity-accounted investee	–	–	–	6,803	–	–	6,803
Interest 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. No revenue is reported under "Other Investments" as the Group equity accounts for its investment in GulTech.
2. "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

YEAR ENDED 31 DECEMBER 2016

4 SEGMENT INFORMATION (CONT'D)

Segment assets, liabilities and other segment information

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments[1] $'000	Corporate and Others $'000	Total Consolidated $'000
2016						
Assets						
Segment assets	**1,281,248**	**665,025**	**84,515**	**–**	**8,716**	**2,039,504**
Investments in equity-accounted investees	**–**	**–**	**–**	**83,579**	**–**	**83,579**
Total assets	**1,281,248**	**665,025**	**84,515**	**83,579**	**8,716**	**2,123,083**
Liabilities						
Segment liabilities	**(56,713)**	**(22,649)**	**(25,247)**	**(5,432)**	**(3,773)**	**(113,814)**
Loans and borrowings	**(570,896)**	**(370,335)**	**–**	**–**	**(79,562)**	**(1,020,793)**
Income tax payable and deferred tax liabilities	**(21,925)**	**(35,337)**	**(619)**	**–**	**(139)**	**(58,020)**
Total liabilities	**(649,534)**	**(428,321)**	**(25,866)**	**(5,432)**	**(83,474)**	**(1,192,627)**
Net assets	**631,714**	**236,704**	**58,649**	**78,147**	**(74,758)**	**930,456**
Other information						
Capital expenditure	**59**	**4,012**	**27**	**–**	**–**	**4,098**
Depreciation of property, plant and equipment	**203**	**7,155**	**414**	**–**	**–**	**7,772**
Allowance for diminution in value for development properties	**3,649**	**–**	**–**	**–**	**–**	**3,649**
Write-back of recognised corporate guarantee no longer required	**–**	**–**	**–**	**445**	**–**	**445**
Revaluation gain of properties	**–**	**16,980**	**–**	**–**	**–**	**16,980**
Fair value gain on investment properties	**1,910**	**288**	**–**	**–**	**–**	**2,198**
Fair value gain on financial instruments	**–**	**–**	**–**	**138**	**–**	**138**
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 properties	–	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

Note:

1. No capital expenditure and depreciation are reported under "Other Investments" as the Group equity accounts for its investment in GulTech.

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 external customers		Non-current assets	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Singapore	**202,779**	469,237	**959,520**	923,595
Australia	**140,606**	145,479	**646,300**	614,430
China	**26,401**	16,586	**6,447**	6,811
Malaysia	**16,520**	16,863	**1,539**	1,789
Indonesia	**9,254**	13,453	**–**	–
Europe	**–**	7,452	**–**	–
Other ASEAN countries[1]	**7,350**	6,811	**–**	–
Others	**1,108**	1,241	**–**	–
	404,018	677,122	**1,613,806**	1,546,625

Note:

1. Other ASEAN countries comprise Vietnam, Cambodia, Brunei and Laos with revenue in each country constituting not more than 1% of total Group revenue.

Other segment information

Included in the Group revenue of $404.0 million (2015: $677.1 million) were sales of approximately $44.7 million (2015: $45.5 million) to the Group's one major customer that contributed 10% or more to the Group's revenue.

5 CASH AND BANK BALANCES

	Group		Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Cash at banks and on hand	**39,271**	80,102	**301**	431
Fixed deposits	**117,323**	37,365	**–**	–
Amounts held under the Housing Developers (Project Account) Rules	**7,094**	24,250	**–**	–
	163,688	141,717	**301**	431

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 3.4% per annum (2015: 0.1% to 4.3% per annum) and for tenures ranging from 7 days to 3 years (2015: 7 days to 3 years).

Withdrawals of amounts held under the project accounts are restricted to payments for expenditure incurred on development properties and are subject to the provisions in the Housing Developers (Project Account) Rules in Singapore.

The carrying amounts of the cash and 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 32 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	
	2016 $'000	2015 $'000
Cash and cash equivalents per consolidated statement of cash flows		
Cash and bank balances (as per statements of financial position)	**163,688**	141,717
Encumbered fixed deposits and bank balances	**(67,792)**	(36,042)
	95,896	105,675

As at 31 December 2016, the Group had cash and cash equivalents placed with banks in China amounting to $80,344,000 (2015: $82,777,000), the repatriation of which into Singapore is subject to the Foreign Exchange Control Regulations in China. Of which amount, $65,052,000 (2015: $32,550,000) were fixed deposits for tenures ranging from 1 to 3 years (2015: 1 to 3 years) but were classified as current on the basis that they were pledged to secure a facility in Singapore which could be cancelled at short notice by the borrower and the sum of deposits released without significant penalty and changes in value.

As at 31 December 2016, cash and bank balances amounting to $77,703,000 (2015: $51,762,000) was pledged to banks to secure credit facilities and designated for specific operations. Information relating to the Group's loans and borrowings is disclosed in Note 13 to the financial statements.

	Group	
	2016 $'000	2015 $'000
Encumbered fixed deposits and bank balances	**67,792**	36,042
Cash and bank balances designated for specific operations	**9,911**	15,720
	77,703	51,762

6 TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade					
Trade debtors		**108,216**	92,990	**–**	–
Less: Allowance for doubtful receivables		**(179)**	(272)	**–**	–
		108,037	92,718	**–**	–
Amounts due from related parties	16	**12,209**	7,768	**–**	–
		120,246	100,486	**–**	–
Non-trade					
Deposits		**13,219**	6,099	**7,903**	73
Prepayments		**3,567**	3,183	**131**	141
Interest receivables		**2,338**	30	**–**	–
Sundry debtors		**6,922**	6,995	**32**	–
Advances to suppliers		**103**	3,936	**–**	–
Tax recoverable		**110**	125	**–**	–
		26,259	20,368	**8,066**	214
Less: Allowance for doubtful receivables		**(124)**	(77)	**(72)**	(72)
		26,135	20,291	**7,994**	142
Amount due from related parties	16	**12,412**	13,613	**–**	–
		38,547	33,904	**7,994**	142
		158,793	134,390	**7,994**	142

6 TRADE AND OTHER RECEIVABLES (CONT'D)

Trade Debtors

Included in the trade debtors were unbilled receivables of $64,547,000 (2015: $44,929,000) related to the remaining sales consideration on completed development properties for sale.

An amount of $1,963,000 in previous year's financial statements has been reclassified from "Trade receivables" to "Amounts due from related parties – trade" following a corporate transaction in December 2015 involving a director and his associated companies [Note 16].

Deposits in respect of acquisition of lands

Included in the carrying amount of deposits as at 31 December 2016 were deposits amounting to:

(a) $7,830,000 (2015: $Nil) paid to a related party for the purchase of shares in two Singapore-incorporated companies whose subsidiary is the beneficial owner of four plots of land in Batam, Indonesia. The acquisition has not been completed at the end of the reporting period; and

(b) $4,983,000 (2015: $5,186,000) relating to land acquisition Jiaozhou, China. This includes a plot of land of approximately 60,200 square metres (2015: 60,200 square metres) which had been secured by the Group pending the issuance of the land title deeds.

The deposits have been assessed to be placed with counterparties that are creditworthy and accordingly, no allowance for potential non-recovery of the deposit is required.

Amounts due from related parties – trade

Included in the carrying amount as at 31 December 2016 were unbilled rent revenue of $221,000 (2015: $221,000) relating to rent-free period given to related party lessees [Note 16].

Details of collateral

As at 31 December 2016, trade and other receivables amounting to $10,530,000 (2015: $10,736,000) 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.

Analysis of allowance for doubtful receivables:

		Group		Company	
	Note	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Allowance for doubtful receivables					
Trade		**(179)**	(272)	**–**	–
Non-trade		**(124)**	(77)	**(72)**	(72)
		(303)	(349)	**(72)**	(72)
Movements in allowance for doubtful receivables					
At 1 January		**(349)**	(306)	**(72)**	(72)
Exchange differences on consolidation		**8**	2	**–**	–
Amounts written off		**90**	152	**–**	–
Allowance made	25	**(52)**	(197)	**–**	–
At 31 December		**(303)**	(349)	**(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 32 to the financial statements.

Analysis of trade receivables

Trade receivables are non-interest bearing and are generally on 7 to 120 days (2015: 7 to 120 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group assesses the potential customer's credit quality and determines credit limits to be allowed before accepting any new customer. Credit limits granted to customers are reviewed regularly.

6 TRADE AND OTHER RECEIVABLES (CONT'D)

Analysis of trade receivables (cont'd)

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	
	2016 **$'000**	**2015** **$'000**
Trade receivables, net		
Not past due and not impaired	**102,961**	81,455
Past due but not impaired[(i)]	**17,285**	19,031
	120,246	100,486
Impaired receivables – collectively assessed[(ii)]	**160**	254
Less: Allowance for doubtful receivables	**(160)**	(254)
	–	–
Impaired receivables – individually assessed		
Past due for more than 36 months or no response to repayment demands[(ii)]	**19**	18
Less: Allowance for doubtful receivables	**(19)**	(18)
	–	–
	120,246	100,486

Notes:

(i) Aging of trade receivables that were past due but not impaired:

< 3 months	**11,108**	10,854
3 months to 6 months	**2,533**	4,321
6 months to 12 months	**3,442**	3,513
> 12 months	**202**	343
	17,285	19,031

(ii) The amounts stated were before deduction for impairment losses.

The Group had trade receivables amounting to $17,285,000 (2015: $19,031,000) 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 32(c) to the financial statements.

7 INVENTORIES

	Group		
	At cost $'000	At net realisable value $'000	Total $'000
2016			
Raw materials	**988**	**–**	**988**
Work-in-progress	**977**	**–**	**977**
Finished goods	**1,557**	**42**	**1,599**
	3,522	**42**	**3,564**
2015			
Raw materials	906	–	906
Work-in-progress	963	–	963
Finished goods	1,537	235	1,772
	3,406	235	3,641

The net realisable values of inventories were stated net of allowance of $43,000 (2015: $196,000).

During the year, an allowance for inventory obsolescence amounting to $1,000 (2015: $89,000) was recognised as "other operating expenses" in profit or loss [Note 25].

Details of collateral

As at 31 December 2016, inventories amounting to $748,000 (2015: $831,000) 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	
	2016 $'000	2015 $'000
Properties in the course of development	**56,166**	303,680
Land held for future development	**18,647**	19,235
	74,813	322,915
Completed properties held for sale	**108,419**	13,217
	183,232	336,132
Represented by:		
Properties in the course of development in Singapore	**56,166**	303,680
Land held for future development in China	**18,647**	19,235
Completed properties held for sale in Singapore	**104,310**	8,945
Completed properties held for sale in China	**4,109**	4,272
	183,232	336,132

Development properties comprise properties in the course of development, 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.

8 DEVELOPMENT PROPERTIES (CONT'D)

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

	Group	
	2016 **$'000**	**2015** **$'000**
Land cost	**79,728**	341,639
Development cost incurred to-date	**979**	143,847
Interest and others	**1,484**	21,088
	82,191	506,574
Add: Attributable profit	**–**	106,993
Less: Progress billings received and receivable	**–**	(281,773)
Less: Allowance for diminution in value	**(7,378)**	(8,879)
	74,813	322,915

Completed properties held for sale

		Group	
	Note	**2016** **$'000**	**2015** **$'000**
Completed properties, at cost		**113,105**	13,217
Less: Allowance for diminution in value		**(4,686)**	–
		108,419	13,217
Movements in allowance for diminution in value			
At 1 January		**(8,879)**	–
Exchange difference on consolidation		**301**	56
Allowance made during the year	25	**(3,649)**	(8,935)
Utilisation during the year		**163**	–
At 31 December		**(12,064)**	(8,879)

Interest costs capitalised during the year was $1,641,000 (2015: $4,831,000) at effective interest rate ranging from 1.9% to 2.0% per annum (2015: 1.7% to 2.6% per annum) [Note 23].

8 DEVELOPMENT PROPERTIES (CONT'D)

Completed properties held for sale (cont'd)

The following table provides information on properties in the course of development and land held for future development of which revenue is recognised on (i) transfer of significant risks and rewards of ownership at completion, and (ii) as construction progresses:

	Group	
	2016 $'000	**2015 $'000**
Transfer of significant risks and rewards of ownership at completion:		
Land cost	**24,405**	25,357
Development cost incurred to-date	**786**	818
Interest and others	**834**	739
Less: Allowance for diminution in value	**(7,378)**	(7,679)
	18,647	19,235
Continuous transfer of significant risks and rewards of ownership as construction progresses:		
Cost incurred plus attributable profit	**56,166**	586,653
Progress billings received and receivable	**–**	(281,773)
Less: Allowance for diminution in value	**–**	(1,200)
	56,166	303,680
	74,813	322,915

Allowance for diminution in value

The allowance for diminution in value for development properties held for sale was estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on expected selling prices for the development project after taking into consideration of prevailing market conditions. 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 $3,649,000 (2015: $8,935,000) is recognised as "other operating expenses" in profit or loss [Note 25].

Details of collateral

As at 31 December 2016, development properties amounting to $126,615,000 (2015: $312,625,000) 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 $7,378,000 (2015: $7,679,000) 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 $7,378,000 (2015: $7,679,000) was made based on management's best estimate on net realisable value of the development site.

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 2016, the ensuing legal and arbitration proceedings were still on-going.

8 DEVELOPMENT PROPERTIES (CONT'D)

List of development properties

As at 31 December 2016, 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							
Kandis Residence, Jalan Kandis, Singapore	Condominium of 130 units	Dillenia Land Pte Ltd	99 years from 2016	7,046	10,850	2019	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 (273 units booked/sold)	Asplenium Land Pte Ltd	99 years from 2011	17,456	26,862	2015	100%
Sennett Residence, Pheng Geck Avenue Singapore	Condominium townhouses of 332 units and three shop units (320 units booked/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 (32 units booked/sold)	Shelford Properties Pte Ltd	Freehold	4,544	6,997	2016	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 2016		**367,206**	**4,837**	**31,289**	**1,376**	**404,708**
Exchange differences on consolidation		**10,336**	**(148)**	**1,291**	**(5)**	**11,474**
Additions		**40**	**2**	**4,056**	**–**	**4,098**
Disposals		**–**	**–**	**(109)**	**–**	**(109)**
Write-offs		**–**	**–**	**(2,448)**	**–**	**(2,448)**
Reclassification		**319**	**–**	**(319)**	**–**	**–**
Revaluation		**14,089**	**–**	**–**	**–**	**14,089**
At 31 December 2016		**391,990**	**4,691**	**33,760**	**1,371**	**431,812**
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		214	–	(214)	–	–
Revaluation		19,788	–	–	–	19,788
At 31 December 2015		367,206	4,837	31,289	1,376	404,708
Comprising						
At 31 December 2016:						
At cost		**498**	**4,691**	**33,760**	**1,371**	**40,320**
At valuation		**391,492**	**–**	**–**	**–**	**391,492**
		391,990	**4,691**	**33,760**	**1,371**	**431,812**
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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

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
Group						
Accumulated depreciation:						
At 1 January 2016		**–**	**916**	**4,627**	**858**	**6,401**
Exchange differences on consolidation		**55**	**(25)**	**672**	**(3)**	**699**
Depreciation	25	**2,836**	**69**	**4,752**	**115**	**7,772**
Disposals		**–**	**–**	**(40)**	**–**	**(40)**
Write-offs		**–**	**–**	**(2,448)**	**–**	**(2,448)**
Revaluation		**(2,891)**	**–**	**–**	**–**	**(2,891)**
At 31 December 2016		**–**	**960**	**7,563**	**970**	**9,493**
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
Accumulated impairment:						
At 1 January 2016		**–**	**3,158**	**–**	**–**	**3,158**
Exchange differences on consolidation		**–**	**(117)**	**–**	**–**	**(117)**
At 31 December 2016		**–**	**3,041**	**–**	**–**	**3,041**
At 1 January 2015		–	3,098	–	–	3,098
Exchange differences on consolidation		–	60	–	–	60
At 31 December 2015		–	3,158	–	–	3,158
Carrying amount:						
At 31 December 2016		**391,990**	**690**	**26,197**	**401**	**419,278**
At 31 December 2015		367,206	763	26,662	518	395,149

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Included in building and freehold land is freehold land with a carrying amount of $211,406,000 (2015: $198,022,000) which is not subject to depreciation.

As at 31 December 2016, a leasehold land and building with a carrying amount of $539,000 (MYR1,667,000) was stated at cost less accumulated depreciation. For information only, its fair value was $3,881,000 (MYR12,000,000) as at the same date and as determined by an independent valuer who have appropriate qualification and recent experience in the fair value measurement of the properties in the relevant location.

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 2016 and 2015 as a result of such assessment.

Details of collateral

As at 31 December 2016, property, plant and equipment amounting to $416,706,000 (2015: $391,970,000) 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.

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 an 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 2016, 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 $16,980,000 (2015: $22,447,000) was recognised in other comprehensive income [Note 28].

As at 31 December 2016, had freehold land and building been carried at historical cost, their aggregate carrying amount would have been approximately $350,209,000 (2015: $343,460,000) for the Group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Fair value measurement of hotel properties (cont'd)

There were no transfers between different levels in 2016 and 2015 during the year. Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2016 and 2015 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2016			
Grand Hyatt Melbourne 121-131 Collins Street Melbourne, Victoria[a]	Stabilised Earnings Method	Capitalisation rate[1]	6.25%
	Discounted Cash Flow Method	Discount rate[1]	7.50% – 9.00%
		Terminal yield rate[1]	6.00% – 6.50%
Hyatt Regency Perth 87-123 Adelaide Terrace East Perth Western Australia[a]	Stabilised Earnings Method	Capitalisation rate[1]	6.50%
	Discounted Cash Flow Method	Discount rate[1]	7.75% – 9.25%
		Terminal yield rate[1]	6.25% – 6.75%
2015			
Grand Hyatt Melbourne 121-131 Collins Street Melbourne, Victoria[b]	Capitalisation Approach	Capitalisation rate[1]	6.75%
	Discounted Cash Flow Approach	Discount rate[1]	9.25% – 10.25%
		Terminal yield rate[1]	6.25% – 7.25%
Hyatt Regency Perth 87-123 Adelaide Terrace East Perth Western Australia[b]	Capitalisation Approach	Capitalisation rate[1]	7.25%
	Discounted Cash Flow Approach	Discount rate[1]	9.50% – 10.50%
		Terminal yield rate[1]	7.00% – 8.00%

(1) Any significant isolated increase (decrease) in these inputs would result in a significantly lower (higher) fair value measurement.

(a) The property valuation was performed by Knight Frank Valuations on 30 November 2016, an independent valuer.

(b) The property valuation was performed by JLL Hotels & Hospitality Group on 30 November 2015, an independent valuer.

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

List of hotel properties

The carrying amount of the Group's hotel properties as at 31 December 2016 included in property, plant and equipment are set out below. The non-hotel properties within the complexes are accounted for under investment properties [Note 10].

Name of property	Description	Tenure	Land area (sq. m)	Group's effective equity interest	2016 A$'000[1]	2015 A$'000[1]	2016 S$'000	2015 S$'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%	**334,871**	300,405	**350,576**	305,872
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%	**61,090**	82,430	**63,955**	83,930
					395,961	382,835	**414,531**	389,802

1 Figures in A$ are for information.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

10 INVESTMENT PROPERTIES

	Note	Completed investment properties $'000	Investment properties under redevelopment $'000	Total $'000
Group				
At 1 January 2016		**705,244**	**371,665**	**1,076,909**
Exchange differences on consolidation		**5,952**	**–**	**5,952**
Development costs		**633**	**22,960**	**23,593**
Net (loss)/gain from fair value adjustments	24	**(131)**	**2,329**	**2,198**
At 31 December 2016		**711,698**	**396,954**	**1,108,652**
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)/gain from fair value adjustments	24	(8,648)	719	(7,929)
At 31 December 2015		705,244	371,665	1,076,909
Company				
At 31 December 2016		**498**	**–**	**498**
At 31 December 2015		498	–	498

	Group 2016 $'000	Group 2015 $'000
Represented by:		
Completed investment properties in Singapore	**478,030**	478,450
Completed investment properties in Australia	**227,309**	220,176
Completed investment properties in China	**6,359**	6,618
Investment property under development in Singapore	**396,954**	371,665
	1,108,652	1,076,909

Fair value adjustments

The Group's investment properties are stated at fair value as at 31 December 2016, based on valuation carried out by independent professional valuers, who have the appropriate qualification and experience in the location and category of the properties being valued. Based on these valuations, a net fair value gain amounting to $2,198,000 (2015: net fair value loss amounting to $7,929,000) 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 2016, 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 2016 and 2015.

10 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustments (cont'd)

Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at 31 December 2016 and 31 December 2015 are as follows:

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2016			
Singapore			
Robinson Point[a] 39 Robinson Road Singapore	Comparison Method Income Method	Price per square metre of lettable area[1] Net income margin*[1] Capitalisation rate[2]	$19,400 – $38,000 75% – 85% 2.8% to 4.0%
The Oxley[a] 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Comparison Method Income Method	Price per square metre of strata floor area[1] Net income margin*[1] Capitalisation rate[2]	$18,300 – $30,800 80% – 90% 2.0 % to 3.75%
Century Warehouse[b] 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]	$7,300 – $12,800
L&Y Building[b] #01-03, #01-04, #05-01 59 Jalan Pemimpin Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	$5,900 – $6,700 $5,900 – $8,300 (ground floor)
Far East Finance Building[c] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[1]	$23,400 – $32,300
Robinson Tower redevelopment site[c]	Residual Land Value Method Direct Comparison Method	Gross development value per square metre[1] Developer's profit[2] Land sale per square metre per plot ratio[1] Construction cost per square metre of gross floor area[2] Total development cost (exclude land cost) per square metre of gross floor area[2]# Remaining construction period[2]	Office: $29,300 – $38,000 Retail: $51,700 – $52,800 10% $9,700 – $12,000 $7,200 $9,700 2 years
Australia			
Fortescue Centre & Carpark (being part of the Hyatt Regency complex)[d]	Capitalisation Method Discounted Cash Flow Method	Capitalisation rate[2] Discount rate[2] Terminal yield rate[2]	9.25% – 9.75% 8.50% – 9.50% 9.25% – 9.75%
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex[d]	Capitalisation Method Discounted Cash Flow Method	Capitalisation rate[2] Discount rate[2] Terminal yield rate[2]	Retail: 5.80% 7.25% – 7.75% 6.00% – 6.50%
China			
No. 2950 ChunShen Road Shanghai, China	Direct Comparison Method	Price per square metre of gross floor area[1]	$4,000 – $5,500

10 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustments (cont'd)

Name of property	Valuation methodology	Significant unobservable inputs (Level 3)	Range
2015			
Singapore			
Robinson Point[(a)] 39 Robinson Road Singapore	Comparison Method Income 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[(a)] 9 Oxley Rise #01-00, #02-00, #03-00 Singapore	Comparison Method	Price per square metre of strata floor area[(1)]	$26,500 – $29,100
Century Warehouse[(b)] 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[(b)] #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[(c)] #11-01/02 14 Robinson Road Singapore	Direct Comparison Method	Price per square metre of strata floor area[(1)]	$26,300 – $35,000
Robinson Tower redevelopment site[(c)]	Residual Land Value Method Direct Comparison Method	Gross development value per square metre[(1)] Developer's profit[(2)] Land sale per square metre per plot ratio[(1)] Construction cost per square metre of gross floor area[(2)] Total development cost (exclude land cost) per square metre of gross floor area[(2)#] Remaining construction period[(2)]	Office: $25,300 – $39,000 Retail: $64,700-$75,500 10% $9,800 – $12,000 $7,200 $10,000 2.5 years
Australia			
Fortescue Centre & Carpark (being part of the Hyatt Regency complex)[(e)]	Capitalisation Method Discounted Cash Flow Method	Capitalisation rate[(2)] Discount rate[(2)] Terminal yield rate[(2)]	8.25% 8.75% – 9.25% 8.25% – 8.75%
Commercial Centre & Carpark within the Melbourne Grand Hyatt complex[(e)]	Capitalisation Method Discounted Cash Flow Method	Capitalisation rate[(2)] Discount rate[(2)] Terminal yield rate[(2)]	Retail: 5.50% Retail: 7.25% – 7.75% Carpark: 8.00% – 8.50% 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

10 INVESTMENT PROPERTIES (CONT'D)

Fair value adjustments (cont'd)

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

(a) The property valuation was performed by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, an independent valuer, for both years

(b) The property valuation was performed by Jones Lang LaSalle Property Consultants Pte Ltd, an independent valuer, for both years

(c) The property valuation was performed by CBRE Pte. Ltd, an independent valuer, for both years

(d) The property valuation was performed by Knight Frank Valuations on 30 November 2016, an independent valuer

(e) The property valuation was performed by JLL Hotels & Hospitality Group on 30 November 2015, an independent valuer

Operating lease disclosure

Rental income from the Group's investment properties which were all leased under operating leases amounted to $34,844,000 (2015: $33,916,000) [Note 21]. Direct operating expenses (including repairs and maintenance) related to these investment properties amounted to $7,052,000 (2015: $7,003,000). Information on operating lease commitments is disclosed in Note 30 to the financial statements.

Details of collateral

As at 31 December 2016, investment properties amounting to $1,102,293,000 (2015: $1,070,291,000) 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 2016 are as follows:

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	2016 $'000	2015 $'000
Singapore						
Robinson Point 39 Robinson Road Singapore	A 21-storey commercial building with 3-levels of carpark	Freehold	15,724^	100%	**352,000**	352,000
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%	**13,030**	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
					478,030	478,450

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YEAR ENDED 31 DECEMBER 2016

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	2016 A$'000[1]	2015 A$'000[1]	2016 S$'000	2015 S$'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%	**130,000**	118,000	**136,097**	120,148
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%	**87,125**	98,240	**91,212**	100,028
					217,125	216,240	**227,309**	220,176

Name of property	Description	Tenure	Strata floor area (sq. m)	Group's effective equity interest	2016 RMB'000[1]	2015 RMB'000[1]	2016 S$'000	2015 S$'000
China								
No. 2950 ChunShen Road Shanghai, China	A 3-storey commercial building	58 years from 2008	2,170	100%	**30,500**	30,500	**6,359**	6,618

^ Gross floor area

1 Figures in A$ and RMB are for information only.

List of investment property under redevelopment

The carrying amount of investment property under redevelopment as at 31 December 2016 is as follows:

Name of property	Description	Tenure	Planned Gross Floor Area (sq. m)	Group's effective equity interest	2016 $'000	2015 $'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%	**396,954**	371,665

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 $4,229,000 (2015: $3,811,000) at effective interest rate of 2.4% per annum (2015: 2.5% per annum) [Note 23].

11 INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	**2015**
	$'000	**$'000**
Quoted shares, at cost	**115,976**	115,976
Unquoted shares, at cost	**548,418**	557,540
Loan to a subsidiary	**79,562**	79,404
Deemed investment arising from financial guarantees	**63,809**	46,925
	807,765	799,845
Less: Allowance for impairment	**(123,010)**	(137,945)
	684,755	661,900
Fair value of investment in a subsidiary for which there are published price quotations	**13,792**	30,961

Details of the Company's significant subsidiaries are disclosed in Note 33 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 $16,236,000 (2015: $6,722,000) 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.

Movements in allowance for impairment

	Company	
	2016	**2015**
	$'000	**$'000**
Allowance for impairment		
At 1 January	**(137,945)**	(136,767)
Allowance for impairment	**(6,404)**	(1,178)
Reversal of impairment	**7,609**	–
	1,205	(1,178)
Reversal upon liquidation of subsidiaries	**13,730**	–
At 31 December	**(123,010)**	(137,945)

During the year, impairment loss amounting to $6,404,000 (2015: $1,178,000) was made in respect of the Company's investment in certain subsidiaries to reduce the carrying value of investment to the recoverable amounts after taking into account the current financial position of the subsidiaries. In addition, there was a reversal of impairment amounting to $7,609,000 (2015: $Nil) 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 rate at 6.5% per annum (2015: rates ranging from 4.5% to 6.5% per annum).

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YEAR ENDED 31 DECEMBER 2016

11 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Wholly-owned subsidiaries

Information about the composition of wholly-owned subsidiaries of the Group as at 31 December 2016 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned Subsidiaries	
		2016	**2015**
Development of properties for sale, property investment and provision of property management services	Singapore, China and Australia	**27**	26
Investment in hotels in Australia	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	**3**	5
		34	35

Non-wholly owned subsidiaries

Information about the composition of non-wholly owned subsidiaries of the Group as at 31 December 2016 is as follows:

Principal activity	Country of incorporation and operation	Number of wholly-owned Subsidiaries	
		2016	**2015**
Trading and marketing of selected industrial commodities, distribution of tyres and re-treading of tyres	Singapore and Malaysia	**9**	9
Property development	Singapore	**1**	1
Manufacture and sale of polypropylene woven bags	Malaysia	**1**	1
		11	11

Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group is disclosed below:

Name of subsidiary	Country of incorporation and principal place of business	Effective equity interest & voting power held by non-controlling interests		Net profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2016	**2015**	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**
SP Corporation Limited and its subsidiaries	Various	**19.8%**	19.8%	**337**	290	**10,476**	9,977

11 INVESTMENTS IN SUBSIDIARIES(CONT'D)

Non-wholly owned subsidiaries (cont'd)

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

	2016 $'000	2015 $'000
Current assets	**77,596**	76,193
Non-current assets	**375**	530
Current liabilities	**(24,933)**	(26,335)
Non-current liabilities	**(54)**	(24)
Equity attributable to owners	**52,984**	50,364
Revenue for the year	**125,640**	119,675
Net profit for the year	**1,802**	1,466

12 INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

	Group	
	2016 $'000	2015 $'000
Unquoted equity shares, at cost	**72,240**	72,240
Exchange differences on consolidation	**8,040**	5,212
Share of post-acquisition results and reserves, net of dividends and distributions received	**3,299**	(5,941)
	83,579	71,511

Equity-accounted investees

The Group equity-accounted for Gul Technologies Singapore Pte Ltd ("GulTech") and Pan-West (Private) Limited ("Pan-West"). In February 2016, GulTech increased its equity stake in Gultech (Suzhou) Electronics Co., Ltd from 61.4% to 100%. Details of the Group's significant associates as at 31 December 2016 are disclosed in Note 34 to the financial statements. The Group has ceased recognising Pan-West's losses after the Group's share of Pan-West's accumulated losses exceeded the Group's cost of investment. Included in the share of post-acquisition results and reserves comprise $4,365,000 relating to the goodwill paid over acquiring additional shares in a member of associate.

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

		Group	
	Note	2016 $'000	2015 $'000
Share of net assets			
At 1 January		**71,511**	62,981
Exchange differences on consolidation		**2,829**	4,557
Goodwill paid over acquiring additional shares		**(4,365)**	–
Share of total comprehensive income (refer to below)		**13,604**	6,683
Reclassification		**–**	5,853
Distributions		**–**	(8,563)
At 31 December		**83,579**	71,511
Share of total comprehensive income			
Share of results before fair value adjustments		**13,466**	6,803
Share of fair value gain/(loss) on financial instruments	24	**138**	(120)
Share of total comprehensive income for the year		**13,604**	6,683

Details of asset revaluation reserve and cash flow hedging account are disclosed in Note 19 to the financial statements. Share of capital commitments of GulTech, an equity-accounted investee is disclosed in Note 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

12 INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES (CONT'D)

GulTech

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

	2016 US$'000[1]	2015 US$'000[1]	2016 S$'000	2015 S$'000
Current assets	**154,955**	171,874	**224,405**	241,620
Non-current assets	**149,887**	164,957	**217,066**	231,897
Current liabilities	**(93,769)**	(101,792)	**(135,796)**	(143,101)
Non-current liabilities	**(37,421)**	(59,380)	**(54,194)**	(83,477)
Non-controlling interests	**(43,902)**	(61,295)	**(63,579)**	(86,169)
Equity attributable to owners	**129,750**	114,364	**187,902**	160,770
Revenue for the year	**244,340**	242,946	**337,214**	334,294
Net profit for the year	**22,162**	10,918	**30,586**	15,023

1 Figures in US$ are for information.

Pan-West

In the prior year, the Group had recognised its share of losses of $5,853,000 being the corporate guarantees given to certain banks in exchange for bank facilities granted to Pan-West and its subsidiary. Out of which amount, $445,000 had been reversed in the current year as amount is no longer required resulting in the remaining recognised share of losses being $5,408,000 [Note 14] as at 31 December 2016. Other than the afore-mentioned corporate guarantees, the Group had no other commitments in relation to Pan-West. The Group has ceased recognising Pan-West's losses after the Group's share of Pan-West's accumulated losses exceeded the Group's cost of investment. Accordingly, the Group's nominal additional share of accumulated losses of Pan-West amounting to $5,939,000 (2015: $4,078,000) as at the end of the year was not recognised.

13 LOANS AND BORROWINGS

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Short-term borrowings				
Bank loans	**3,406**	428,924	**–**	–
Long-term borrowings				
Bank loans	**937,825**	598,006	**–**	–
Notes issued under MTN Programme	**79,562**	79,404	**79,562**	79,404
	1,017,387	677,410	**79,562**	79,404
Total borrowings	**1,020,793**	1,106,334	**79,562**	79,404
Represented by:				
Interest-bearing liabilities	**1,024,085**	1,108,370	**80,000**	80,000
Capitalised interest costs	**(3,292)**	(2,036)	**(438)**	(596)
	1,020,793	1,106,334	**79,562**	79,404

13 LOANS AND BORROWINGS (CONT'D)

Security profile

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Secured borrowings				
Current	**3,406**	428,924	**–**	–
Non-current	**937,825**	598,006	**–**	–
	941,231	1,026,930	**–**	–
Unsecured borrowings				
Non-current	**79,562**	79,404	**79,562**	79,404
	1,020,793	1,106,334	**79,562**	79,404

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 31].

Interest rate profile

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Loans and borrowings				
Fixed rate	**79,562**	79,404	**79,562**	79,404
Variable rate	**941,231**	1,026,930	**–**	–
	1,020,793	1,106,334	**79,562**	79,404

The Group's exposure to fair value interest rate risk is disclosed in Note 32(b) to the financial statements as at 31 December 2016.

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 32(a) and 32(d) respectively to the financial statements.

Loan maturity profile

The non-current borrowings are generally repayable from 2 January 2018 to 11 September 2026 (2015: 30 November 2018 to 11 September 2026). Information relating to the maturity profile of the Group's loans and borrowings is disclosed in Note 32(d) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

14 TRADE AND OTHER PAYABLES

	Note	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
Trade					
Trade payables		**46,846**	46,750	**95**	88
Amounts due to related parties	16	**4,143**	4,113	**–**	–
		50,989	50,863	**95**	88
Non-trade					
Other creditors		**19,315**	16,749	**212**	139
Other provisions		**5,156**	4,990	**–**	–
Advanced billings		**6,692**	11,673	**–**	–
Accrued operating expenses		**28,185**	29,427	**2,774**	2,921
Accrued interest expenses		**2,028**	3,312	**779**	779
Financial guarantees to subsidiaries	11	**–**	–	**16,236**	6,722
Amounts due to related parties	16	**430**	562	**–**	12
		112,795	117,576	**20,096**	10,661
Less: Non-current portion		**(462)**	(362)	**–**	–
Current portion		**112,333**	117,214	**20,096**	10,661

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 (2015: 7 to 120 days) credit term. The Group manages liquidity risk of trade payables primarily by maintaining sufficient cash and credit facilities [Note 32(d)].

Included in other creditors is a financial guarantee of $5,408,000 (2015: $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.

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 32 to the financial statements.

15 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

	Company 2016 $'000	Company 2015 $'000
Amounts due from subsidiaries – non-trade	**279,146**	**307,918**
Less: Allowance for impairment	**(23,679)**	**(22,170)**
	255,467	**285,748**
Amounts due to subsidiaries – non-trade	**(265,956)**	**(292,716)**

Movements in allowance for impairment

	Company 2016 $'000	Company 2015 $'000
Movements in allowance for impairment		
At 1 January	**(22,170)**	(20,650)
Allowance made	**(1,509)**	(1,520)
At 31 December	**(23,679)**	(22,170)

15 AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONT'D)

Advances from and to subsidiaries are unsecured and are repayable on demand. Interest is charged at 2.4% (2015: rate ranging from 1.08% to 3.0%) per annum on interest-bearing advances.

During the year, allowance for impairment of $1,509,000 (2015: $1,520,000) 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 $1,509,000 (2015: $1,520,000) 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	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Amounts due from:					
Other related parties					
Other related parties, trade		**12,209**	7,768	**–**	–
Other related parties, non-trade		**3,723**	5,178	**–**	–
Refundable deposits with other related parties		**8,689**	8,435	**–**	–
		24,621	21,381	**–**	–
Total		**24,621**	21,381	**–**	–
Presented as:					
Amounts due from related parties, trade	6	**12,209**	7,768	**–**	–
Amounts due from related parties, non-trade	6	**12,412**	13,613	**–**	–
		24,621	21,381	**–**	–
Amounts due to:					
Associates					
Associates, trade		**–**	(3)	**–**	–
Associates, non-trade		**–**	(10)	**–**	(10)
		–	(13)	**–**	(10)
Other related parties					
Other related parties, trade		**(4,143)**	(4,110)	**–**	–
Other related parties, non-trade		**(430)**	(552)	**–**	(2)
		(4,573)	(4,662)	**–**	(2)
Total		**(4,573)**	(4,675)	**–**	(12)
Presented as:					
Amounts due to related parties, trade	14	**(4,143)**	(4,113)	**–**	–
Amounts due to related parties, non-trade	14	**(430)**	(562)	**–**	(12)
		(4,573)	(4,675)	**–**	(12)

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 29 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 $8,689,000 (2015: $8,435,000) placed by SP Corporation Limited ("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.

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 5.4% (2015: 4.8%) 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.

16 AMOUNTS DUE FROM/(TO) RELATED PARTIES (CONT'D)

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

Included in the other related parties, non-trade was an amount of $3,476,000 (2015: $4,897,000) 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.

An amount of $1,963,000 in previous year's financial statements has been reclassified from "Trade receivables" to "Amounts due from related parties – trade" following a corporate transaction in December 2015 involving a director and his associated companies [Note 6].

17 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax at the end of the reporting period consists of the following:

	Group	
	2016 $'000	**2015 $'000**
Deferred tax assets and liabilities arising from		
Accelerated tax depreciation compared to accounting depreciation	**254**	278
Profit recognised on percentage of completion of development properties for sale	**–**	13,542
Revaluation of properties	**1,393**	1,450
Foreign income not remitted and which will be subject to tax if remitted in the future	**33,475**	23,838
Unutilised tax losses	**–**	1,826
Others	**(1,678)**	(1,659)
	33,444	39,275
Represented by:		
Deferred tax assets	**(2,286)**	(3,045)
Deferred tax liabilities	**35,730**	42,320
	33,444	39,275

Deferred tax assets and liabilities are netted off when there is a legally enforceable right to offset and when the deferred income taxes relate to the same tax authorities.

Deferred tax assets and liabilities recognised by the Group and the movements thereon during the current and prior reporting periods are as following:

	Note	Accelerated tax depreciation $'000	Deferred development costs $'000	Revaluation of properties $'000	Foreign income not remitted $'000	Unutilised tax losses $'000	Others $'000	Total $'000
Group								
At 1 January 2016		**278**	**13,542**	**1,450**	**23,838**	**1,826**	**(1,659)**	**39,275**
Exchange differences on consolidation		**(1)**	**–**	**(57)**	**780**	**14**	**(59)**	**677**
Transfer to income tax payable upon completion of development properties		**–**	**(12,602)**	**–**	**–**	**–**	**–**	**(12,602)**
Charged to profit or loss	26	**(23)**	**(940)**	**–**	**3,790**	**(1,840)**	**40**	**1,027**
Charged to other comprehensive income	28	**–**	**–**	**–**	**5,067**	**–**	**–**	**5,067**
At 31 December 2016		**254**	**–**	**1,393**	**33,475**	**–**	**(1,678)**	**33,444**

17 DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

	Note	Accelerated tax depreciation $'000	Deferred development costs $'000	Revaluation of properties $'000	Foreign income not remitted $'000	Unutilised tax losses $'000	Others $'000	Total $'000
Group								
At 1 January 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 properties		–	(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

Deferred tax liabilities relating to equity interest in GHG

Deferred tax liabilities included an amount of $34,034,000 (2015: $27,969,000) 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 $263,000 (2015: $244,000). 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 $29,692,000 (2015: $36,926,000) which were available for carry forward and set-off against future taxable income. No deferred tax asset (2015: $11,358,000) had been recognised in respect of the tax losses of $29,640,000 (2015: $25,568,000) 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 $2,263,000 (2015: $2,401,000) 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			
	2016	2015	2016	2015
	Number of ordinary shares ('000)		$'000	$'000
Issued and paid up:				
At 1 January	**1,178,825**	1,176,156	**170,230**	169,260
Issued under Scrip Dividend Scheme	**4,432**	2,669	**1,196**	970
Shares bought back and cancelled	**(415)**	–	**(120)**	–
At 31 December	**1,182,842**	1,178,825	**171,306**	170,230

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18 SHARE CAPITAL (CONT'D)

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 4,431,667 (2015: 2,669,072) ordinary shares at an issue price of 27.0 cents (2015: 36.3 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 0.6 cent per share for the financial year ended 31 December 2015.

Purchase and cancellation of shares

During the year, the Company acquired 415,000 of its ordinary shares through purchase on the Singapore Exchange under the Share Purchase Mandate approved by its shareholders. The shares were purchased were cancelled subsequently.

19 RESERVES

	Group		Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Asset revaluation reserve	**106,420**	94,534	**–**	–
Foreign currency translation account	**(16,151)**	(23,722)	**–**	–
Other capital reserves:				
– Non-distributable capital reserves	**128,200**	117,692	**101,264**	101,264
– Cash flow hedging account	**(1,413)**	(1,350)	**–**	–
	126,787	116,342	**101,264**	101,264
Revenue reserve	**531,060**	519,421	**310,779**	294,427
	748,116	706,575	**412,043**	395,691

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 or goods and services.

Foreign currency translation account

Foreign currency translation account comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Company, i.e. SGD; as well as 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 mainly capital reduction reserve of the Company, share of reserve of an associate, GulTech and distribution reserve of GHG which is used to record the balance of amounts available for distribution as defined by the Trust Deed.

Cash flow hedging account represents the cumulative net change in fair value of the effective portion of the cash flow hedges.

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	
	2016	**2015**
	$'000	**$'000**
Tax-exempt one-tier first and final dividend paid in respect of the previous year		
Cash	**5,877**	4,911
Share	**1,196**	970
	7,073	5,881

The Directors proposed a tax exempt one-tier first and final dividend of 0.6 cent per share (2015: 0.6 cent per share) amounting to $7,097,000 (2015: $7,073,000), 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 2016. The Tuan Sing Scrip Dividend Scheme will be applicable to this proposed dividend.

21 REVENUE

		Group	
		2016	**2015**
	Note	**$'000**	**$'000**
Sale of products		**132,003**	125,749
Sale of development properties		**110,066**	384,658
Rental income of investment properties	10	**34,844**	33,916
Hotel operations and related income		**121,748**	126,788
Services rendered		**4,816**	5,547
Others		**541**	464
		404,018	677,122

Revenue represents the invoiced value of goods and services supplied. Included in the Group's revenue from sale of development properties is revenue recognised based on the percentage of completion method amounting to $81,552,000 (2015: $381,548,000).

22 INTEREST INCOME

	Group	
	2016	**2015**
	$'000	**$'000**
Interest income on bank deposits	**2,634**	3,198
Interest income from debtors	**292**	610
Interest income from related parties	**1,539**	450
	4,465	4,258

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23 FINANCE COSTS

	Note	Group 2016 $'000	Group 2015 $'000
Interest expense on loans and borrowings		**30,283**	35,211
Amortisation of capitalised finance costs		**1,303**	960
		31,586	36,171
Less: Amounts capitalised			
– Development properties	8	**(1,641)**	(4,831)
– Investment properties	10	**(4,229)**	(3,811)
		(5,870)	(8,642)
		25,716	27,529

Borrowing costs capitalised as cost of properties under development relate to borrowings taken up to finance each project.

24 FAIR VALUE ADJUSTMENTS

	Note	Group 2016 $'000	Group 2015 $'000
Fair value gain/(loss) from:			
Subsidiaries		**2,198**	(7,929)
Share of an equity-accounted investee	12	**138**	(120)
		2,336	(8,049)
Represented by:			
Fair value gain/(loss) in respect of:			
– investment properties		**2,198**	(7,929)
– financial instruments	12	**138**	(120)
		2,336	(8,049)

The fair value adjustment is analysed as follows:

	Note	Group Gross $'000	Group Deferred tax $'000	Group Net $'000
2016				
Fair value gain on investment properties				
Subsidiaries	10	**2,198**	**(87)**	**2,111**
Fair value gain on financial instruments				
Share of an equity-accounted investee	12	**138**	**–**	**138**
		2,336	**(87)**	**2,249**
2015				
Fair value loss on investment properties				
Subsidiaries	10	(7,929)	2,723	(5,206)
Fair value loss on financial instruments				
Share of an equity-accounted investee	12	(120)	–	(120)
		(8,049)	2,723	(5,326)

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	
	2016 $'000	2015 $'000
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]	**7,772**	7,701
Net loss/(gain) on disposal of property, plant and equipment [included in other operating income/(expenses)]	**5**	(62)
Allowance for diminution in value for development properties [included in other operating expenses]	**3,649**	8,935
Allowance for doubtful receivables, net [included in other operating income/(expenses)]	**52**	197
Allowance for inventory obsolescence, net [included in other operating income/(expenses)]	**1**	89
Foreign exchange gain, net [included in other operating income/(expenses)]	**(352)**	(168)
Write-back of recognised corporate guarantee no longer required [included in other operating income]	**(445)**	–
Cost of inventories recognised as an expense	**128,479**	122,232
Net loss on liquidation of subsidiaries [included in other operating expenses]	**1,794**	–
Auditors' remuneration		
Audit fees		
– Auditors of the Company	**326**	322
– Other auditors	**173**	185
Non-audit fees		
– Auditors of the Company	**52**	67
– Other auditors	**32**	551
Directors' remuneration		
Of the Company		
– Salaries and wages	**1,554**	1,511
Of the subsidiaries		
– Salaries and wages	**1,951**	1,946
– Defined contribution plans	**56**	52
	3,561	3,509
Employees benefit expenses (excluding Directors' remuneration)		
– Salaries and wages	**12,274**	12,652
– Defined contribution plans	**1,007**	940
– Others	**86**	28
	13,367	13,620

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 2016 $'000	Group 2015 $'000
Current income tax			
– Singapore		**1,970**	2,606
– Foreign		**3,146**	3,540
– Over provision in prior years		**(10)**	(819)
		5,106	5,327
Withholding tax expense		**139**	562
Deferred tax	17	**1,027**	5,646
		6,272	11,535

Singapore income tax is calculated at 17% (2015: 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 2016 $'000	Group 2015 $'000
Profit before income tax	**40,078**	80,654
Income tax calculated at 17% (2015: 17%)	**6,814**	13,711
Adjustments:		
Share of results of an equity-accounted investee	**(2,313)**	(1,136)
Expenses not deductible for tax purposes	**3,231**	2,282
Tax losses not recognised as deferred tax assets	**178**	602
Tax losses not available for set-off against future income	**7**	4
Different tax rates of subsidiaries operating in other jurisdictions	**1,872**	341
Income that is not subject to tax	**(3,705)**	(2,143)
Utilisation of tax losses and capital allowance previously unrecognised	**(102)**	(1,950)
Over provision in prior years	**(10)**	(819)
Withholding tax expense	**139**	562
Others	**161**	81
	6,272	11,535

27 EARNINGS PER SHARE

Analysis of the Group's profit from operations and fair value adjustments are as follows:

	Note	Group		
		Before fair value adjustments $'000	Fair value adjustments $'000	After fair value adjustments $'000
2016				
Profit before tax		**37,742**	**2,336**	**40,078**
Income tax expenses	26	**(6,185)**	**(87)**	**(6,272)**
Profit for the year		**31,557**	**2,249**	**33,806**
Less:				
Non-controlling interests		**(221)**	**–**	**(221)**
Profit attributable to owners of the Company		**31,336**	**2,249**	**33,585**
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

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	
	2016 $'000	2015 $'000
Profit attributable to owners of the Company		
Before fair value adjustments	**31,336**	74,159
Fair value adjustments	**2,249**	(5,326)
After fair value adjustments	**33,585**	68,833
Basic and diluted earnings per share (cents)		
Including fair value adjustments	**2.8**	5.8
Excluding fair value adjustments	**2.7**	6.3
Weighted average number of ordinary shares (in '000 shares) for the purpose of computation of basic and diluted earnings per share	**1,181,005**	1,177,545

There is no dilutive ordinary share in 2016 and 2015.

28 OTHER COMPREHENSIVE INCOME

		Group		
	Note	Before tax $'000	Deferred tax $'000	After tax $'000
2016				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	9	**16,980**	**(5,094)**	**11,886**
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		**4,903**	**–**	**4,903**
Share of other comprehensive income of an equity-accounted investee		**2,829**	**–**	**2,829**
Cash flow hedges		**(90)**	**27**	**(63)**
		24,622	**(5,067)**	**19,555**
2015				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of properties	9	22,447	(6,719)	15,728
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		(9,450)	–	(9,450)
Share of other comprehensive income of an equity-accounted investee		4,557	–	4,557
Cash flow hedges		(904)	271	(633)
		16,650	(6,448)	10,202

The Group entered into certain interest rate swap contracts to hedge its interest rate risk exposures. Derivatives that are designated and effective as hedging instruments are carried at fair value.

	Group	
	2016 $'000	2015 $'000
Derivatives that are designated and effective as hedging	**1,019**	904

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. Contracts with nominal values of A$177 million or equivalent to $185 million have fixed interest payments at a fixed rate of 2.254% per annum for periods up until 2018 and have a floating interest rate of 1 month Bank Bill Swap Bid Rate.

All of the Group's interest rate swaps are designated and effective as cash flow hedges and the fair value of these interest rate swaps, amounting to $90,000 (2015: $904,000) has been recognised in other comprehensive income during the year.

28 OTHER COMPREHENSIVE INCOME (CONT'D)

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the end of the reporting year:

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2016 per annum	**2015 per annum**	**2016 $'000**	**2015 $'000**	**2016 $'000**	**2015 $'000**
Group						
1 to 2 years	**2.254%**	2.254%	**185,301**	180,221	**1,019**	904

29 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	
	2016 $'000	**2015 $'000**
Transactions with major shareholders		
Sale of products and services rendered	**14,336**	4,763
Sale of a development property	**645**	952
Rental income	**1,887**	1,779
Interest income	**827**	450
Purchase of products	**(46,747)**	(37,285)
Transactions with associates		
Management fee income	**180**	180
Rental income	**173**	344
Interest income	**713**	–
Transactions with Directors of the Company and their associates		
Sale of development properties	**–**	1,897

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 14 months (2015: 1 to 26 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	
	2016 $'000	**2015 $'000**
Commitment with major shareholders		
Sale of development properties	**–**	645
Operating leases		
– Within one year	**2,385**	2,758
– After one year but not more than five years	**2,100**	4,282
– After five years	**2,299**	2,822
	6,784	9,862

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29 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Remuneration of Directors and key management personnel

	Group	
	2016 **$'000**	**2015** **$'000**
Short-term benefits and fees	**3,505**	3,457
Post-employment benefits (defined contribution plan)	**56**	52
	3,561	3,509

30 COMMITMENTS

Capital commitments

	Group	
	2016 **$'000**	**2015** **$'000**
Development and investment properties expenditure contracted for but not provided in the financial statements	**143,287**	183,671
Capital expenditure approved by Directors but not contracted for in the financial statements	**5,143**	1,375
Share of commitments of equity-accounted investees		
– Capital expenditure contracted for but not provided in the financial statements	**1,703**	2,074
– Acquisition of shares	**–**	18,725

Share of commitment on acquisition of shares

On 31 December 2015, the Company's 44.5%-owned associated company, Gul Technologies Singapore Ltd ("GulTech"), 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 ("GulSuzhou") that it did not already owned for a cash consideration of S$42,098,000 (RMB194,000,000). The Group's share of commitment in the acquisition was S$18,725,000 (RMB86,291,000). The acquisition was completed in February 2016 and GulSuzhou had as from the same date became wholly owned by GulTech.

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 eleven years (2015: one and twelve 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	
	2016 **$'000**	**2015** **$'000**
Within one year	**29,649**	32,120
After one year but not more than five years	**42,007**	52,086
After five years	**2,561**	3,249
	74,217	87,455

30 COMMITMENTS (CONT'D)

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 $360,000 (2015: $343,000).

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	
	2016 $'000	**2015 $'000**
Within one year	**368**	459
After one year but not more than five years	**100**	–
	468	459

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	
	2016 $'000	**2015 $'000**
Foreign currency forward contracts	**15,000**	18,900

The change in the fair value of non-hedging currency derivative was insignificant and hence its amount was not charged to profit or loss.

31 CONTINGENT LIABILITIES

	Group		Company	
	2016 $'000	**2015 $'000**	**2016 $'000**	**2015 $'000**
Guarantees given to banks in respect of bank facilities utilised by subsidiaries	**–**	–	**513,482**	637,928

As at 31 December 2016, the Group recognised a financial guarantee of $5,408,000 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.

32 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 such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group seeks to minimise potentially adverse effects arising from the unpredictability of the financial markets on the Group's financial performance.

The Group's financial instruments comprise loans and borrowings, cash and liquid resources, trade and other receivables, 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 32(a) and 32(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 32(a) and Note 32(b) to the financial statements.

Classification of financial instruments

The table below sets out the financial instruments at the end of the reporting year:

	Group		Company	
	2016 **$'000**	**2015** **$'000**	**2016** **$'000**	**2015** **$'000**
Financial assets				
Loans and receivables (including cash and bank balances)	**318,914**	272,924	**263,631**	286,180
Financial liabilities				
Loans and payables – amortised cost	**1,126,896**	1,212,237	**349,377**	376,059
Financial guarantee contracts	**–**	–	**16,236**	6,722
	1,126,896	1,212,237	**365,613**	382,781
Derivative financial instruments	**1,019**	904	**–**	–
	1,127,915	1,213,141	**365,613**	382,781

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments

(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 30 to the financial statements.

The Group does not enter into currency options and does not use forward foreign exchange contracts for speculative trading purposes.

Currency risk exposure

At the end of the reporting year, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective entities' functional currencies were as follows:

	SGD $'000	USD $'000	AUD $'000	Others $'000
Group				
At 31 December 2016				
Financial assets				
Cash and bank balances	**230**	**5,791**	**1**	**18**
Trade and other receivables	**40**	**568**	**–**	**95**
	270	**6,359**	**1**	**113**
Financial liabilities				
Trade and other payables	**(19,226)**	**(828)**	**–**	**(120)**
Net financial (liabilities)/assets	**(18,956)**	**5,531**	**1**	**(7)**
Less:				
Forward foreign exchange contracts	**15,328**	**–**	**–**	**–**
Net currency exposure	**(3,628)**	**5,531**	**1**	**(7)**
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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (cont'd)

(a) Currency risk (cont'd)

Currency risk exposure (cont'd)

At the end of the reporting year, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the Company's functional currency were as follows:

	2016		2015	
	AUD $'000	MYR $'000	AUD $'000	MYR $'000
Company				
Financial assets				
Amounts due from subsidiaries	**–**	**131**	–	489
Financial liabilities				
Amounts due to subsidiaries	**(228)**	**–**	(228)	–
Net currency exposure	**(228)**	**131**	(228)	489

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	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Group								
Profit or loss	**363**	37	**(553)**	(363)	**–**	(1)	**1**	(15)
Company								
Profit or loss	**–**	–	**–**	–	**23**	23	**(13)**	(49)

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 32(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.

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (cont'd)

(b) Cash flow and fair value interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

The sensitivity analysis below is based on the exposure to interest rates for non-derivative instruments at the end of the reporting year and assumes that the change took place at the beginning of the financial year and was held constant throughout the reporting year. The magnitude represents the Group's assessment of the likely movement in interest rates under normal economic conditions.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit after tax would decrease or increase by $9,178,000 (2015: decrease or increase by $9,610,000).

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.

(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	
	2016 $'000	**2015 $'000**
By geographical area		
Singapore	**100,126**	76,011
Australia	**4,821**	3,815
China	**3,903**	4,221
Malaysia	**2,330**	2,847
Indonesia	**8,323**	12,970
USA	**126**	238
Other ASEAN countries	**1**	53
Others	**616**	331
	120,246	100,486
By type of customers		
Related parties	**12,209**	7,768
Non-related parties	**108,037**	92,718
	120,246	100,486
By industry sector		
Property	**73,863**	49,586
Hotel	**5,236**	4,472
Industrial services	**41,147**	46,428
	120,246	100,486

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (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 2016							
Non-interest bearing	**–**	**105,641**	**462**	**–**	**–**	**–**	**106,103**
Fixed interest rate instruments	**4.5**	**3,600**	**86,420**	**–**	**–**	**(10,458)**	**79,562**
Variable interest rate instruments	**1.7-2.8**	**14,598**	**668,322**	**282,697**	**4,982**	**(29,368)**	**941,231**
		123,839	**755,204**	**282,697**	**4,982**	**(39,826)**	**1,126,896**
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
Company							
31 December 2016							
Non-interest bearing	**–**	**269,815**	**–**	**–**	**–**	**–**	**269,815**
Fixed interest rate instruments	**4.5**	**3,600**	**86,420**	**–**	**–**	**(10,458)**	**79,562**
Financial guarantee contracts	**–**	**513,482**	**–**	**–**	**–**	**(497,246)**	**16,236**
		786,897	**86,420**	**–**	**–**	**(507,704)**	**365,613**
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

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (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 $513,482,000 (2015: $637,928,000). 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 $5,408,000 (2015: $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 2016							
Non-interest bearing	**–**	**156,214**	**113**	**2,901**	**9**	**–**	**159,237**
Variable interest rate instruments	**0.1-0.3**	**23,406**	**–**	**–**	**–**	**(16)**	**23,390**
Fixed interest rate instruments	**0.2-5.4**	**74,072**	**31,275**	**31,275**	**–**	**(335)**	**136,287**
		253,692	**31,388**	**34,176**	**9**	**(351)**	**318,914**
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
Company							
31 December 2016							
Non-interest bearing		**263,631**	**–**	**–**	**–**	**–**	**263,631**
31 December 2015							
Non-interest bearing	–	286,180	–	–	–	–	286,180

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (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 2016						
Gross settled:						
Foreign exchange forward contracts	**(327)**	**–**	**–**	**–**	**–**	**(327)**
31 December 2015						
Gross settled:						
Foreign exchange forward contracts	271	–	–	–	–	271

(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. The valuation technique and key input is future cash flows which are estimated based on forward interest rates (from observable yield curves at the end of the reporting year) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

32 FINANCIAL RISK MANAGEMENT (CONT'D)

Classification of financial instruments (cont'd)

(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.

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	
	2016	**2015**
	$'000	**$'000**
Total borrowings	**1,020,793**	1,106,334
Total equity	**930,456**	887,457
Gross gearing (times)	**1.10**	1.25
Net borrowings	**857,105**	964,617
Total equity	**930,456**	887,457
Net gearing (times)	**0.92**	1.09

33 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 2016 %	2015 %
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
Dillenia 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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

33 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 2016 %	2015 %
Significant subsidiaries indirectly held by the Company					
39 Robinson Road Pte. Ltd.		Property investment	Singapore	**100**	100
Grand Hotel Group	(i)	Property investment	Australia	**100**	100
Habitat Properties (Shanghai) Ltd.	(i)	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.

Note:
(i) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

34 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 2016 %	2015 %
Gul Technologies Singapore Pte. Ltd.	(i)	Manufacture of printed circuit boards	Singapore	**44.5**	44.5

Note:
(i) Audited by Deloitte & Touche LLP, Singapore.

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Ding Tsui Eng Florence
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CEO & Vice Chairman

Lin Xinyu/林新宇
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Tan Mui Ling Julian
Financial Controller (Singapore)

Tan Yen Ling
Financial Controller (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	Tuan Sing annual report 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 董事会	The Board of Directors of the Company currently in office 当前的公司董事会
BCA Green Mark Scheme 建设局绿色标志计划	An initiative of BCA to promote sustainability in the built environment and raise environmental awareness among developers, designers and builders 建设局的一项倡议，旨在促进建筑环境的可持续发展，提高开发商，建筑师和承包商的环保意识
Building Construction Authority or **BCA of Singapore** 新加坡建设局	A statutory board under the Ministry of National Development of Singapore. The primary role of BCA is to develop and regulate Singapore's building and construction industry 新加坡国家发展部的一个法定机构。它的主要职责是发展和监管新加坡的建筑行业

C

Capitalisation Method of Valuation 资本化估值法	A valuation approach with capitalisation calculations based on the core market yield approach 基于核心市场收益率的市值估价法
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
Certificate of Statutory Completion or **CSC** 法定完工证书	A certificate issued by BCA confirming that the building works on a construction project have been completed in accordance with the provisions of the relevant Act & Regulations 新加坡建设局发出的证书确认建筑工程已按照相关法令及规例完成
CFO 首席财务长	Chief Financial Officer 首席财务长
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
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)

GLOSSARY
术语汇编

Comparison Method of Valuation 比较估值法
This method of valuation provides an indication of market value by comparing the subject property with identical or similar properties for which price information is available
这种市值评估法乃通过比较相同的物业或类似属性获得的价格信息来完成

Construction Quality Assessment System or **CONQUAS 施工质量评估体系**
A standard assessment system on the quality of building projects by the BCA
新加坡建设局拟定的建筑工程项目施工质量评估标准系统

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

Discounted Cash Flow Method of Valuation 现金流量折现估值法
The discounted cash flow method of valuation uses free cash flow forecast during the useful life and discounts such cash flow using a discount rate so as to arrive at the net present value of the property which is the value of the property
现金流量折现法的估价是使用在有效使用期内产生的预估自由现金流量，并对其进行折现后，得出的现值估算

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

Dividend yield 股息收益率
The ratio indicates how much a company pays out in dividend 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
传慎集团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)

GLOSSARY
术语汇编

GRI
全球报告倡议组织
Global Reporting Initiative is an international independent standards organization 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》

Gross Floor Area or **GFA**
建筑总面积
All covered floor areas of a building, except otherwise exempted. This is used for, *inter alia*, plot ratio control and development charge
建筑物的所有被覆盖的地板面积,除非另有豁免。通常用于控制地积比率和发展费用。

GulTech
高德
Gul Technologies Singapore Pte. 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

Income Method of Valuation
收入估值法
The Income Method of valuation is by converting net rental income, on fully leased basis, to be generated by a property during its useful life to a single current capital value
收入估值法通过在完全租赁的基础上将净租金收入资本化以得出物业的市价。

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

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 to10 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 asset 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 asset 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

R

Residual Land Value Method
土地剩余价值法
The residual land value of a property under construction is the property's estimated gross value when completed less the estimated total development costs and the developer's profit
土地的剩余价值由在建物业建完后的总估值中扣除总开发成本和开发商利润而得。

S

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日以来实施的以股代息方案

Senior Management
高级管理人员
Collectively the Executive Directors, the CEO, CFO and other key management personnel
指包括执行董事，首席执行长，首席财务长和其他主要管理人员的团队

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

Share
公司股
Ordinary shares in the capital of the Company
公司的普通股

GLOSSARY
术语汇编

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
指可归因于公司股本持有人(扣除少数股东权益)的总金额，包括股本金，外币换算储备，重估储备、其他资本储备和未分配利润

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

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

Stabilised Earnings Method of Valuation
稳定收益估值法
A valuation method based upon the total discounted cash flow to be generated by the property before it reaches its potential trading performance, which could reasonably be achieved by an efficient operator and upon which a potential purchaser would calculate an offer
一种基于由高效运营商经营物业使其合理达标（并使潜在买家合理出价）所需的年数中所产生折现金流的估价法。

T

Temporary Occupation Permit or **TOP**
临时入伙许可证
A certificate issued by the Authority before a newly erected or reconstructed building could be occupied
建设局对新建或重建的建筑物发出的许可证，以便居民入伙。

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

U

Urban Redevelopment Authority or **URA**
市区重建局
The national urban planning authority of Singapore; a statutory board under the Ministry of National Development of the Singapore. URA's main responsibility is land-use planning
新加坡城市规划局，为新加坡国家发展部属下的一个法定机构。其主要职责是土地利用规划

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
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
$** or **S$ 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
M **百万**	Million 百万
% 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
X **次**	Times 次

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

Financial Ratios Definitions

Profitability
盈利

Ratio		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

Ratio		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

Ratio		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) 市净率	=	Share price 股价 ―――― Net asset value per share 每股资产净值

SGX-ST LISTING MANUAL REQUIREMENTS 31 DECEMBER 2016

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 2016 and 2015 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[11])**	
	31.12.2016 $'000	**31.12.2015 $'000**
• Nuri Holdings (S) Pte Ltd ("**Nuri**")[1]; • Michelle Liem Mei Fung[1]; • William Nursalim alias William Liem[1 & 2]; • Tan Enk Ee[1]; • David Lee Kay Tuan[3]; 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.[4]	–	431
Management support services rendered to Gul Technologies Singapore Pte. Ltd. ("**GulTech**")[5]	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[5]	–	178
Investment in 4 million new ordinary shares in the capital of Nuri Flex Pte. Ltd.[6] by GulTech[5]	–	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.[7]	–	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[8]	–	18,725
Advisory services rendered by Nuri Management Pte. Ltd.[9] to GulTech[5] for the period from 1 January 2016 to 31 December 2016	105	–
Variation of terms for the acquisition of the remaining 38.6% shareholding in Gultech (Suzhou) Electronics Co., Ltd by Gultech International Pte Ltd: interest payable to Anhui Prime Cord Fabrics Company Ltd[8]	515	–
Acquisition of land in Batam through the purchase of shares held by Habitat Properties Pte Ltd[10] in 2 intermediate holding entities, namely, Goodworth Investments Pte Ltd and Splendourland Pte Ltd	39,150	–
Aggregated interested person transactions	**39,950**	**26,549**

SGX-ST LISTING MANUAL REQUIREMENTS 31 DECEMBER 2016

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 46.19% of the Company's issued and paid-up share capital. Michelle Liem Mei Fung, William Nursalim alias William Liem and Tan Enk Ee are deemed to be controlling shareholders of the Company by virtue of their respective interests in Nuri Holdings (S) Pte Ltd.

2. William Nursalim alias William Liem, the CEO of the Company, is a brother of Michelle Liem Mei Fung.

3. David Lee Kay Tuan, a Non-Executive Director of the Company, is the spouse of Michelle Liem Mei Fung.

4. Giti Tire Global Trading Pte. Ltd. is a subsidiary of GITI Holdings Ltd. At the point of transaction, Michelle Liem Mei Fung was a controlling shareholder of GITI Holdings Ltd and Nuri Holdings (S) Pte Ltd. As at 31 December 2015, GITI Holdings Ltd and Nuri Holdings (S) Pte Ltd (note 1) shared and are still sharing common controlling shareholders, namely Michelle Liem Mei Fung, William Nursalim alias William Liem and Tan Enk Ee.

5. 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.

6. 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 5).

7. Shanghai GT Real Estate Development Co., Ltd. is ultimately 100% owned by GITI Holdings Ltd. At the point of transaction, Michelle Liem Mei Fung was a controlling shareholder of GITI Holdings Ltd and Nuri Holdings (S) Pte Ltd. As at 31 December 2015, GITI Holdings Ltd and Nuri Holdings (S) Pte Ltd (note 1) shared and are still sharing common controlling shareholders, namely Michelle Liem Mei Fung, William Nursalim alias William Liem and Tan Enk Ee.

8. Gultech International Pte Ltd is a wholly-owned subsidiary of GulTech (note 5). 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.

9. Nuri Management Pte. Ltd. is 100% owned by Michelle Liem Mei Fung, William Nursalim alias William Liem and Tan Enk Ee.

10. At the point of transaction, Michelle Liem Mei Fung was and still is a controlling shareholder of Habitat Properties Pte Ltd.

11. 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 2016 annual report, 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 external 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 2016. The Audit and Risk Committee had reviewed the non-audit services provided by the external 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 external 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 6 MARCH 2017

SHARE CAPITAL AND VOTING RIGHTS

Issued and fully paid up share capital	:	S$171,305,943.31
No. of shares issued	:	1,182,842,055
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	167	1.04	8,255	0.00
100 – 1,000	1,158	7.22	718,261	0.06
1,001 – 10,000	8,765	54.68	47,402,674	4.01
10,001 – 1,000,000	5,901	36.81	257,709,525	21.79
1,000,001 & above	40	0.25	877,003,340	74.14
Total	16,031	100.00	1,182,842,055	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	46.19
2	DBS Nominees Pte Ltd	98,266,814	8.31
3	UOB Kay Hian Pte Ltd	87,415,472	7.39
4	Citibank Nominees Singapore Pte Ltd	39,888,662	3.37
5	Maybank Kim Eng Securities Pte Ltd	16,193,455	1.37
6	United Overseas Bank Nominees Pte Ltd	6,666,441	0.56
7	OCBC Securities Private Limited	5,644,588	0.48
8	Hong Leong Finance Nominees Pte Ltd	5,097,626	0.43
9	Raffles Nominees (Pte) Ltd	4,774,547	0.40
10	Phillip Securities Pte Ltd	4,580,831	0.39
11	Lamipak KMP Pte Ltd	4,382,393	0.37
12	HSBC (Singapore) Nominees Pte Ltd	4,174,403	0.35
13	CIMB Securities (Singapore) Pte Ltd	4,100,247	0.35
14	Heng Siew Eng	3,985,000	0.34
15	OCBC Nominees Singapore Pte Ltd	3,735,509	0.32
16	Hastuti Widjaja	3,370,000	0.29
17	Hexacon Construction Pte Ltd	3,227,149	0.27
18	Tan Thian Hwee	3,214,549	0.27
19	KGI Securities (Singapore) Pte Ltd	2,522,464	0.21
20	DBS Vickers Securities (S) Pte Ltd	2,438,062	0.21
Total		850,074,972	71.87

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	46.19	–	–
Michelle Liem Mei Fung(1)	–	–	546,383,829	46.19
William Nursalim alias William Liem(1)	–	–	546,383,829	46.19
Tan Enk Ee(1)	–	–	546,383,829	46.19
Lim Tek Siong(2)	55,326,150	4.68	27,104,550	2.29
Go Giok Lian(3)	27,104,550	2.29	55,326,150	4.68
Koh Wee Meng(4)	69,457,000	5.87	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 2.29% 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 4.68% 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 6 March 2017, approximately 40.81% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 47th Annual General Meeting of Tuan Sing Holdings Limited (the "**Company**") will be held at NTUC Centre, No. 1 Marina Boulevard, Room 701 Level 7, One Marina Boulevard, Singapore 018989 on Wednesday, 26 April 2017 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2016 and the Independent Auditor's Report thereon. **Ordinary Resolution 1**

2. To declare a first and final one-tier tax exempt dividend of 0.6 cent per ordinary share for the financial year ended 31 December 2016. **Ordinary Resolution 2**

3. To approve the payment of S$503,541 as Directors' fees for the financial year ended 31 December 2016. (2016: S$466,000) **Ordinary Resolution 3**

4. To re-elect Mr Neo Ban Chuan, who will retire pursuant to Article 81 of the Constitution of the Company and who, being eligible, offers himself for re-election. **Ordinary Resolution 4**

5. To re-elect the following Directors, each of whom retires by rotation pursuant to Article 99 of the Constitution of the Company and who, being eligible, offer themselves for re-election:

   (a) Mr David Lee Kay Tuan **Ordinary Resolution 5**
   (b) Ms Michelle Liem Mei Fung **Ordinary Resolution 6**

6. To re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors of the Company ("**Directors**") to fix their remuneration. **Ordinary Resolution 7**

7. To transact any other ordinary business that may properly be transacted at the Annual General Meeting of the Company.

SPECIAL BUSINESS:

To consider and if thought fit, to pass, with or without amendments, the following Resolutions, of which Resolutions 8, 9 and 11 will be proposed as Ordinary Resolutions and Resolution 10 will be proposed as a Special Resolution:

8. **Authority to allot and issue shares up to ten per centum (10%) of the issued shares** **Ordinary Resolution 8**

   That pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**"), 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.

9. **Authority to allot and issue shares pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme** **Ordinary Resolution 9**

   That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors 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.

10. **The Proposed Adoption of the New Constitution** **Special Resolution 10**

That the regulations contained in the new Constitution submitted to this Meeting and, for the purpose of identification, subscribed to by the Chairman thereof, be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution.

11. **The Proposed Renewal of Share Purchase Mandate** **Ordinary Resolution 11**

That:

(a) for the purposes of Section 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) of Shares (each an "**On-Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

(ii) off-market purchase(s) of Shares (each an "**Off-Market Purchase**") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held; or

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or

(iii) the date on which the purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices (excluding any transaction that the SGX-ST requires to be excluded for this purpose) of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the On-Market Purchase by the Company or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

NOTICE OF ANNUAL GENERAL MEETING

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of an On-Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

Helena Chua
Company Secretary

28 March 2017
Singapore

Meeting Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General 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 Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

2. A proxy need not be a member of the Company.

3. 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 ON BUSINESSES TO BE TRANSACTED:

Ordinary Resolution 1 – is to receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 December 2016 and the Independent Auditor's Report thereon which can be found under "Statutory Reports and Accounts" in the Company's 2016 Annual Report.

Ordinary Resolution 2 – is to approve a first and final one-tier tax exempt dividend of 0.6 cent per ordinary share in respect of the financial year ended 31 December 2016 (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 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 book closure date.

Ordinary Resolution 3 – is to approve the payment of Directors' fees of S$503,541 for the financial year ended 31 December 2016, 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 2016 Annual Report.

Ordinary Resolution 4 – Mr Neo Ban Chuan will, upon re-election, continue to serve as a member of the Audit and Risk Committee and the Nominating Committee. He is considered an Independent and Non-Executive Director. There are no relationships (including immediate family relationships) between Mr Neo and the other Directors of the Company, the Company or its 10% shareholders.

Ordinary Resolution 5 – Mr David Lee Kay Tuan will, upon re-election, continue to serve as a member of the Audit and Risk Committee. He is considered a Non-Independent and Non-Executive Director.

Ordinary Resolution 6 – Ms Michelle Liem Mei Fung will, upon re-election, continue to serve as a member of the Nominating Committee and the Remuneration Committee. She is considered a Non-Independent and Non-Executive Director.

In relation to Ordinary Resolutions 4, 5 and 6, please refer to the "Directors' Profile" section in the Company's 2016 Annual Report for more information on the Directors seeking re-election at the Annual General Meeting.

Ordinary Resolution 7 – is to re-appoint Deloitte & Touche LLP 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 five consecutive years of audits. The current audit partner, Mr Richard Loi was appointed in April 2015.

Ordinary Resolution 8 – 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.

Ordinary Resolution 9 – is to authorise the Directors to issue shares in the Company pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme to participating shareholders who, in respect of that qualifying dividend, have elected to receive scrip *in lieu* of the cash amount of that qualifying dividend.

Special Resolution 10 – is to adopt a new Constitution following the wide-ranging changes to the Companies Act introduced pursuant to the Companies (Amendment) Act 2014 (the "**Amendment Act**"). The new Constitution will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016, and incorporate amendments to, *inter alia* take into account the changes to the Companies Act introduced pursuant to the Amendment Act. Please refer to Appendices A and B of the Letter to Shareholders dated 28 March 2017 ("**Letter**") for more details.

Ordinary Resolution 11 – is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company may use its internal sources of funds or external borrowings or a combination of both to finance the purchase or acquisition of its ordinary shares. The amount of financing required for the Company to purchase or acquire its ordinary shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of ordinary shares purchased or acquired, whether the purchase or acquisition is made out of profits or capital, the price at which such ordinary shares were purchased or acquired and whether the shares purchased or acquired are held as treasury shares or cancelled.

The financial effects of the purchase or acquisition of such ordinary shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial year ended 31 December 2016, based on certain assumptions, are set out in paragraph 3.7 of the Letter. The Letter is enclosed together with the Company's 2016 Annual Report.

NOTICE OF
ANNUAL GENERAL MEETING

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) 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 or service providers) to comply with any applicable laws, listing rules, take-over 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 or service providers), 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 or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF BOOK CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed from Monday, 8 May 2017 to Tuesday, 9 May 2017 (both dates inclusive) for the purpose of determining the shareholders' entitlements to the proposed first and final dividend.

Duly completed and stamped transfers of the ordinary shares of the Company ("**Shares**") received by the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on Friday, 5 May 2017 will be registered before the shareholders' entitlements to the proposed first and final dividend are determined.

Shareholders whose securities accounts with The Central Depository (Pte) Limited ("**CDP**") are credited with Shares as at 5.00 p.m. on 5 May 2017 will be entitled to the proposed first and final dividend.

Shareholders with registered addresses outside Singapore and who have not provided to the Company or CDP, addresses in Singapore for the service of notices and documents by Wednesday, 26 April 2017, will not participate in the Tuan Sing Holdings Limited Scrip Dividend Scheme which is applicable to the proposed first and final dividend.

Subject to shareholders' approval at the 47th Annual General Meeting to be held on 26 April 2017, the proposed first and final dividend of 0.6 cent per Share will be paid on 23 June 2017.

TUAN SING HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Registration No.: 196900130M)

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy Tuan Sing Holdings Limited shares, 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 respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 28 March 2017.

PROXY FORM

ANNUAL GENERAL MEETING

I/We ______________________________ (Name), ______________ (NRIC/Passport/Registration No.)

of ____ (Address),

being a member(s) of Tuan Sing Holdings Limited (the "**Company**") hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
Address		**No. of Shares**	**%**

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
Address		**No. of Shares**	**%**

or failing him/her, the Chairman of 47th Annual General Meeting of the Company ("**Meeting**") as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the Meeting to be held at NTUC Centre, No. 1 Marina Boulevard, Room 701 Level 7, One Marina Boulevard, Singapore 018989 on Wednesday, 26 April 2017 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting (of which Resolution Nos. 1 to 9 (inclusive) and Resolution No. 11 will be proposed as Ordinary Resolutions and Resolution No. 10 will be proposed as a Special Resolution) as indicated below. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

Ordinary Business		**No. of votes For***	**No. of votes Against***
Ordinary Resolution 1	Adoption of Directors' Statement, Audited Financial Statements and Independent Auditor's Report		
Ordinary Resolution 2	Payment of a first and final dividend		
Ordinary Resolution 3	Approval of Directors' fees		
Ordinary Resolution 4	Re-election of Mr Neo Ban Chuan as Director		
Ordinary Resolution 5	Re-election of Mr David Lee Kay Tuan as Director		
Ordinary Resolution 6	Re-election of Ms Michelle Liem Mei Fung as Director		
Ordinary Resolution 7	Re-appointment of Deloitte & Touche LLP as Auditors and authorisation for Directors to fix their remuneration		
Special Business			
Ordinary Resolution 8	Authority to allot and issue shares (General Share Issue Mandate)		
Ordinary Resolution 9	Authority to allot and issue shares pursuant to the Tuan Sing Holdings Limited Scrip Dividend Scheme		
Special Resolution 10	The Proposed Adoption of the New Constitution		
Ordinary Resolution 11	The Proposed renewal of the Share Purchase Mandate		

* **Note:** Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ________________ 2017.

Shares in:	**Total Number of Shares held**
(a) Depository Register	
(b) Register of Members	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

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 who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (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 such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the same meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

3. A proxy need not be a member of the Company.

4. 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 set for the Meeting.

5. 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.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor 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. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy or proxies, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

8. 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 on the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of shares 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.

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Please
Affix
Postage
Stamp

The Company Secretary
TUAN SING HOLDINGS LIMITED
9 Oxley Rise
#03-02 The Oxley
Singapore 238697

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TUAN SING HOLDINGS LIMITED

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PUBLISHING DETAILS

Published by
Tuan Sing Holdings Limited

Compiled, written, translate, and edited by:
Tuan Sing In-house Team

Copy deadline
13 March 2017

Fiscal year
1 January to 31 December 2016

Designed and printed by
Toppan Vite under ISO 9001

CD-Roms produced
17,300

Hard copies produced
400 copies

Hard copies of this Annual Report may be requested by contacting:

Tuan Sing Holdings Limited
Investor Relations
Tel: +65 6223 7211
Email: ir@tuansing.com

For announcements, webcasts, presentation slides and other information, please visit our website at www.tuansing.com

PAPERS USED

In line with Tuan Sing's continuing efforts to promote environmental sustainability, the papers used in this Annual Report are all Forest Stewardship Council™ ("FSC™") certified and made from chlorine-free recycled and virgin pulps.

Cover – Antartic Snow Cambric, 280gsm
Review pages – Satimat Green, 135gsm
Financial pages – Green Forest, 100 gsm

Soft copies of this Annual Report may be downloaded from www.tuansing.com in the portable document format (PDF) so as to reduce consumption of resources from printing and distributing hard copies.

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

Readers should note that legislation in Singapore governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This Annual Report is provided for information only and does not constitute an invitation to invest in the Company's shares. Except where you are a shareholder, this report is not, in particular, intended to confer any legal rights on you. Any decision you make by relying on this information is solely your responsibility. The historical information given is as of the dates specified, is not updated and any forward-looking statement is made subject to the reservation specified in the following paragraphs.

CAUTIONARY STATEMENT

This Annual Report provides readers with information that management believes is required to gain an understanding of Tuan Sing's current results and to assess the Company's future prospect. Accordingly, certain statements herein, including statements regarding future results and performance, are forward-looking statements based on current expectations. Words such as 'expects', 'anticipates', 'intends' or the negative use of these terms and other similar expressions of future performance or results and their negatives are intended to identify such forward-looking statements.

These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance or events. They involve assumptions, risks and uncertainties. The actual future performance or results may differ materially from those expressed or implied by these forward looking statements as a result of various important factors. These factors include but not limited to, economic, political and social conditions in the geographic markets where the Group operates, interest rate and foreign currency exchange rate movements, cost of capital and availability of capital, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in demands, customers and partners, and changes in operating costs. Further details of potential risks and uncertainties affecting the Group are discussed in "Business Dynamics & Risk Factors Statement" in this Annual Report. Unpredictable or unknown factors not discussed in this report could also have material adverse effects on forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date of this report. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revision to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

EXTERNAL/THIRD PARTY WEBSITES

Information on or accessible through any third party or external website does not form part of and is not incorporated into this Annual Report.

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 are used to represent negative numbers.

FEEDBACK

The Annual Report is a key document in our communication with our shareholders and other stakeholders. If you have any questions or feedback, we would very much like to hear from you. Please contact us at http://www.tuansing.com/ContactUs/Feedback.aspx

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