TA CORPORATION LTD

ANNUAL REPORT 2015

building
aspirations
broadening
horizons

CONTENTS

VISION To be the preferred property developer and construction services provider through our pursuit of uncompromising quality and excellence.

MISSION We are committed to delivering quality products and services with our hallmark excellence, growing with our greatest assets – our people, and delivering shareholder value.

CORPORATE PROFILE

With a history that can be traced back to 1972, TA Corporation is an established property and construction group, with a growing suite of businesses in distribution as well as the provision of workers training and accommodation in Singapore and across the region.

Backed by its competencies in the construction business and experience in working with established real estate developers, the Group has a reputation as a developer of quality well-located residential developments, targeting the middle to upper middle markets. Some of its completed developments in Singapore include *Leonie Hill Residences, The Citrine, Parc Seabreeze, Auralis, Coralis, Starlight Suites, Gambir Ridge* and *The Cristallo,* and major ongoing development projects include *Terra Villas* and *Ascent@456*. The Group has also successfully ventured overseas through joint-ventures in the PRC, Thailand, Cambodia and Myanmar. Its regional portfolio include distinctive mixed-use developments such as *De Iyara, De Iyara Share* and *De Iyara Grande* in Thailand, and *The Gateway* – an iconic twin tower mixed-use development in Phnom Penh, Cambodia.

TA Corporation's main construction business is principally undertaken through its wholly-owned subsidiary, Tiong Aik Construction Pte Ltd, which has a track record of over 40 years in Singapore. Over the years, the Group has built a solid reputation as a reliable building contractor with the ability to undertake a wide spectrum of projects for both public and private sector clients. Most of its past and existing customers are established names, including government bodies such as the URA, HDB and JTC and established real estate developers such as Allgreen Properties Ltd, CapitaLand Residential Ltd, CapitaLand Commercial Ltd, The Ascott Group, Keppel Land Realty Pte Ltd, Wheelock Properties (S'pore) Ltd and Wing Tai Holdings Ltd.

Leveraging on the property and construction business demand for pre-cast concrete components to enhance productivity, the Group set up a pre-cast concrete components factory in Johor, Malaysia, which has been in operation ahead of schedule since the fourth quarter of 2015.

As part of TA Corporation's strategy to further grow its recurring income base, the Group is expanding its workers' dormitory business in Singapore, and has added about 5,000 beds since early 2016 and will add another 4,200 beds to its portfolio by mid-2016.

TA Corporation is also engaged in the distribution of high performance motor oil and lubricants for the automotive, industrial and aviation sectors in Singapore, Myanmar, Thailand and across the region. It also distributes passenger and light truck tyres and heavy commercial vehicles, truck, buses and automotive spare parts in Myanmar.

TA Corporation, through its subsidiaries, is also engaged in the design, installation and maintenance of air conditioning and mechanical ventilation systems ("ACMV") in Singapore and Cambodia.

TA Corporation was listed on the SGX Mainboard on November 21, 2011.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

2015 was an eventful year for TA Corporation. We maintained good momentum in executing our expansion strategies and formed new partnerships and business alliances.

Meanwhile, the Group's financial performance was impacted by worsening property market sentiments in Singapore and Dalian, the People's Republic of China (the "PRC"). Taking into account the weak real estate market conditions in Dalian and Singapore, we made necessary impairment charges and provisions for doubtful receivables totaling $51.7 million during the year, resulting in the Group recording a net loss of $24.0 million in FY2015.

While a challenging business environment impacted our reported earnings for FY2015, I am heartened by the continued operational progress TA Corporation has achieved. And it is against this backdrop that I present to you TA Corporation's annual report for the financial year ended December 31, 2015 ("FY2015").

FINANCIAL REVIEW

The Group posted revenue of $276.7 million for FY2015, compared to revenue of $304.4 million in the preceding financial year ("FY2014"). This was due mainly to lower contributions recognised from real estate developments.

Reflective of the weaker business environment and marginally lower revenue, our gross profit for FY2015 was 24.2% lower at $40.4 million, from $53.3 million a year ago. Gross profit margin declined from 17.5% a year ago to 14.6% for FY2015. For the year under review, the Group maintained a healthy financial position with total cash and bank balances of $78.9 million as at December 31, 2015 and total borrowings of $386.6 million.

DIVIDEND

While the provisions and impairments made have resulted in the Group ending FY2015 in a loss-making position, we recognise and appreciate shareholders' continuing support and confidence in TA Corporation. As such, the Board of Directors, taking into consideration our stable financial position, is pleased to propose a first and final dividend of 1.0 Singapore cent for FY2015. We have also implemented a scrip dividend scheme, which will allow shareholders the flexibility to opt to receive their dividends in either scrip or cash. The introduction of a scrip dividend scheme enables us to conserve cash for strategic and operational purposes.

YEAR IN REVIEW

FY2015 was undoubtedly challenging for property developers and contractors. With an established track record of over 16 years in real estate and over 40 years in construction, we remained

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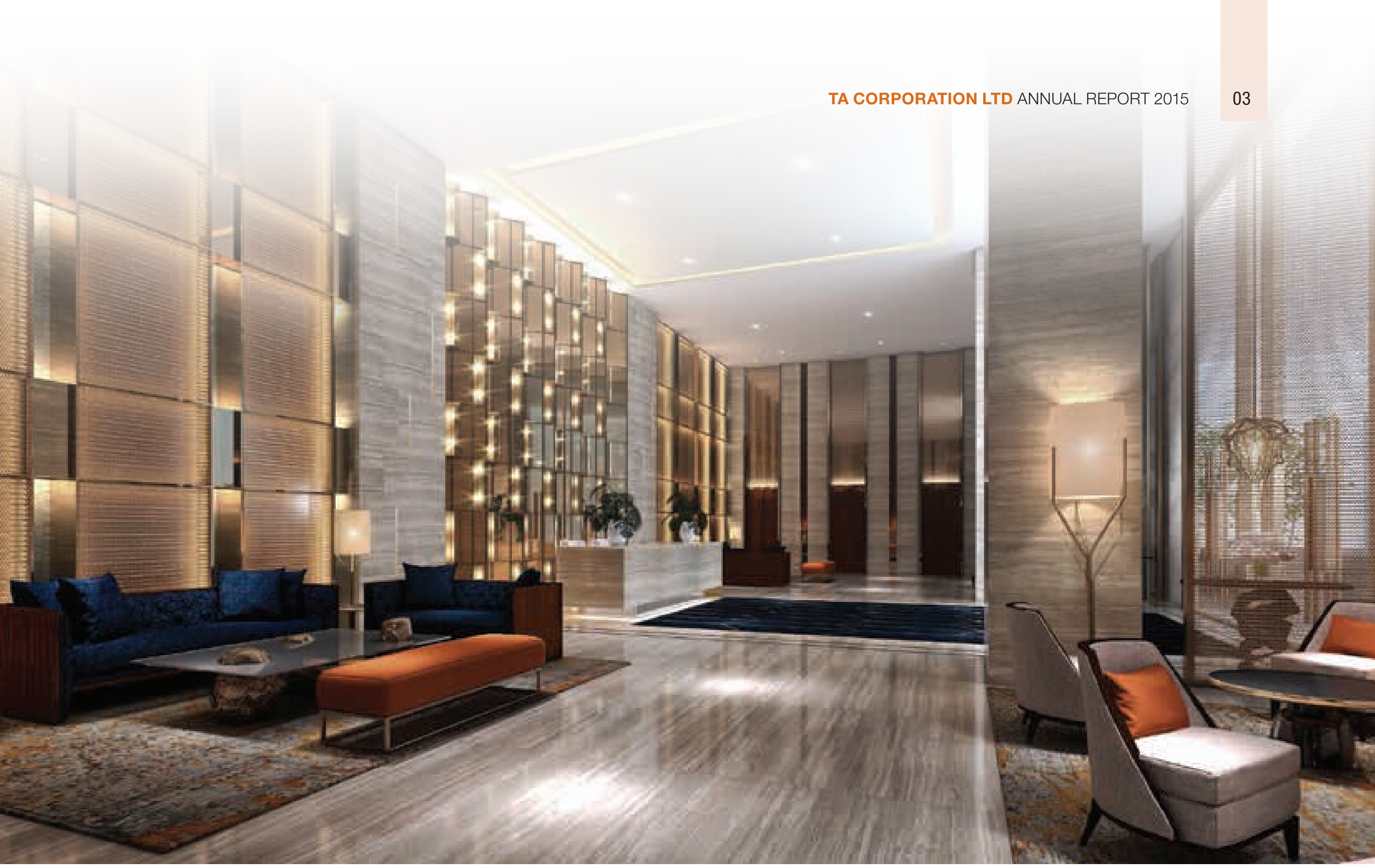
"Moving into 2016, we will continue to maintain our winning strategy of diversification and regional expansion; growing our recurring income base while selectively pursuing earnings accretive property development and construction opportunities in Singapore."



focused on managing our core business units to deliver long-term stakeholder value despite the current challenging environment. We built on initiatives established earlier to diversify income streams and expand regionally. Leveraging our strong brand name and premier market positioning, we also maintained our participation in the Singapore market with several choice private residential development projects as well as a respectable portfolio of construction projects.

Real Estate Development

During the year, our real estate development division completed and secured TOP for two freehold projects in Singapore, the 77-unit *Gambir Ridge* and the 74-unit *The Cristallo*. Another freehold project under development, *Ascent@456*, a 45-unit commercial cum residential development, has been well received by buyers despite the weak market sentiments. In addition, the Group is presently developing *Terra Villas*, a private residential project which comprises seven units of three-storey strata-titled terrace houses. Our 25%-owned joint venture condominium project, the 420-unit *The Skywoods*, which is almost fully sold, is expected to receive its TOP by the second quarter of 2016.

The Group's investments in regional real estate opportunities continued to yield favourable results. Our focus on the Southeast Asia market saw success, underpinned by three well-received project launches in Thailand, developed via joint-venture partnerships with experienced Thai partners. Our first two developments, the 65-unit *De Iyara* and 42-unit *De Iyara Share*, were fully sold and almost all units have been delivered to buyers. The Group's current project in Thailand, the 72-unit *De Iyara Grande*, is over 65% sold and is targeted for completion in the first quarter of 2016.

We also expanded our presence in Cambodia via a strategic partnership with Mr Ly Kunthai, a respectable Cambodian business veteran. Mr Ly Kunthai brings to our strategic alliance a wealth of experience in engineering, construction, as well as real estate investment and development. Our flagship partnership project is *The Gateway*, an iconic landmark twin tower mixed-use development, comprising 572 well-appointed residential units and 299 strata-titled office units and a commercial podium, in Central Phnom Penh. With completion targeted in 2019, *The Gateway* enjoys strong connectivity to major roads linking the Phnom Penh International Airport and the city centre. We have since launched *The Gateway* in February 2016 and over 30% of this development has been sold or reserved to date.

Our other regional property investments include 25.37% stake in *Singapore Gardens*, a township project in Dalian City, the PRC, and 49.0% stake in the *Serene Villas* project in Phnom Penh, Cambodia. *Serene Villas* comprises 21 semi-detached units and is located at a prime location within Phnom Penh.

Construction

Our construction arm made significant contribution to TA Corporation's success over the past forty years. Our construction activities are carried out by the Group's wholly-owned Tiong Aik Construction Pte Ltd ("TAC"), which is synonymous with quality and reliability in the Singapore construction scene. As a leading builder in Singapore, TAC holds a BCA grade of A1, enabling it to undertake public sector construction projects of unlimited contract value.

Despite headwinds in the private residential construction sector, TAC has remained resilient, backed by a portfolio of prestigious on-going construction projects, translating to an order book of approximately $278.0 million as at December 31, 2015. In addition, TAC recently secured a $94.0 million contract in January 2016 to build a new institution for the German European School Singapore ("GESS").

Our construction division further enhanced its building capabilities with the addition of pre-cast concrete manufacturing capabilities during the year via a new facility in Johor, Malaysia. With this new development, we now have a suite of growing complementary

CHAIRMAN'S STATEMENT

construction competencies that spans workers' dormitories, workers' training and testing, air conditioning and mechanical ventilation, metal framework fabrication and the erection of structural steels, as well as pre-cast concrete manufacturing facilities.

Distribution

Our distribution business has grown rapidly since its establishment in 2012 and serves to expand the Group's recurring income base. This strategy is starting to pay off as we grow our portfolio of distributorship arrangements across the region, including Singapore, Myanmar and Thailand.

TA Corporation is presently engaged in the distribution of high performance motor oil and lubricants in Singapore, Myanmar, Thailand and the region. We are also involved in distributing automotive, industrial and aviation lubricants, passenger and light truck tyres as well as heavy commercial vehicles, truck, buses and automotive spare parts in Myanmar.

THE ROAD AHEAD

While property market conditions remain tepid, we move into 2016 with the following developments to support our performance:

(i) the successful launch of one of our largest overseas developments, *The Gateway* in Cambodia, with 30% of units sold or reserved to date;

(ii) a sizeable $94.0 million building contract for an education institution that also reinforces TAC's diverse construction capabilities; and

(iii) a milestone reached where 5,000 beds of our 68%-owned 9,200-bed workers' dormitory in Tuas were completed, with the balance 4,200 beds expected to be fully completed by mid-2016.

On the real estate front, our future development pipeline include several quality land banks located across Singapore, Cambodia and Thailand. In Singapore, we have a 2,058 sq m freehold private residential site at Shan Road in Novena, Singapore, which is planned for development into one block of 15/16-storey residential flats of approximately 78 units. When completed, it will also feature a sky terrace, communal roof terrace, swimming pool and a three-level basement carpark. In Thailand, we hold for future development three quality land plots that are situated nearby Bangkok in Pathum Thani Province, comprising a 1,600 sq m freehold site planned for development into serviced apartments and two plots of freehold land with total area of 89,580 sq m planned for residential development. In Cambodia, our land bank comprises a 20,515 sq m freehold site in Phnom Penh City, which is planned for development into a mixed-use residential and commercial development.

Moving into 2016, we will continue to maintain our winning strategy of diversification and regional expansion; growing our recurring income base while selectively pursuing earnings accretive property development and construction opportunities in Singapore. We will also keep a watchful eye on the macro environment, continue to be prudent and disciplined in the execution of our growth strategies and maintain a vigilant watch on cost for our day-to-day business activities.

I am confident that with the initiatives implemented, and backed by TA Corporation's strong fundamentals, we are well positioned to emerge from the current weak economy and property market down cycle stronger to see better days ahead as the overall market recovers.

In closing, I extend my heartfelt appreciations to our customers, stakeholders and investors for their continuous support throughout the year. My deepest thanks to our Board of Directors as well, for their visionary guidance and wise counsel. Last but not least, I must also thank our management and staff for their perseverance, commitment and dedication in the past year. Together, we will build an even better year for TA Corporation in 2016. Thank you.

LIONG KIAM TECK
Executive Chairman
March 31, 2016

OPERATIONS REVIEW

For 2015, Singapore's property and construction markets continued to be affected by the property cooling measures introduced, rising cost of construction and a shortage in workers; exacerbated by weak global economic growth and faltering financial markets. The on-going weaknesses in major regional markets, including the slowing PRC economy, further dampened property market sentiments and affected the Group's investment in a township development project in Dalian.

Challenges notwithstanding, FY2015 remained operationally a year of development as the Group continued to grow and diversify its portfolio of businesses beyond TA Corporation's stronghold in Singapore. In view of the challenging business environment in Singapore, the Group adopted a prudent view towards evaluating local real estate development opportunities, redirecting resources instead towards driving its penetration of fast-growing Southeast Asian markets as well as into business diversification and growing our recurring income base.

CONSTRUCTION

While contributions from the Group's construction segment came in lower at $183.1 million for FY2015, a decrease of 13.8% from $212.5 million a year ago, it continues to be the major contributor to TA Corporation's financial performance, accounting for approximately 66.2% of total Group revenue for FY2015 in the wake of a poor residential real estate market in Singapore.

The private construction scene in Singapore stayed challenging, as an increasingly competitive business environment added to cost and margin pressures. Demand for private construction projects also fell year-on-year, to $13.2 billion, from $18.0 billion a year ago, according to statistics from the BCA. Even as construction activity slowed, TA Corporation's construction arm, TAC, remained active, with a portfolio of prestigious ongoing private residential developmental projects in Singapore: *Riversails, The Skywoods, Marine Blue, Highline Residences, Foresque Residences, Nouvel 18* and *The Sorrento*. As at December 31, 2015, our construction order book size was approximately $278.0 million.

As a further validation of the Group's capabilities as a top-tier construction company with diverse capabilities and despite the highly competitive construction environment, TAC entered 2016 with a major contract win of $94.0 million for the construction of a new education institution building at Dairy Farm Road in Singapore for the GESS.

The year in review also saw the completion of TA Corporation's pre-cast concrete manufacturing plant in Johor, Malaysia ahead of schedule. The facility has been in operation since late 2015, and will fulfil the growing demand for pre-cast concrete components to enhance productivity, which is in line with the Singapore government's push to enhance productivity in the construction sector. We are targeting Singapore and Malaysia as the principal markets for our pre-cast components products.

The Group also continues to be supported by a specialised suite of construction related businesses. These include an entity involved in the design, installation and maintenance of ACMV systems in Singapore, and the Group has recently expanded into Cambodia via the establishment of a joint venture company involved in the ACMV business, with licensing by Daikin for the Cambodian market. The specialised businesses also include BCA-endorsed workers training and test centres in Singapore and India. The Group plans to expand its ACMV and workers training and test centres operations to more regional markets.

Credence Engineering Pte. Ltd., a wholly-owned subsidiary of TA Corporation since 1992, is a complementary business unit involved in the fabrication of metal frameworks, erection of building structural steels, and the management of TA Corporation's construction machinery.

OPERATIONS REVIEW

Moving ahead, the Group will focus on pursuing selective projects with competitive returns to further bolster its order book and margins. Even as the forecast for private sector construction demand is moderated to between $8.5 billion and $12.5 billion for 2016, we are positive that TAC is well-positioned to capture opportunities, leveraging its expertise and reputation of proven operating track record as a tier-1 contractor, built up over the past 40 plus years.

REAL ESTATE DEVELOPMENT

FY2015 was a tough year for the Singapore private property market as low transaction volumes, price corrections and looming oversupply concerns weigh on industry players. Operationally, the Group's real estate development business remained stable, with a turnover of $74.6 million in FY2015, broadly in line with the $75.2 million reported in FY2014. The Group saw positive contributions from two of its developments in Singapore, *Gambir Ridge*, a private residential development in Gambir Walk, and *Ascent@456*, a mixed development comprising retail and residential units located in the Balestier area. The real estate development segment accounted for 27.0% of Group revenue in FY2015. The Group is also developing *Terra Villas*, a 1,278.2 sq m private residential development comprising seven units of three-storey strata-titled terrace houses at Kembangan.

The segment's performance was also supported by contributions of $10.1 million from subsidiaries in Thailand, backed by handover of sold units at the Group's mixed-developments. Development of *De Iyara Grande*, the Group's third project in Thailand, is on-going with over 65% sold. Completion and hand-over of units to buyers is targeted for the first quarter of 2016. The year in review was also busy as the Group prepared for the launch and development of its first large-scale, commercial cum residential mixed-use development – *The Gateway* – in Cambodia's capital city, Phnom Penh. Planned for development into an iconic twin tower mixed-use development, *The Gateway* comprises a 36-storey office tower of 299 strata-titled office units, a 39-storey residential block of 572 well-appointed one to three bedroom apartments and commercial podium. *The Gateway* was officially launched in Phnom Penh, Cambodia in late February 2016 to enthusiastic responses from both Cambodian and international buyers. *The Gateway* was subsequently launched in Singapore in early March 2016. To date, approximately 30% of its residential and office units have been sold or reserved.

Against a backdrop of uncertainty in key regional property markets, the Group will continue to take a prudent stance towards new land bank acquisitions and in the participation of investment and/or developmental opportunities. TA Corporation's future development pipeline and land bank include:

– 2,058 sq m freehold private residential site at Shan Road in Novena, Singapore;

– 1,600 sq m freehold site for development into serviced apartments and two other plots of freehold land with a total area of 89,850 sq m planned for residential development, all in Pathum Thani, Thailand;
– 20,515 freehold sq m plot in Phnom Penh, Cambodia for a proposed mixed-use residential and commercial development.

REAL ESTATE INVESTMENT

In line with TA Corporation's strategy to grow its recurring income stream and to tap robust demand for quality self-sufficient workers' accommodation in Singapore, the Group in 2014 moved to expand its workers' accommodation business with a winning tender and development of a 9,200-bed dormitory. Located in Tuas South and developed over a 37,170.5 sq m site, *Tuas South Dormitory* is one of the largest purpose-built dormitories in Singapore and is equipped to be self-sufficient to meet the needs of its residents. Development is partially completed with 5,000 beds ready since early 2016 and the dormitory is expected to be fully completed ahead of schedule with the addition of another 4,200 beds by mid-2016.

The Group also holds an investment property, approximately 4,360 sq m of commercial units at New World Centre, 1 Jalan Berseh. In addition, TA Corporation also owns an additional 1,100 sq m of space at New World Centre, which is presently utilised by the Group as office space.

DISTRIBUTION BUSINESS

The Group's distribution business grew strongly in FY2015, through its 51% owned subsidiary, Que Holdings Pte. Ltd., with a 14.4% increase in topline contributions to $17.5 million, from $15.3 million a year ago. The revenue growth was driven by higher contributions from the Myanmar market, underpinning the success of the Group's strategy of targeting distributorship opportunities in key Southeast Asia markets.

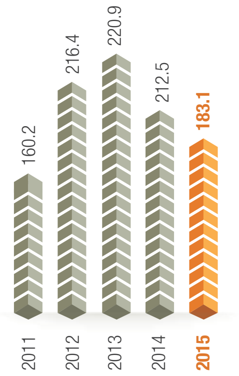
Through its subsidiaries, TA Corporation holds exclusive distribution rights to BP's lubricant products in Singapore, the B2B and B2C distributorships of Shell's automotive, aviation and industrial lubricants; and distributorship for passenger and light truck tyres of the 'Continental' brand in Myanmar.

In 2015, the Group further expanded its distributorship portfolio, through joint ventures with its Myanmar business partners, via the establishment of Synergy Truck Pte. Ltd., Eternal Synergy Pte. Ltd., Viva Energia Pte. Ltd. and Synergy Performance Oil Pte. Ltd., with products that include trucks, buses, vans and other commercial vehicles, automotive lubricants and automotive spare parts in Myanmar and high performance motorcycle lubricant, motorcycle spare parts, in Thailand. The Group plans to further grow its distribution businesses by expanding distribution networks and channels, its suite of products for distribution as well as to expand beyond its current markets of Myanmar and Thailand.

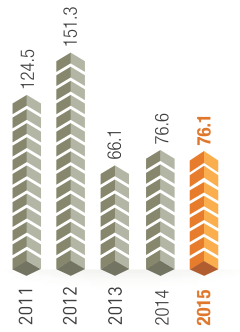
FINANCIAL HIGHLIGHTS

GROUP REVENUE
($'MILLION)

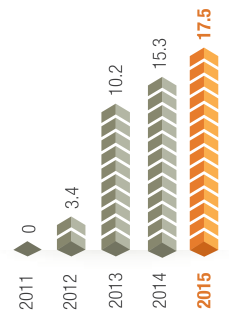
CONSTRUCTION
($'MILLION)



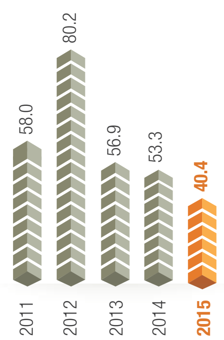
REAL ESTATE DEVELOPMENT AND INVESTMENT
($'MILLION)



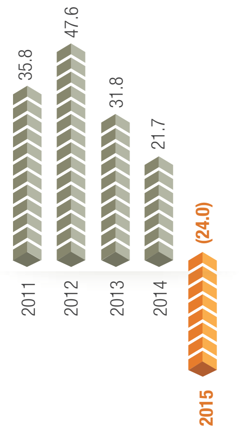
DISTRIBUTION
($'MILLION)



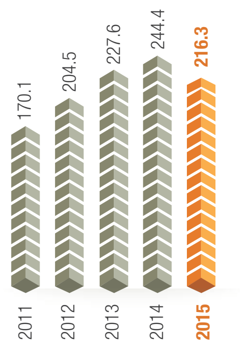
GROSS PROFIT
($'MILLION)



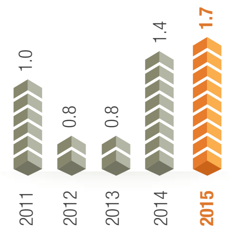
PROFIT (LOSS) AFTER TAX
($'MILLION)



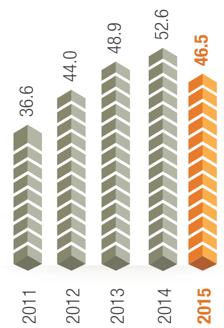
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY
($'MILLION)



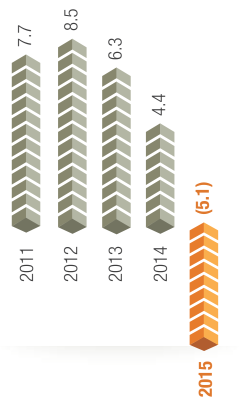
GEARING RATIO
(TIMES)



NET ASSET VALUE PER SHARE
(CENTS)



EARNINGS (LOSS) PER SHARE[1]
(CENTS)



[1] Based on weighted average number of 465,000,000 shares for FY15, FY14, FY13 and FY12 and 361,400,000 shares for FY11

BOARD OF DIRECTORS

MR LIONG KIAM TECK is the Executive Chairman of our Group. He was appointed to the Board on 7 March 2011 and was last re-elected as Director on 24 April 2013. As the Group's Executive Chairman, Mr Liong is responsible for the overall development of our Group's corporate direction and policies and plays an active role in the development, maintenance and strengthening of client relations. His other responsibilities also include overall business development, strategic planning, and project management. Mr Liong is one of the founders of our Group and has over 40 years of management experience. Over the years, he has established a network of relationships with developers, customers, consultants and architects within the construction industry. Mr Liong completed his General Certificate of Education ("GCE") "O" level examination in 1967.

MR NEO TIAM POON @ NEO THIAM POON is the Deputy Executive Chairman of our Group. He was appointed to the Board on 7 March 2011 and was last re-elected as Director on 23 April 2014. Mr Neo Tiam Poon @ Neo Thiam Poon is in charge of the overall project management of our various construction projects, conducts periodic quality and safety checks to ensure that quality and safety management systems are adhered to closely, and sources for real estate development opportunities, and conducts feasibility studies for project development viabilities. Mr Neo Tiam Poon @ Neo Thiam Poon has been with us since 1976 and has over 40 years of management experience. Over the years, he has established a network of relationships with developers, customers, consultants and architects within the construction industry. Mr Neo completed his GCE "A" levels in 1973.

MR NEO TIAM BOON, PBM is the Chief Executive Officer and Executive Director of our Group. He was appointed to the Board on 7 March 2011 and was last re-elected as Director on 22 April 2015. As the Group's Chief Executive Officer, Mr Neo Tiam Boon, PBM responsibilities include overall business development, financial and strategic planning, sales and marketing as well as human resources of the Group. Mr Neo Tiam Boon, PBM has been with our Group since 1996 and has over 18 years of management experience. Over the years, he has established a network of relationships with developers, customers, consultants and architects within the industry. Mr Neo Tiam Boon, PBM graduated with a Bachelor of Science in Business Administration from the University of Arkansas in 1986 and was conferred the Public Service Medal (Pingat Bakti Masyarakat) by the President of the Republic of Singapore in 2005.

MR NEO THIAM AN is the Executive Director of our Group. He was appointed to the Board on 7 March 2011 and was last re-elected as Director on 24 April 2013. Mr Neo Thiam An is in charge of the management of the site operations of developments for external developers as well as our own in-house developments. Mr Neo Thiam An has been with the Group since 1977 and has over 36 years of management experience. Over the years, he has established a network of relationships with developers, customers, consultants and architects within the construction industry. Mr Neo completed his GCE "A" levels in 1976.

BOARD OF DIRECTORS

MR LIM HOCK BENG was appointed as the Group's Independent Director on 20 September 2011 and was last re-appointed as Director on 22 April 2015. He serves as the Chairman of the Group's Audit Committee and is a member of the Remuneration Committee and the Nominating Committee. Mr Lim is also the Group's Lead Independent Director. Since 1996, Mr Lim has been the managing director of Aries Investments Pte Ltd, a private investment holding company with its principal interests in the investment of quoted securities and overseas properties. Prior to that, he founded Lim Associates (Pte) Ltd (now known as Boardroom Corporate & Advisory Services (Pte) Ltd) in 1968 and was its managing director until his retirement in 1995. Mr Lim has more than 30 years of experience and knowledge in the corporate secretarial field, which includes advising listed companies on compliance with the listing rules. Mr Lim holds a Diploma in Management Accounting and Finance and is a fellow member of the Singapore Institute of Directors. Mr Lim is also an independent director of four public listed companies in Singapore, namely King Wan Corporation Limited, Huan Hsin Holdings Ltd, GP Industries Ltd and Colex Holdings Limited. He currently serves as the chairman of audit committees of King Wan Corporation Limited and Huan Hsin Holdings Ltd, chairman of nominating committee of GP Industries Ltd as well as chairman of remuneration committee of Colex Holdings Limited.

MR LEE AH FONG was appointed as the Group's Independent Director on 20 September 2011 and was last re-elected as Director on 22 April 2015. He serves as the Chairman of the Group's Remuneration Committee and is a member of the Audit Committee. Mr Lee was a civil servant before becoming a practicing lawyer in 1981 after he was called to the English Bar as a Barrister-at-Law on 24 July 1980. He is currently a partner of Ng, Lee & Partners. Mr Lee is an honorary management committee member of the Singapore Federation of Chinese Clan Associations, the chairman of Yuying Secondary School Management Committee and has been serving in various capacities in non-government organizations and clan associations for many years. Mr Lee is also an independent director, member of audit committees and remuneration committees as well as chairman of nominating committees of two other public listed companies in Singapore, namely Cortina Holdings Ltd and TEE International Limited.

MR MERVYN GOH BIN GUAN was appointed as the Group's Independent Director on 20 September 2011 and was last re-elected as Director on 23 April 2014. He serves as the Group's Chairman of the Nominating Committee and is a member of the Audit Committee and the Remuneration Committee. Mr Goh is currently a consultant with Lawhub LLC. Prior to this, he was the Vice President (Legal) for The Great Eastern Life Assurance Company Limited from 2008 to 2010, a partner with Wee Woon Hong & Associates from 2006 to 2008, and a partner with Chui Sim Goh & Lim from 1994 to 2006. Mr Goh graduated from the National University of Singapore with a Bachelor of Laws (Honours) in 1989 and was called to the Singapore Bar in 1990. Mr Goh also previously served as a committee member in the Kampong Kembangan Community Club Management Committee from 2005 to 2010.

CORPORATE SOCIAL RESPONSIBILITY

SHARING GROWTH

TA Corporation is committed to integrating environment and corporate sustainability in our business practices. As a diversified business group with operations spanning real estate, construction, distribution and workers' training and accommodation, we recognise that our social, environmental and ethical conduct has an important impact on the communities that we operate in.

Our Group has embarked on environmental sustainability efforts through a multi-pronged approach. We have implemented an environmental management system to identify and manage environmental aspects, including energy and water usage and conservation, as well as paper usage. These aspects are managed by establishing reduction targets and implementing programs to achieve these targets. Our efforts to promote environment protection and gracious practices has also won recognition such as the receipt of a Green & Gracious Builder (Excellent) Award.

Our Group actively monitors the energy and water usage at our construction sites. To enhance energy efficiency and reduce wastage, we have implemented various energy conservation measures such as installing energy-efficient motion-sensing lighting and light sensors at site offices and toilets. Further, air-conditioning for our projects under construction and our corporate offices in Singapore also takes into consideration energy efficiency, giving preference to equipment with the Energy Star logo when making new office equipment purchases. Our Group has also implemented water conservation measures such as the use of recycled water for general cleaning purpose and at washing bays. Water-saving devices such as self-closing taps and water thimbles are also installed in our project sites and corporate offices in Singapore where possible. We also embarked on a paper usage reduction drive by providing our staff with tips on paper conservation such as printing only where necessary, printing on both sides of a page, and reusing and recycling used paper. Recycling bins are also placed at our project sites.

Our Group is committed to being a progressive builder in addressing environmental and public concerns arising from construction works. We support the BCA's efforts to promote sustainability, environmental protection and considerate practices by builders during the construction phase of development.

Some key features adopted by our Group's construction projects include:

(i) extensive use of recycled aggregates for non-structural applications like drains, road kerbs and wheel stoppers;

(ii) use of energy efficient equipment/installation/systems and green label photocopiers in the site office;

(iii) use of green-label materials such as playground flooring and equipment, paint, tile adhesive, waterproof membrane, drywall, carpet, vinyl flooring, ceiling board, joint grout, etc.; and

(iv) providing covered walkways around the site where there is heavy usage by the general public.

CORPORATE SOCIAL RESPONSIBILITY

PROVIDING EQUAL OPPORTUNITIES

Our Group recognises the importance of managing and developing human capital and that a positive work environment will better attract, motivate and retain talent. We are an equal opportunity employer that adopts fair employment practices. Recruitment advertisements placed in the newspapers and recruiting websites do not have gender, ethnic and age preferences. Our Group is committed to managing occupational health and safety issues, and preference is given to engaging OHSAS 18000-certified or bizSAFE-certified vendors/contractors for our projects under development.

GIVING BACK TO THE COMMUNITY

Our Group is committed to giving back to the community in which we operate in. We believe that corporates and the local communities are closely linked and we choose to be an active member of the community. We support the local communities through direct financial support, by way of donations, and regular community outreach initiatives organised by the Group. In February 2016, we marked the fourth year of our 'One Community Day' outreach programme through a spring cleaning and food delivery drive for the elderly and low-income households at Kembangan – Chai Chee and Geylang Serai. TA Corporation is committed to be a good corporate citizen and in doing so, strives to encourage its employees to do their part in contributing to a better world.

STATEMENT OF CORPORATE GOVERNANCE

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

BOARD MATTERS

The Board's Conduct of Affairs

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

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

The Board Charter sets out the principal responsibilities of the Board as follows:

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

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

(c) review management performance;

(d) identify the key stakeholder groups and recognize that their perceptions affect the Group's reputation;

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

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

Matters specifically reserved for the Board's decision are:

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

(b) strategic policies of the Group;

(c) material acquisitions and disposal of assets;

(d) corporate or financial restructuring;

(e) share issuances, interim dividends and other returns to shareholders; and

(f) any investment or expenditure not in the ordinary course of business and where the amounts falls within Rule 1004(b) to (d) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

STATEMENT OF CORPORATE GOVERNANCE

Sustainability issues

The Board recognises the importance of the Company's responsibility to achieve sustainable business growth in terms of corporate social responsibility ("CSR") and environment conservation for the communities in which the Group operates. The Group's CSR initiatives are set out in the CSR Report on page 11 and 12.

Independent judgement

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

The current members of the Board and their membership on the Board Committees of the Company are as follows:

Mr Liong Kiam Teck	Executive Chairman
Mr Neo Tiam Poon @ Neo Thiam Poon	Deputy Executive Chairman
Mr Neo Tiam Boon	Chief Executive Officer and Executive Director and member of Nominating Committee ("NC")
Mr Neo Thiam An	Executive Director
Mr Lim Hock Beng	Lead Independent Director, Chairman of Audit Committee ("AC") and member of NC and the Remuneration Committee ("RC")
Mr Lee Ah Fong	Independent Director, member of AC and Chairman of RC
Mr Mervyn Goh Bin Guan	Independent Director, member of AC and RC and Chairman of NC

The present Board comprises seven members, three of whom are independent directors.

Key information regarding Directors

Key information on the Directors is set out on pages 9 to 10 of this Annual Report.

Delegation by the Board

In carrying out and discharging its duties and responsibilities efficiently and effectively, the Board is assisted by various Board Committees namely the AC, the NC and the RC.

These Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The Board also constantly reviews the effectiveness of each Committee.

Directors' attendance at Board and Board Committees meetings in FY2015

	Board	**Audit**	**Remuneration**	**Nominating**
Number of meetings held	4	4	1	1
Name of Directors	**Number of meetings attended**			
Liong Kiam Teck	4	N.A.	N.A.	N.A.
Neo Tiam Poon @ Neo Thiam Poon	4	N.A.	N.A.	N.A.
Neo Tiam Boon	4	N.A.	N.A.	1
Neo Thiam An	4	N.A.	N.A.	N.A.
Lim Hock Beng	4	4	1	1
Lee Ah Fong	4	4	1	N.A.
Mervyn Goh Bin Guan	4	4	1	1

N.A. The Directors are not members of these Board Committees.

STATEMENT OF CORPORATE GOVERNANCE

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

Orientation, briefings, updates and trainings provided for directors in FY2015

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

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

The incoming Directors will meet the senior management and the Company Secretaries to familiarize themselves with their roles, organization structure and business practices. This will enable them to get acquainted with senior management and the Company Secretaries thereby facilitating board interaction and independent access to senior management and the Company Secretaries.

The Directors are continually and regularly updated on the Group's business and governance practices. On a quarterly basis, the Board is briefed on recent changes to the accounting standards and regulatory updates. Our Directors are also encouraged to be members of the Singapore Institute of Directors ("SID") and for them to receive updates and training from SID. Briefings and updates provided for Directors in for the financial year ended 31 December 2015 include:

- The external auditors briefed the AC members on developments in accounting, governance standards, and financial reporting standards relevant to the Group.
- The Board was briefed on relevant rules and a regulation including requirements of the SGX-ST's listing rules, the amendments to the Companies Act and the guidelines of the 2012 by the Company Secretaries.
- The CEO updates the Board at least quarterly the Group's business and strategic developments.
- Management highlights salient issues as well as risk management considerations for real estate industry.
- The Directors had also attended appropriate courses, conferences and seminars, at the Company's expense. These include programmes run by the SID.
- The Directors can request for further explanations, briefings or information on any aspect of Group's operations or business issues from management.

Board Composition and Guidance

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

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

Director's independence

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

STATEMENT OF CORPORATE GOVERNANCE

The criterion for independence is based on the definition given in the 2012 Code. The 2012 Code has defined an "Independent" Director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company. The independence of each Director is reviewed annually by the NC, based on the definition of independence as stated in the 2012 Code.

For the purpose of determining Directors' independence, every Director has provided declaration of his independence which is reviewed by the NC and the Board. Except for the Executive Directors, all the other Directors on the Board are considered by the NC and the Board to be Independent Directors. None of the Directors have served on the Board for a period exceeding nine years from the date of their appointments.

Chairman and Chief Executive Officer

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

The Chairman and the CEO are separate persons to ensure an appropriate balance and separation of power and authority, and clear division of responsibilities and accountability.

The Executive Chairman, Mr Liong Kiam Teck, leads the Board and ensures its effectiveness by, among other things, steering effective, productive and comprehensive discussions amongst Board members and the Management team on strategic, business and other key issues pertinent to the business and operations of the Group. His responsibilities also include making sure that Directors are provided with clear, complete and timely information in order to make sound and informed decisions.

The CEO and Executive Director, Mr Neo Tiam Boon is responsible for executing the Group's strategies and policies and has overall responsibility of the Company's operations and organizational effectiveness. He is accountable to the Board for the conduct and performance of the respective business operations under his charge. The Executive Chairman works closely with the CEO on matters to be tabled at meetings as well as in ensuring that Board members receive accurate, timely and clear information.

The Executive Chairman and the CEO are immediate family members and are part of the management team. Accordingly, in compliance with Guideline 3.3 of the 2012 Code, the Company has appointed Mr Lim Hock Beng as the Lead Independent Director.

Under Guideline 2.2 of the Code, the Independent Directors should make up half the Board where the Chairman and the CEO are immediate family members; and where the Chairman is part of the management team and is not an Independent Director. Pursuant to the statement issued on 2 May 2012 by the Monetary Authority of Singapore ("MAS"), it provides for a longer transition period of up to the AGM in 2018 for the Board to comply with Guideline 2.2. The Company will seek to comply with Guideline 2.2 by the stipulated deadline.

Board Membership

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

The NC comprises three members, majority of whom including its Chairman is Independent Directors. The members of the NC are:

Mr Mervyn Goh Bin Guan	Chairman	Independent Director
Mr Lim Hock Beng	Member	Lead Independent Director
Mr Neo Tiam Boon	Member	CEO and Executive Director

STATEMENT OF CORPORATE GOVERNANCE

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

(a) review of Board succession plans for Directors, in particular, the Chairman and the CEO;

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

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

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

(e) assess the independence of Independent Directors.

Selection and Appointment and Re-appointment

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

The Directors are required to submit themselves for re-election at regular intervals of at least once every three years in accordance with the Constitution of the Company. Subject to the nomination by the NC, a retiring Director is eligible for re-election.

Directors' multiple Board representations

The NC annually reviews the composition of the Board to ensure that the Board has appropriate balance of expertise, skills, attributes and abilities. The NC has set guidelines on the maximum number of Board appointments in listed companies that a Board member can hold to ensure that the Directors are able to commit their time to effectively discharge their responsibilities. Based on the guidelines set by the NC, each Board member cannot have more than six listed Board representations including the Company. All the directors currently do not sit on the boards of more than six listed companies.

Succession planning

The NC has in place a board succession plan for Directors, in particular, the Executive Chairman and CEO. The NC has reviewed contingency arrangements for any unexpected incapacity of the CEO or any of the top management personnel and is satisfied with procedures in place to ensure a transition to a full operational management team.

Board Performance

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

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

The NC has with the Board's approval, implemented a process for annually assessing the effectiveness of the Board and its Committees and the contribution by each individual Director to the effectiveness of the Board.

This process includes having the Directors complete a performance evaluation form seeking their evaluation on various aspects of Board performance, such as Board's level of governance, effective delegation to the Board Committees, leadership and accountability. The Company Secretaries compile the Directors' evaluation into a consolidated report. The report is discussed at the NC meeting and also shared with the entire Board.

STATEMENT OF CORPORATE GOVERNANCE

The Directors will undertake self-evaluation based on factors such as knowledge of the Company's business and industry knowledge and contribution to Board discussion. The Directors' evaluations are consolidated by the Company Secretaries and are reviewed by the NC.

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

Access to Information

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

All Directors are from time to time furnished with information concerning the Company to enable them to be fully cognisant of the decisions and actions of the Company's executive management. The management also provides the Board with regular management reports, which includes budgets, forecasts and monthly management accounts. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board. Management provides Directors with information whenever necessary and Board papers are sent to Directors before each Board and Board Committee meetings.

The Board has unrestricted access to the Company's records and information. The Board has separate and independent access to the Company Secretaries and senior management of the Company and of the Group at all times in carrying out their duties. The Company Secretaries attend all Board meetings and meetings of the Committees of the Company where necessary and ensure that Board procedures are followed and that applicable laws, rules and regulations are complied with.

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

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

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

Mr Lee Ah Fong	Chairman	Independent Director
Mr Lim Hock Beng	Member	Lead Independent Director
Mr Mervyn Goh Bin Guan	Member	Independent Director

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

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

(b) review and recommend Directors' fee for Independent Directors for approval at the AGM;

(c) determine specific remuneration packages for each Executive Director as well as key management personnel;

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

STATEMENT OF CORPORATE GOVERNANCE

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

(f) review and recommend the engagement of remuneration consultant on the request of management or as it deems appropriate for the Company.

The RC is provided access to expert professional advice on remuneration matters as and when necessary. The expense of such services shall be borne by the Company.

Level and Mix of Remuneration

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

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and in comparable companies. The level and structure of remuneration is aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the Directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company. However, the Company should avoid paying more than is necessary for this purpose.

Remuneration of Executive Directors and key management personnel

Under the Company's remuneration policy and structure, the performance conditions are set out to link rewards to overall strategic and financial goals of the Company. For Executive Directors, service agreements are in place between each Executive Director and the Company. The remuneration structure provides for basic salaries, annual wage supplement and incentive bonus, which is tied to the performance of the Group annually. Key management personnel is compensated on a fixed plus variable basis. The RC would periodically review of the Group's remuneration framework to ensure compensation for Executive Directors and key management personnel remains link to both short-term performance and the Group's strategy for long-term sustainability. Executive Directors do not receive directors' fees.

Remuneration of Independent Directors

For Independent Directors of the Company, the structure and level of Directors' fee are tied to their respective roles and responsibilities on the Board and Committees. Changes to the Group's business and corporate governance revisions and practices, assessment of Directors' contributions and attendance at meetings are taken into consideration in determining the Directors' fee structure.

The fee for Independent Directors comprise a basic retainer fee and additional fee for appointment to Board Committees.

The framework of Directors' fee for Independent Directors is as follows:

Basic Director's fee	$37,500 per annum
AC Chairman	$25,000 per annum
AC member	$12,500 per annum
NC or RC Chairman	$ 6,250 per annum
NC or RC member	$ 3,750 per annum

The RC has reviewed the fee structure for Independent Directors as being reflective of their responsibilities and work commitments and recommends the Directors' fee for the financial year ended 31 December 2015 in accordance with the fee structure subject to shareholders' approval at the Company's AGM.

STATEMENT OF CORPORATE GOVERNANCE

Disclosure on Remuneration

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

Remuneration of Directors and the CEO

The remuneration paid to or accrued to each individual Director and the CEO for FY2015 is as follows:

Remuneration Bands	Fee %	Fixed Remuneration %	Performance related Remuneration %	Allowances and Other Benefits-in-kind %	Total Compensation %
$500,001 to $750,000					
Mr Liong Kiam Teck	–	93.6	–	6.4	100
$250,001 to $500,000					
Mr Neo Tiam Poon @ Neo Thiam Poon	–	90.7	–	9.3	100
Mr Neo Tiam Boon	–	90.8	–	9.2	100
Mr Neo Thiam An	–	90.1	–	9.9	100
Up to $250,000					
Mr Lim Hock Beng	100	–	–	–	100
Mr Lee Ah Fong	100	–	–	–	100
Mr Mervyn Goh Bin Guan	100	–	–	–	100

To maintain confidentiality of the remuneration policies of the Group, the Board is of the view that it is in the best interests of the Group not to fully disclose details of remuneration of each individual Director and the CEO.

Remuneration of key management personnel

The remuneration paid to or accrued to top five key management personnel (who are not Directors nor the CEO) for FY2015 is as follows:

Remuneration Bands	Fixed Remuneration %	Performance related Remuneration %	Allowances and Other Benefits-in-kind %	Total Compensation %
$250,001 to $500,000				
First Executive	75.2	18.2	6.6	100
Second Executive	74.2	18.9	6.9	100
Third Executive	70.9	17.7	11.4	100
Up to $250,000				
Fourth Executive	61.9	18.2	19.9	100
Fifth Executive	74.4	11.4	14.2	100

Due to competition-related reasons the names of the top five key management personnel are not disclosed.

STATEMENT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2015, the aggregate remuneration (including employer CPF and benefits-in-kind) of the top five key management personnel was $1,284,688.

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

Saved as disclosed in the following table, there is no other employee who is an immediate family member of a Director or the CEO and whose remuneration exceeds $50,000 during the financial year ended 2015.

Remuneration Bands	Relationship to Directors or the CEO
$150,001 to $200,000	
Nelson Neo Tiam Chuan	Brother of Mr Liong Kiam Teck, Mr Neo Tiam Poon @ Neo Thiam Poon, Mr Neo Tiam Boon, and Mr Neo Thiam An
$100,001 to $150,000	
Liong Chai Yin, Fiona	Daughter of Mr Liong Kiam Teck and niece of Mr Neo Tiam Poon @ Neo Thiam Poon, Mr Neo Tiam Boon and Mr Neo Thiam An
Liong Cailin, Wendy	Daughter of Mr Liong Kiam Teck and niece of Mr Neo Tiam Poon @ Neo Thiam Poon, Mr Neo Tiam Boon and Mr Neo Thiam An
Neo Kian Lee	Brother of Mr Liong Kiam Teck, Mr Neo Tiam Poon @ Neo Thiam Poon, Mr Neo Tiam Boon, and Mr Neo Thiam An

Share Option Scheme

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

ACCOUNTABILITY AND AUDIT

Accountability

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

The Board is accountable to the shareholders and is committed to ensure compliance with the Listing Rules of the SGX-ST. The Directors have each signed the respective undertaking in the form set out in Appendix 7.7 of Listing Rules to undertake to use their best endeavours to comply with the SGX-ST Listing Rules and to procure that the Company shall so comply. A similar undertaking has been executed by the Chief Financial Officer in her capacity as an Executive Officer.

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

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

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

STATEMENT OF CORPORATE GOVERNANCE

Assurance from CEO and CFO

For the financial year ended 31 December 2015, the Board has received assurance from the CEO and CFO in the execution of their respective duties as CEO and CFO and to the best of their knowledge and belief the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and regarding the effectiveness of the Company's risk management and internal controls system.

Risk Management and Internal Controls

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

The AC, through the assistance of internal and external auditors, reviews and reports to the Board on the adequacy of the Company's system of controls, including financial, operational and compliance controls, established by management. In assessing the effectiveness of internal controls, the AC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate and complete, and reliable financial information is prepared in compliance with applicable internal policies, laws and regulations.

The key risks of the Group are deliberated by management and reported to the AC regularly. The AC reviews the adequacy and effectiveness of the internal controls, which includes the documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business processes. To ensure that internal controls and risk management processes are adequate and effective, the AC is assisted by various independent professional service providers. External auditors provide assurance over the risk of material misstatements in the Group's financial statements. Internal auditors provide assurance that controls over the key risks of the Group are adequate and effective.

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

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

Audit Committee

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

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

Mr Lim Hock Beng	Chairman	Lead Independent Director
Mr Lee Ah Fong	Member	Independent Director
Mr Mervyn Goh Bin Guan	Member	Independent Director

The Chairman of the AC, Mr Lim Hock Beng, is a fellow member of the Singapore Institute of Director. The Board is satisfied that the members of the AC including the Chairman have recent and relevant accounting or related financial management expertise or experience to discharge the AC's functions.

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

STATEMENT OF CORPORATE GOVERNANCE

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

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

(b) To review the audit plans of the Company and the external auditors' reports with the external auditors;

(c) To review the effectiveness and adequacy of the internal audit functions;

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

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

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

The AC has explicit authority to investigate any matter within its terms of reference. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. The AC has full access to and co-operation of the management and has full discretion to invite any Director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions. No member of the AC or any director is involved in the deliberations and voting on any resolutions in respect of matters he is interested in.

The Company confirms compliance with Rule 712 and Rule 715 of the Listing Manual of the SGXT-ST in engaging Deloitte & Touche LLP ("DT") as the external auditors of the Company which is registered with the Accounting and Corporate Regulatory Authority ("ACRA"). DT are the external auditors of the Company and of its Singapore subsidiaries and significant associated companies. The AC has reviewed the amount of non-audit services rendered to the Group by the external auditors. During the year, the fees paid to the external auditors of the Company for non-audit services amounted to $18,000 or 5% of the audit fee. Being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, the AC has recommended that DT be nominated for re-appointment as auditors at the forthcoming AGM.

Whistle-blowing

The Company has a whistle-blowing policy by which staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to the Executive Chairman with a copy of such raised concerns to the AC Chairman. Such concerns raised are independently investigated and appropriate follow-up action is taken.

The Company will treat all information received confidentially and protect the identity and the interest of all whistle blowers. Following investigation and evaluation of a complaint, the Executive Chairman will decide whether the matter need to be referred to the relevant authorities. If the Executive Chairman decides not to proceed with the investigation, the decision must be explained as fully as possible to the person who raised the concern. It is then open to the person to make disclosure again to the AC Chairman. The AC Chairman shall report to the AC on recommended disciplinary or remedial action, if any. The action determined by the AC to be appropriated shall then be brought to the Board or to appropriate members of senior management for authorization and implementation respectively.

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

Internal Audit

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

The Company has engaged Saw Meng Tee & Partners PAC, an accounting firm registered with ACRA as its internal auditor ("IA"). The IA reports directly to the Chairman of the AC on all internal audit matters. The IA identifies, evaluates significant risks and develop risk-based audit plan for approval by the AC and provides independent assessment and reasonable assurances on areas of operation reviewed, advise and recommend the best practices that will improve and add value to the Company.

STATEMENT OF CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights and Communication with shareholders

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

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

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

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

(a) SGXNET announcements;

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

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

(d) Notices of and explanatory memoranda for AGM and Extraordinary General Meetings ("EGM"); and

(e) Company's website at www.tiongaik.com.sg at which shareholders can access timely information on the Group.

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

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

Conduct of Shareholder Meetings

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

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

The Company's Constitution allows a member (other than a relevant intermediary as defined in section 181 of the Companies Act) to appoint one or two proxies to attend and vote at its general meetings. The Companies Act allows relevant intermediaries which include CPF agent banks nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

All resolutions at the forthcoming AGM would be put to vote by poll. This will allow greater transparency and more equitable participation by shareholders.

The details of dividend payment to shareholders will be disclosed via the release of the announcements through SGXNET.

STATEMENT OF CORPORATE GOVERNANCE

Interested Persons Transactions

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

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

The AC has reviewed the rationale and terms of the Group's IPT and is of the view that the IPT are on normal commercial terms and are not prejudicial to the interests of the shareholders.

Details of IPT for the year ended 31 December 2015 are as follows:

Name of Interested Person	Aggregate value of all interested person transactions conducted (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) ($'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) ($'000)
Liong Kiam Teck[1]	2,820	N.A.
Prestige Resources Pte Ltd	299	N.A.
Tac Alliance Pte. Ltd.	194	N.A.
Edgewell Investments Pte. Ltd.	203	N.A.

[1] On 22 January 2014, the Company's subsidiary company, Sinotac Builder's (S) Pte Ltd entered into a cost-plus contract for the erection of three 3-storey strata bungalows with Mr Liong Kiam Teck, the Executive Chairman of the Company. Estimated cost of $4 million plus a 5% mark-up on cost incurred shall be billed progressively according to work done. For the 12 months ended 31 December 2015, billing of $2,820,098 was rendered. As at 31 December 2015, cumulative billing of $3,968,053 has been rendered based on certified work done. The project achieved TOP in 4th quarter 2015 and final billing is expected by 1st quarter 2016.

Dealing in Securities

The Company has issued an Internal Compliance Code (the "Internal Compliance Code") to all employees of the Group setting out the implications of insider trading.

Under this Internal Compliance Code, all Directors and employees of the Group are prohibited from dealing in the Company's securities two weeks before the release of the quarterly results or one month before the release of the full year results to the SGX-ST, as the case may be. Circulars are issued to all Directors and employees of the Group to remind them of, inter alia, laws of insider trading and the importance of not dealing in the shares of the Company and within the Group on short-term consideration and during the prohibitive periods. Directors and employees are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

Material Contracts

Saved as mentioned above, there were no other material contracts entered into by the Company or its subsidiary companies involving the interest of the CEO, any Director, or controlling shareholder since the end of the previous financial year.

DIRECTORS' STATEMENT

The directors 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 December 31, 2015.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 30 to 89 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2015, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Liong Kiam Teck
Neo Tiam Poon @ Neo Thiam Poon
Neo Tiam Boon
Neo Thiam An
Lim Hock Beng
Lee Ah Fong
Mervyn Goh Bin Guan

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

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

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

	Shareholdings registered in name of director		Shareholdings in which directors are deemed to have an interest	
Name of directors and companies in which interests are held	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
The Company				
(Ordinary shares)				
Liong Kiam Teck	152,923,950	152,923,950	20,000	20,000
Neo Tiam Poon @ Neo Thiam Poon	73,403,496	73,403,496	–	–
Neo Tiam Boon	77,141,637	77,141,637	–	–
Neo Thiam An	36,361,917	36,361,917	–	–
Lim Hock Beng	100,000	100,000	–	–

By virtue of Section 7 of the Singapore Companies Act, Liong Kiam Teck is deemed to have an interest in all the related corporations of the Company.

The directors' interests in the shares of the Company at January 21, 2016 were the same as at December 31, 2015.

DIRECTORS' STATEMENT

4 SHARE OPTIONS

(a) Options to take up unissued shares

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

(b) Options exercised

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.

(c) Unissued shares under options

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

5 AUDIT COMMITTEE

The Audit Committee ("AC") comprises 3 members, all of whom are independent and non-executive. The Chairman of the AC is Lim Hock Beng and the other members of the AC are Lee Ah Fong and Mervyn Goh Bin Guan.

The AC is authorised by the Board of Directors to investigate any matters within its terms of reference. It has unrestricted access to information pertaining to the Group, to both internal and external auditors, and to all employees of the Group. Reasonable resources have been made available to the AC to enable it to discharge its duties properly.

The key responsibilities of the AC include the following:

- To review the external and internal audit plans and audit reports, the scope and results of the internal audit procedures and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

- To review the quarterly and annual financial statements and any formal announcements relating to our Group's financial performance before submission to our Board of Directors for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and any other relevant statutory or regulatory requirements;

- To review the independence of the external auditors and internal auditors and make recommendations to the Board on the appointment, re-appointment and removal of the external auditors and internal auditors;

- To review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST and potential conflicts of interest;

- To review arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;

- To review and discuss with investigators, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position and our management's response thereto; and

- Generally undertake such other functions and duties as may be required by statute or the Listing Manual of the SGX-ST or by such amendments as may be made thereto from time to time.

DIRECTORS' STATEMENT

5 AUDIT COMMITTEE (CONTINUED)

The AC has full access to and has the co-operation of the management and has been given the reasonable 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 AC.

The AC has recommended to the Directors the nomination of Deloitte & Touche LLP for re-appointment as the external auditors of the Company at its forthcoming Annual General Meeting.

6 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Liong Kiam Teck

Neo Tiam Boon

March 31, 2016

INDEPENDENT AUDITORS' REPORT

To the Members of TA Corporation Ltd

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of TA Corporation Ltd (the "Company") and its subsidiaries (collectively, the "Group") which comprise the statements of financial position of the Group and the Company as at December 31, 2015, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 30 to 89.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

OPINION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

DELOITTE & TOUCHE LLP
Public Accountants and
Chartered Accountants
Singapore

March 31, 2016

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2015

		Group			Company		
	Note	December 31, 2015 $'000	December 31, 2014 $'000 (Restated) (Note 38(a))	January 1, 2014 $'000 (Restated) (Note 38(a))	December 31, 2015 $'000	December 31, 2014 $'000 (Restated) (Note 38(a))	January 1, 2014 $'000 (Restated) (Note 38(a))
ASSETS							
Current assets							
Cash and bank balances	6	**78,886**	116,803	96,301	**666**	32,596	4,997
Trade and other receivables	7	**137,012**	106,626	131,008	**9,732**	6,125	12,763
Deposits and prepayments	8	**4,059**	3,257	6,542	**20**	25	28
Available-for-sale investments	9	**–**	9,437	–	**–**	–	–
Inventories	10	**5,763**	4,871	2,901	**–**	–	–
Development properties	12	**165,034**	235,456	196,066	**–**	–	–
Total current assets		**390,754**	476,450	432,818	**10,418**	38,746	17,788
Non-current assets							
Property, plant and equipment	13	**40,185**	35,656	20,862	**–**	–	–
Investment properties	14	**269,275**	192,669	60,175	**–**	–	–
Goodwill	15	**2,595**	2,595	2,594	**–**	–	–
Subsidiaries	16	**–**	–	–	**116,965**	116,965	116,965
Associates and joint ventures	17	**9,719**	6,530	8,054	**–**	–	–
Other non-current assets	18	**318**	400	416	**–**	–	–
Trade and other receivables	7	**67,261**	66,791	60,255	**95,903**	68,360	20,895
Derivative financial instrument	19	**783**	–	–	**–**	–	–
Deferred tax assets	20	**–**	269	65	**–**	–	–
Total non-current assets		**390,136**	304,910	152,421	**212,868**	185,325	137,860
Total assets		**780,890**	781,360	585,239	**223,286**	224,071	155,648

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2015

	Note	Group December 31, 2015 $'000	Group December 31, 2014 $'000 (Restated) (Note 38(a))	Group January 1, 2014 $'000 (Restated) (Note 38(a))	Company December 31, 2015 $'000	Company December 31, 2014 $'000 (Restated) (Note 38(a))	Company January 1, 2014 $'000 (Restated) (Note 38(a))
LIABILITIES AND EQUITY							
Current liabilities							
Borrowings	21	**82,014**	91,291	35,330	**–**	–	–
Term notes	24	**74,588**	–	–	**74,588**	–	–
Trade and other payables	22	**128,617**	146,479	135,369	**973**	2,343	2,101
Current portion of finance leases	23	**295**	388	409	**–**	–	–
Income tax payable		**8,523**	4,710	12,334	**–**	–	10
Total current liabilities		**294,037**	242,868	183,442	**75,561**	2,343	2,111
Non-current liabilities							
Borrowings	21	**229,230**	191,110	159,934	**–**	–	–
Finance leases	23	**431**	725	434	**–**	–	–
Term notes	24	**–**	74,082	–	**–**	74,082	–
Trade and other payables	22	**32,035**	16,678	–	**–**	–	–
Deferred tax liabilities	20	**300**	1,952	654	**–**	–	–
Total non-current liabilities		**261,996**	284,547	161,022	**–**	74,082	–
Capital, reserves and non-controlling interests							
Share capital	25	**142,185**	142,185	142,185	**142,185**	142,185	142,185
Capital reserve	26	**644**	644	644	**–**	–	–
Translation and other reserves		**1,195**	761	(360)	**–**	–	–
Retained earnings		**72,295**	100,798	85,117	**5,540**	5,461	11,352
Equity attributable to owners of the Company		**216,319**	244,388	227,586	**147,725**	147,646	153,537
Non-controlling interests		**8,538**	9,557	13,189	**–**	–	–
Total equity		**224,857**	253,945	240,775	**147,725**	147,646	153,537
Total liabilities and equity		**780,890**	781,360	585,239	**223,286**	224,071	155,648

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2015

	Note	Group 2015 $'000	Group 2014 $'000 (Reclassified) (Note 38(b))
Revenue	27	**276,696**	304,359
Cost of sales		**(236,289)**	(251,104)
Gross profit		**40,407**	53,255
Other income	28	**25,031**	7,786
Selling and distribution costs		**(849)**	(1,741)
General and administrative expenses		**(16,271)**	(16,523)
Other operating expenses	29	**(60,106)**	(9,770)
Share of loss of associates and joint ventures		**(417)**	(1,128)
Finance costs	30	**(3,796)**	(4,279)
(Loss) Profit before income tax		**(16,001)**	27,600
Income tax expense	31	**(7,964)**	(5,857)
(Loss) Profit for the year	32	**(23,965)**	21,743
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**995**	1,185
Share of associates and joint ventures' other comprehensive (loss) income		**(318)**	126
Available-for-sale investments		**41**	(41)
		718	1,270
Total comprehensive (loss) income for the year		**(23,247)**	23,013
(Loss) Profit attributable to:			
Owners of the Company		**(23,853)**	20,331
Non-controlling interests		**(112)**	1,412
		(23,965)	21,743
Total comprehensive (loss) income attributable to:			
Owners of the Company		**(23,419)**	21,452
Non-controlling interests		**172**	1,561
		(23,247)	23,013
(Loss) Earnings per share (cents):			
Basic and diluted	33	**(5.1)**	4.4

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2015

	Note	Share capital $'000	Capital reserve $'000	Translation and other reserves $'000	Retained earnings $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
Group								
Balance at January 1, 2014		142,185	644	(360)	85,117	227,586	13,189	240,775
Total comprehensive income for the year								
Profit for the year		–	–	–	20,331	20,331	1,412	21,743
Other comprehensive income for the year		–	–	1,121	–	1,121	149	1,270
Total		–	–	1,121	20,331	21,452	1,561	23,013
Transactions with owners, recognised directly in equity								
Proceeds from issue of shares in subsidiaries to non-controlling shareholders		–	–	–	–	–	871	871
Dividends	35	–	–	–	(4,650)	(4,650)	–	(4,650)
Dividends to non-controlling shareholders		–	–	–	–	–	(6,064)	(6,064)
Total		–	–	–	(4,650)	(4,650)	(5,193)	(9,843)
Balance at December 31, 2014		142,185	644	761	100,798	244,388	9,557	253,945

STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2015

	Note	Share capital $'000	Capital reserve $'000	Translation and other reserves $'000	Retained earnings $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
Group								
Balance at January 1, 2015		142,185	644	761	100,798	244,388	9,557	253,945
Total comprehensive (loss) income for the year								
Loss for the year		–	–	–	(23,853)	(23,853)	(112)	(23,965)
Other comprehensive income for the year		–	–	434	–	434	284	718
Total		–	–	434	(23,853)	(23,419)	172	(23,247)
Transactions with owners, recognised directly in equity								
Proceeds from issue of shares in subsidiaries to non-controlling shareholders		–	–	–	–	–	455	455
Effect of acquiring non-controlling interest in a subsidiary		–	–	–	–	–	4	4
Dividends	35	–	–	–	(4,650)	(4,650)	–	(4,650)
Dividends to non-controlling shareholders		–	–	–	–	–	(1,650)	(1,650)
Total		–	–	–	(4,650)	(4,650)	(1,191)	(5,841)
Balance at December 31, 2015		**142,185**	**644**	**1,195**	**72,295**	**216,319**	**8,538**	**224,857**

STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2015

	Note	Share capital $'000	Retained earnings $'000	Total $'000
Company				
Balance at January 1, 2014		142,185	11,352	153,537
Total comprehensive loss for the year				
Loss for the year, representing total comprehensive loss for the year		–	(1,241)	(1,241)
Transactions with owners, recognised directly in equity				
Dividends	35	–	(4,650)	(4,650)
Total		–	(4,650)	(4,650)
Balance at December 31, 2014		142,185	5,461	147,646
Total comprehensive income for the year				
Profit for the year, representing total comprehensive income for the year		–	4,729	4,729
Transactions with owners, recognised directly in equity				
Dividends	35	–	(4,650)	(4,650)
Total		–	(4,650)	(4,650)
Balance at December 31, 2015		**142,185**	**5,540**	**147,725**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2015

	Group	
	2015	2014
	$'000	$'000
Operating activities		
(Loss) Profit before income tax	**(16,001)**	27,600
Adjustments for:		
Depreciation expense	**4,903**	4,793
Share of loss of associates and joint ventures	**417**	1,128
Impairment loss on development properties	**24,691**	5,001
(Write back of) Liquidated damages for development properties	**(235)**	428
Impairment loss on investment in an associate	**4,811**	–
Impairment loss on other non-current assets	**82**	16
Fair value change in financial derivative instrument	**147**	–
Gain in fair value of investment properties	**(19,189)**	(1,440)
Gain on disposal of property, plant and equipment	**(265)**	(86)
Loss on sale of available-for-sale investments	**152**	–
Property, plant and equipment written off	**297**	–
Interest expense	**3,675**	4,233
Deemed interest expense on retention amounts	**121**	46
Interest income	**(1,613)**	(2,197)
Deemed interest income on retention amounts	**(902)**	(880)
Allowance for doubtful receivables	**22,424**	20
Operating cash flows before movements in working capital	**23,515**	38,662
Trade and other receivables	**(24,138)**	23,617
Deposits and prepayments	**(802)**	3,285
Inventories	**(712)**	(1,970)
Development properties	**49,861**	(41,533)
Trade and other payables	**(3,092)**	31,654
Cash generated from operations	**44,632**	53,715
Income tax paid	**(5,535)**	(12,385)
Interest paid	**(13,590)**	(9,540)
Net cash from operating activities	**25,507**	31,790
Investing activities		
Interest received	**1,613**	2,197
Purchase of property, plant and equipment [Note 13 (b)]	**(10,332)**	(17,717)
Proceeds from disposal of property, plant and equipment	**289**	143
Proceeds from sale of available-for-sale investments	**9,326**	–
Addition to investment properties	**(51,398)**	(130,553)
Advance to associates	**(27,228)**	(4,911)
Available-for-sale investments	**–**	(9,437)
Acquisition of subsidiaries	**–**	(1)
Additional investment in associates and joint ventures	**(8,824)**	(1)
Acquisition of derivative financial instrument	**(310)**	–
Net cash used in investing activities	**(86,864)**	(160,280)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2015

	Group	
	2015	**2014**
	$'000	**$'000**
Financing activities		
Proceeds from borrowings	**84,374**	106,633
Proceeds from term notes	**–**	74,082
Proceeds from issue of shares in subsidiaries to non-controlling shareholders	**455**	871
Repayment of borrowings	**(55,025)**	(19,496)
Repayment of obligations under finance leases	**(387)**	(481)
Pledged fixed deposits	**(1,998)**	(579)
Dividends paid to non-controlling shareholders*	**(1,714)**	(9,077)
Dividends paid	**(4,650)**	(4,650)
Net cash from financing activities	**21,055**	147,303
(Decrease) Increase in cash and cash equivalents	**(40,302)**	18,813
Cash and cash equivalents at beginning of the year	**115,711**	95,788
Effect of exchange rate changes	**387**	1,110
Cash and cash equivalents at end of the year	**75,796**	115,711
Cash and cash equivalents at end of the year comprise the following:		
Cash and bank balances (Note 6)	**58,516**	80,036
Fixed deposits (Note 6)	**20,370**	36,767
	78,886	116,803
Less: Pledged fixed deposits (Note 6)	**(3,090)**	(1,092)
Cash and cash equivalents at end of the year	**75,796**	115,711

* Amount in 2015 comprises dividends declared in 2015 and part of dividends declared in 2014.
Amount in 2014 comprises dividends declared in 2014 and part of dividends declared in 2013.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

1 GENERAL

The Company (Registration No. 201105512R) is incorporated in Singapore with its principal place of business and registered office at 1 Jalan Berseh, #03-03, New World Centre, Singapore 209037. The Company is listed on the Mainboard of 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, associates and joint ventures are disclosed in Notes 16 and 17, respectively.

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 December 31, 2015 were authorised for issue by the Board of Directors on March 31, 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Singapore Financial Reporting Standards (“FRS”).

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on the above basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payments*, 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.

ADOPTION OF NEW AND REVISED STANDARDS – On January 1, 2015, the Group adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group’s and Company’s accounting policies and has no material impact on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- FRS 109 *Financial Instruments*[2]
- FRS 115 *Revenue from Contracts with Customers*[2]

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*[1]

[1] Applies to annual periods beginning on or after 1 January 2016, with early application permitted.

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

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

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 will replace FRS 39 *Financial Instruments: Recognition and Measurement* on the effective date. It introduces 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:

- With the adoption of FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at fair value to other comprehensive income (FVTOCI), with only dividend income generally recognised in profit or loss. When such irrevocable election is made, gains and losses on disposal of the equity investment are also recorded in other comprehensive income and are not included in the profit or loss statement.

  Debt investments that are held within a business model whose objective is to collect contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by selling assets and by collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding, are measured FVTOCI. All other debt investments and equity investments are measured at fair value to profit or loss (FVTPL) at the end of subsequent accounting periods except when the irrevocable option is made to measure an equity investment (that is not held for trading) at FVTOCI.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk to be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

- 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. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in the existing FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The application of FRS 109 in the future may potentially have an impact on amounts reported in respect of the Group's financial assets and financial liabilities in the year of implementation depending on the profile of assets exposed to credit risks and extent of the Group's usage of derivative financial instruments.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

FRS 115 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contracts with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when a performance obligation is satisfied, i.e. when control of the goods is transferred to the customer or performance obligation is discharged through the delivery of services to the customer. In addition, extensive disclosures are required by FRS 115.

FRS 115 will take effect from financial year beginning on or after January 1, 2018, with retrospective application required.

Management currently does not expect FRS 115 to have a significant effect on the recognition of revenue from development properties sold in Singapore. Management is evaluating the effect of FRS 115 on sales of development properties outside Singapore. The potential effects of FRS 115 on the financial statements of the Group will continue to be evaluated taking into account any significant change in the future.

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.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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 existing subsidiaries

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 that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 or the cost on initial recognition of an investment in an associate or a joint venture, whichever is applicable.

In the Company's financial statements, investments in subsidiaries 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 fair values of assets given by the Group to the former owners of the acquiree, liabilities incurred by the Group and equity interests issued by the Group in exchange for control of the acquiree. The fair values are those prevailing at the acquisition date. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at their fair values prevailing at the acquisition date.Subsequent changes in such fair values are adjusted against the cost of acquisition if they qualify as measurement period adjustments. Accounting for subsequent 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 in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured 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 Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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. 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, subject to a maximum of one year from acquisition date.

FINANCIAL INSTRUMENT – 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 or expense is recognised on an effective interest basis for debt instruments.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- 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 in the portfolio past the average credit period, 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 and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that 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.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

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.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

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 are initially measured at fair value net of transactions costs, and are subsequently measured at amortised cost, using the effective interest rate 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.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Group has entered into interest rate cap contract (a derivative financial instrument).

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured 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.

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.

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 the reporting period, based on survey of work completed at the end of each reporting period performed by independent surveyors. 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 are probably recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

NOTES TO FINANCIAL STATEMENTS
December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are 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.

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 an expense 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 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.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out 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.

PROPERTY, PLANT AND EQUIPMENT – Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over the estimated useful lives of the assets using the straight-line method, on the following bases:

Leasehold properties	–	Over remaining lease periods of 20 and 99 years
Plant and equipment	–	3 to 7 years
Motor vehicles	–	5 years

Depreciation is not provided on properties under construction and freehold land. Building on freehold land is depreciated over 30 years.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

INVESTMENT PROPERTY – Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from the property. Any gain or loss arising 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.

DEVELOPMENT PROPERTIES – Development properties are properties held for development and sale in the ordinary course of business. They include completed properties and properties in the course of development. Unsold properties are stated at the lower of cost and estimated net realisable value. Net realisable value represents the estimated selling price net of selling expenses. For incomplete properties, all estimated cost to complete the properties are deducted when estimating net realisable value.

<u>Development properties in respect of which revenue from sales of incomplete units are recognised on a continuous transfer basis</u>

Development properties are stated at cost plus recognised profits less foreseeable losses, less progress billings. Progress billings yet to be paid by customers are included within “trade and other receivables”. Attributable profits are recognised only in respect of properties with finalised sales agreements. The attributable profit recognised is the excess of contracted sales value over the estimated total cost on completion allocated to the units sold, extended by the percentage completion at the end of the reporting period. Percentage completion is estimated by reference to certification of value of work performed to date by independent surveyors. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately and the carrying amount of the development property is correspondingly reduced.

Cost includes all costs directly related to the development and attributable to development activities such as borrowings costs.

<u>Development properties in respect of which revenue from sales are recognised upon or after delivery</u>

Such development properties are stated at cost less any foreseeable losses (as above) but do not include any recognised profits.

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 amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date.

If, after reassessment, the Group’s interest in the fair value of the acquiree’s identifiable net assets exceeds the sum of (i) the consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (iii) the fair value of the acquirer’s previously held equity interest in the acquiree, the excess is recognised immediately in profit or loss as a bargain purchase gain.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 business 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 cash-generating 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 or the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

OTHER NON-CURRENT ASSETS – Club memberships are stated at cost less any impairment loss.

ASSOCIATES AND JOINT VENTURES (Equity accounted investees) – An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates or joint ventures. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associates or joint ventures.

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. Any goodwill representing the 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 at date of acquisition 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.

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. The carrying amount of the investment is reduced by the amount of impairment loss. Impairment loss is reversed to the extent that the recoverable amount of the investment subsequently increases.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 sum of fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture, is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income, relating to that reduction in ownership interest, if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Where the group entity transacts with an associate or joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

IMPAIRMENT OF ASSETS – At the end of each reporting period, the Group reviews the carrying amounts of its 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, or otherwise they are allocated to the smallest group of cash-generating units 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 cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

<u>Revenue from sale of goods</u>

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;
- 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.

<u>Revenue from rendering of services</u>

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 time incurred relative to the total estimated time for the installation work.
- Revenue from time and material contracts is recognised at the contractual rates as and when labour hours are delivered and direct expenses are incurred.

<u>Revenue from construction contracts</u>

Revenue and profits from construction contracts are recognised in accordance with the accounting policy on construction contracts as described in a precedent paragraph.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sale of development properties

Revenue for sales of development properties is recognised when risks and rewards of ownership of the real estate are transferred to the buyer, which may be:

(a) on a continuous transfer basis; or

(b) at a single point of time (e.g. upon or after delivery).

Under (a) (applicable to development properties in Singapore), revenue is recognised based on the percentage of completion method when the transfer of significant risks and rewards of ownership occurs as development progresses. This policy applies to residential developments sold under standard sale and purchase agreements and commercial properties sold under substantially similar terms and conditions.

For such sales, revenue is recognised based on the percentage of completion of the development activity at the end of the reporting period as estimated from surveys of work done performed by independent surveyors.

Under (b) (generally applicable to development properties outside of Singapore), revenue is recognised when the transfer of risk and rewards of ownership coincides with the time when the completed development units are delivered to the purchasers. Any progress billings received for such property sales are included in "Trade and other payables" as "Progress payments received". Such properties are carried at cost in the statement of financial position.

Profits from sale of development properties are recognised in accordance with the accounting policy on development properties as described in a precedent paragraph.

Interest income

Interest income is accrued on a time apportionment basis, by reference to the principal outstanding and the applicable effective interest rate.

Dividend income

Dividend income from investments is recognised when the shareholder's right to receive the dividend is legally established.

Rental income

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

BORROWING COSTS – Borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended sale, are added to the cost of those assets, until such time when the assets are substantially ready for their intended 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 inclusion as cost of the assets.

Borrowing costs relating to borrowings taken up specifically to finance development properties are added to the cost of the projects.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense 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.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income 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 by the end of the reporting period.

Deferred tax is recognised on differences 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.

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 asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; 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 outside profit or loss (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the respective entities operate (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 dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

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 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 relevant period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

On consolidation, exchange differences arising from the translation of income and expenses of foreign operations, 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 the translation of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in foreign currency translation reserve, a component of the Group's equity.

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 exchange rate prevailing at the end of the reporting period.

On the disposal of a foreign operation, accumulated foreign currency translation reserve related to that foreign operation is transferred from equity to profit or loss when the gain or loss on disposal is recognised.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents comprise cash on hand, cash at bank, fixed deposits 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.

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 associated 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.

3.1 Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, management has not made any judgements that will have a significant effect on the amounts recognised in the financial statements, except for judgements involving estimations as described in Note 3.2.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

3.2.1 Construction contracts and development properties

The Group recognises revenue and costs using the percentage of completion method. The stage of completion is measured by reference to certification of value of work performed to date.

Significant assumptions and judgements are involved in estimating costs to completion for both construction contracts and development of properties; and in the case of contract work, the recoverable amounts for any variation work. Estimates of cost to completion which have yet to be contracted for are based on past experience, prevailing market conditions, and factors specific to the construction or development property.

Management similarly reviews construction contracts for foreseeable losses whenever there is indication that the sum of fixed price contract and any variation sums may be lower than the total expected construction cost.

Management reviews development properties for foreseeable losses whenever there is indication that the estimated potential sales proceeds less cost to sell, may be lower than the total expected development cost. The estimated selling prices are based on selling prices for comparable developments and takes into consideration prevailing market conditions.

Management has considered the conditions of the qualifying certificates issued by the Singapore Land Authority and the conditions for remission of Additional Buyer's Stamp Duties by the Commissioner of Stamp Duties relating to the time frame for completion of phases of development and sale of residential components of development properties.

In assessing the recoverable amounts of residential properties for sale and the related costs, management considers the specific courses of action that it has taken or plans to take and expectations regarding the results of these actions. Provision is made for incremental cost relating to these conditions. Incremental cost relating to completed properties are charged to the statement of profit or loss (included in cost of sales). Incremental cost relating to properties under development are included in cost of the development property before assessing the recoverable amount and estimating any impairment loss (included in cost of sales).

The above judgements and estimates affect the amount of revenue recognised (Note 27), the cost included in cost of sales; the recognised profits included in the carrying amounts of construction contracts (Note 11) and development properties (Note 12); and the impairment loss recognised (Note 12). Management's estimates take into account known significant events and information available when the financial statements are prepared. They are subject to periodic reassessment. Current estimates may be subject to material change in future depending on market conditions and the results of actions to be taken in future.

3.2.2. Fair value of investment properties

Investment properties (Note 14) are stated at fair value, as determined by independent valuers. The valuations take into consideration prices per square metre of comparable properties and adjustment for differences such as age, size and lease period. These estimated market values may differ from the prices at which the Group's assets can be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers.

In respect of valuation of the dormitory on a completed basis, the valuer had used both (i) the investment method by capitalising the estimated annual income net of all expenses, at a rate 7.25% (2014: 7.25%); and (ii) the present value of future cash flows for an assumed 10 years (2014: 10 years) of operation followed by sale at a price based on forecast income at that time and a terminal capitalisation rate of 8.5% (2014: 7.75%). The assigned fair value falls within the range of the 2 values determined from the two methods.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

3.2.2 Fair value of investment properties (Continued)

In deriving the value of the partially completed dormitory on an "As-Is-Where-Is" basis, deduction is made by the valuer (2014: management) for estimated cost to completion.

The effects of changes in significant unobservable inputs to the valuations is as follow:

Significant unobservable inputs to the valuations	Effect of increase in unobservable inputs on valuations of properties
Adjusted price per square metre	Increased valuation
Projected revenue from completed property	Increased valuation
Projected cost to complete and to operate the property	Reduced valuation
Capitalisation rate	Increased valuation

Conversely, a decrease in the variables above will have the opposite effect from that stated above, on the valuation of the property.

3.2.3 Recoverable amount of trade and other receivables

Management assesses at the end of each reporting period whether there is any objective evidence that trade and other receivables are impaired. In making this assessment, management takes into consideration the age of debts, results of collection efforts and any significant change in credit quality of the receivables. If there is objective evidence that an impairment loss on trade and other receivables has been incurred, the amount of loss recognised in the profit or loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. Reversal of estimated losses, if any, is recognised in profit or loss. The carrying amount of the trade and other receivables is disclosed in Note 7 to the financial statements.

3.2.4 Recoverable amount of receivables from associates/joint ventures and investment in associates

(a) Dalian Shicheng Property Development (S) Pte Ltd ("DSPDS")

The Group has 25.37% equity stake in the associate, DSPDS. The ability to recover receivables from and the carrying amount of investment in DSPDS is dependent on the ability to sell the properties ("Singapore Garden") of Dalian Shicheng Property Development Co., Ltd ("DSPDC"), a subsidiary of DSPDS in Dalian, PRC at the values estimated by management and to develop the properties at the cost estimated by management. The values have been estimated by management with the assistance of an independent valuer.

In 2015, $4,811,000 of carrying amount of investment in DSPDS has been fully impaired as a result of reduction in estimated net realisable value of properties of DSPDC. The assessment of recoverable amount of investment in DSPDS is based on market value of development properties assuming full completion of partially completed units and development of remaining land.

In addition to full impairment of the investment of $4,811,000 in DSPDS in 2015, the Group has made an allowance of $19,287,000 (2014: $Nil) for impairment of receivables from DSPDS which represents all receivables from DSPDS as at December 31, 2015.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

3.2.4 Recoverable amount of receivables from associates/joint ventures and investment in associates (Continued)

(b) *Soon Zhou Investments Pte. Ltd. ("SZI") group, comprising SZI and its subsidiaries*

The Group has 50% equity stake in the joint venture, SZI. At December 31, 2015, non-current receivables of the Group include $14,548,000 (2014: $4,057,000) owing by SZI group which owns units of properties in Singapore Garden, a multi-phased mixed development project in Dalian, PRC.

In 2015, a member of the SZI group contracted with DSPDC to purchase units of properties and rights of usage of basement and car park lots in Singapore Garden for cash consideration of RMB174.9 million (equivalent to $38.1 million). Subsequent to December 31, 2015, SZI group remitted $36.0 million (equivalent to RMB165.4 million) to DSPDC using a $23.0 million bank loan (Note 3.2.5) and funds totalling $13.0 million equally contributed by the Company and a Joint Guarantor. Transfer of ownership of the property units to SZI group in accordance with PRC regulations is in progress and is expected to complete within 2016.

After considering the financial position of SZI group and the valuation of the properties in Singapore Garden at December 31, 2015 by an independent valuer, management expects the amount of $14,548,000 to be recoverable from SZI group. In making this assessment, significant assumptions include the ability of DSPDC to complete the development of certain partially completed units included in the sale to SZI group and the ability of SZI group to realise the estimated values of the properties.

(c) *Associate in Singapore*

The Group has made an impairment loss of $2,900,000 for receivables from an associate after projecting the net realisable amounts from sale of completed properties of the associate and the additional cost for extension of certain government regulation. The amount which would ultimately be recoverable will be impacted by any change in these projections.

3.2.5 Assessment of contingent liabilities for guarantees given in connection with bank loans of DSPDS group and SZI group (entities described in Note 3.2.4)

(i) The Company (2014: A subsidiary) together with another shareholder (the "Joint Guarantor") of the associate, DSPDS, provided joint and several corporate guarantees to a bank for credit facilities utilised by DSPDS to lend to its subsidiary, DSPDC for development of the Singapore Garden. At December 31, 2015, the outstanding bank loan of DSPDS was $23.0 million (2014: $24.5 million).

(ii) The Company, together with the Joint Guarantor, provided joint and several corporate guarantees to a bank for a development loan facility utilised by DSPDC. At December 31, 2015, the outstanding bank loan of DSPDC was RMB160.3 million (approximately $34.9 million) (2014: RMB160.3 million approximately $34.5 million). In February 2016, DSPDC repaid this bank loan using funds remitted by SZI group to DSPDC in connection with the purchase of units of properties by SZI group from DSPDC (Note 3.2.4 (b)).

(iii) In 2015, the Company and the Joint Guarantor provided joint and several guarantee to a bank for a $23.0 million bank loan taken by SZI to fund part of the acquisition of properties from DSPDC (Note 3.2.4 (b)).

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

3.2.5 Assessment of contingent liabilities for guarantees given in connection with bank loans of DSPDS group and SZI group (entities described in Note 3.2.4) (Continued)

The outstanding bank loans of DSPDS, DSPDC and SZI which are covered by joint and several guarantees from the Company and a Joint Guarantor amounted to $80.9 million at December 31, 2015 (2014: $59.0 million). Arising from settlement of DSPDC's bank loan subsequent to December 31, 2015, the aggregate outstanding bank loans covered by the guarantees reduced to $46.0 million comprising $23.0 million for DSPDS (paragraph (i) above); and (ii) $23.0 million for SZI (paragraph (iii) above).

In assessing whether the Group needs to record any liability in respect of the above joint and several guarantees, management engaged an independent valuer to estimate the gross development value ("GDV") of the properties of DSPDC as at December 31, 2015 which is the projected value upon full completion of development of units which are currently partially developed or yet to be developed. The valuation also includes the market value in existing state at December 31, 2015 which is the GDV less all cost to complete, marketing cost, sales tax and developers' profit.

Based on these estimates, management expects that DSPDC will be able to realise sufficient proceeds to repay its loan from DSPDS and in turn for DSPDS to pay the bank loan referred to in paragraph (i) above.

Management expects that future sales proceeds from units purchased by SZI from DSPDC will be sufficient for SZI to repay the bank loan referred to in paragraph (iii) above.

It is anticipated that the Group together with the Joint Guarantor will be required to fund instalment payments due on the bank loans and cash required to continue development of partially completed units of DSPDC included in the purchase contract referred to in Note 3.2.4 (b) and development of the currently undeveloped land. However, such payments are expected to be recovered subsequently from the eventual sale of DSPDC properties.

Based on the above assessment, management has made the judgement that (a) as of December 31, 2015, no provision for loss need to be made in connection with the bank guarantees; and (b) with the full impairment of the Group's investment in and advances given to DSPDS at December 31, 2015, the Group discontinues recognition of any share of losses of DSPDS group in 2015.

The above assessment is based on the best estimates of net cash flows which may be realised from sale of properties of DSPDC and is highly dependent on estimates of cost to complete the partially completed units, the ability to sell the properties for the estimated amounts, the timing of sale relative to timing of repayment of bank loans and the assumption that the Joint Guarantor will jointly fund 50% of instalment payments due on the bank loans and jointly provide any cash required to continue development of the partially completed units of DSPDC and the remaining land of DSPDC.

Management will monitor the above projections, reassess the judgements and accounting estimates periodically.

3.2.6 Useful life of property, plant and equipment

As described in Note 2, the management reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. These estimates have been made based on past experience relating to useful lives of equipment and are also subject to assumptions about future deployment of assets.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Derivative financial instrument	**783**	–	**–**	–
Loans and receivables at amortised cost (including cash and cash equivalents)	**284,990**	301,171	**106,303**	107,083
Financial liabilities				
Amortised cost	**506,754**	462,236	**75,561**	76,425

The Company does not have any significant financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

(b) Financial risk management policies and objectives

The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group arising from market risk (including pricing risk, foreign exchange risk, interest rate risk), credit risk and liquidity risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no 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 analysis indicated below.

(i) Foreign exchange risk management

The Group's exposure to foreign currency risk is minimal as the Group transacts primarily in Singapore dollars. The Group has some investments in foreign subsidiaries and associates, whose net assets are exposed to currency translation risk. As far as possible, the Group relies on natural hedges of matching foreign currency denominated assets and liabilities of the same currency. The Group does not have any derivative financial instruments relating to foreign currency risk.

(ii) Interest rate risk management

The Group's exposure to interest rate risk relates primarily to debt obligations. The interest rates for borrowings are stated in Note 21 to the financial statements.

The Group may from time to time enter into derivative financial instruments to manage its exposures to interest rate risk. In 2015, the Group entered into a financial derivative contract to cap interest rates on borrowings (Note 19).

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(ii) Interest rate risk management (Continued)

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and on the assumption that the change took place at the beginning of a financial year and is held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions.

Had interest rates been 50 basis points higher or lower and all other variables were held constant, the amount of interest capitalised as part of the Group's property development as at December 31, 2015 would have increased/decreased by $1,293,000 (2014: increased/decreased by $1,147,000); and the Group's loss for the financial year ended December 31, 2015 would have increased/decreased by $127,000 (2014: Group's profit decreased/increased by $29,000).

Had interest rates been 50 basis points higher or lower and all other variables were held constant, the Company's profit for the financial year ended December 31, 2015 would have increased/decreased by $460,000 (2014: increased/decreased by $346,000).

(iii) Credit risk management

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Group. Before accepting any new customer, management assesses the potential customer's credit quality and defines credit limits by customer. Limits granted to customers are reviewed periodically. The Group's exposure to credit risks and the credit limits to counterparties are continuously monitored. The Group monitors collections due and follow up with debtors as part of the credit management process.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and the exposure to calls on corporate guarantees above, represents the Group's and Company's maximum exposure to credit risk without taking into account of the value of any collateral which can reduce the exposure.

The amounts presented in the statements of financial position are net of allowances for doubtful receivables. An allowance for impairment on the receivables is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Trade receivables consist of a number of customers from the construction and real estate industry. The Group does not have any significant credit risk exposure to any single counterparty or any group of related counterparties. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with good credit-ratings.

The Group's exposure to credit risk on receivables arising from the sale of condominium units under development is not considered significant as payments are arranged through loans taken by customers with financial institutions. In the absence of such arrangement the Group has recourse to the physical asset if the buyer defaults in payment.

The Group carries out construction work mainly for the private sector. Credit risks are taken into consideration in the decision to participate in tenders for construction contracts.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(iii) Credit risk management (Continued)

Rental deposits are received as security from tenants of its investment properties.

At December 31, 2015, the maximum aggregate amount the Group can be liable under all the guarantees in Notes 36 (a) and (b) are approximately $85.0 million (2014: $59.0 million). Subsequent to year-end, the aggregate outstanding bank borrowings covered by the guarantees had been reduced to $46.9 million upon settlement of certain guaranteed bank borrowings.

The maximum amount the Company could be liable to settle under the corporate guarantees given to banks in connection with facilities utilised by the subsidiaries is stated in Note 21.

Management monitors the financial performance of the parties in respect of which the Group or the Company has provided guarantees to third parties.

(iv) Liquidity risk management

Management projects the cash flows of the Group and takes actions to arrange for financing to mitigate the risk of mismatch of cash inflows and outflows.

Liquidity risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents future interest which are not included in the carrying amount of the financial liability on the statements of financial position.

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Financial liabilities						
Group						
2015						
Non-interest bearing		**96,788**	**–**	**–**	**–**	**96,788**
Finance leases (fixed rate)	**3.5**	**323**	**475**	**–**	**(72)**	**726**
Fixed interest rate instruments	**5.3**	**77,792**	**–**	**–**	**(3,204)**	**74,588**
Variable interest rate instruments	**3.0**	**108,445**	**156,090**	**80,246**	**(10,129)**	**334,652**
		283,348	**156,565**	**80,246**	**(13,405)**	**506,754**
2014						
Non-interest bearing		104,640	–	–	–	104,640
Finance leases (fixed rate)	3.5	470	753	–	(110)	1,113
Fixed interest rate instruments	5.3	3,938	77,275	–	(7,131)	74,082
Variable interest rate instruments	2.7	93,699	147,427	48,843	(7,568)	282,401
		202,747	225,455	48,843	(14,809)	462,236

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(iv) Liquidity risk management (Continued)

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Company						
2015						
Non-interest bearing	**–**	**973**	**–**	**–**	**–**	**973**
Fixed interest rate instruments	**5.3**	**77,792**	**–**	**–**	**(3,204)**	**74,588**
		78,765	**–**	**–**	**(3,204)**	**75,561**
2014						
Non-interest bearing	–	2,343	–	–	–	2,343
Fixed interest rate instruments	5.3	3,938	77,275	–	(7,131)	74,082
		6,281	77,275	–	(7,131)	76,425

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The adjustment column represents the future interest which is not included in the carrying amount of the financial asset on the statements of financial position.

	Weighted average effective interest rate %	On demand or within 1 year $'000	Adjustment $'000	Total $'000
Financial assets				
Group				
2015				
Non-interest bearing	**–**	**213,838**	**–**	**213,838**
Variable interest rate	**2.1**	**52,052**	**(1,270)**	**50,782**
Fixed interest rate instruments	**0.8**	**20,382**	**(12)**	**20,370**
		286,272	**(1,282)**	**284,990**

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(b) Financial risk management policies and objectives (Continued)

(iv) Liquidity risk management (Continued)

	Weighted average effective interest rate %	On demand or within 1 year $'000	Adjustment $'000	Total $'000
Financial assets				
Group				
2014				
Non-interest bearing	–	207,741	–	207,741
Variable interest rate	3.3	48,783	(1,557)	47,226
Fixed interest rate instruments	1.4	46,316	(112)	46,204
		302,840	(1,669)	301,171
Company				
2015				
Non-interest bearing	**–**	**14,350**	**–**	**14,350**
Variable interest rate	**5.3**	**97,162**	**(5,209)**	**91,953**
		111,512	**(5,209)**	**106,303**
2014				
Non-interest bearing	–	20,382	–	20,382
Variable interest rate	5.3	72,811	(3,658)	69,153
Fixed interest rate instruments	0.3	17,550	(2)	17,548
		110,743	(3,660)	107,083

(v) Fair value of financial assets and liabilities

The carrying amounts of cash and bank balances, trade and other current receivables and payables, and other liabilities approximate their respective fair values due to relatively short-term maturity of these financial instruments.

The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair value of interest rate cap (Note 19) is classified as Level 2 of the fair value hierarchy as defined in Note 2 to the financial statements.

(c) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while optimising the return to stakeholders through a mix of equity balance and debts which comprise bank borrowings (Note 21), finance leases (Note 23) and term notes (Note 24).

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONTINUED)

(c) Capital risk management policies and objectives (Continued)

Management reviews the capital structure on an annual basis. As a part of this review, management considers the cost of capital; and the tenures and risks associated with each class of capital. Management also reviews compliance with financial covenants associated with borrowings. The Group can balance its overall capital structure through issuance of new debt or the redemption of existing debt, issuance of new shares or payment of dividends. The Group's overall strategy for capital risk management remains unchanged from the previous years.

5 RELATED COMPANY AND RELATED PARTY TRANSACTIONS

Some of the transactions and arrangements are between members of the Group and with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Transactions between members of the Group have been eliminated on consolidation and are not disclosed.

Transactions with related parties during the year were as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Income from associates		
Construction revenue	**50,930**	48,406
Interest income	**1,046**	1,487
Project management services	**–**	60
Accounting and administrative services	**218**	96
Income from/(Expenses charged by) companies in which certain directors have control		
Sales and service of air-conditioners	**32**	16
Maintenance income	**40**	40
Management fee income	**493**	777
Rental income	**106**	110
Medical fee expense	**(117)**	(102)
Miscellaneous expenses	**(88)**	(81)
Dormitory rental expense	**(282)**	(185)
Miscellaneous income	**18**	3
Director		
Construction revenue	**2,820**	1,148

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

5 RELATED COMPANY AND RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of directors and key management personnel

The remuneration of directors and other key management personnel during the year was as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Short-term benefits	**3,139**	4,621

The remuneration of directors and other key management personnel is determined by the Remuneration Committee having regard to the financial performance of the Group, the performance of individuals and market trends.

6 CASH AND BANK BALANCES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and in hand	**58,516**	80,036	**666**	15,048
Fixed deposits	**20,370**	36,767	**–**	17,548
	78,886	116,803	**666**	32,596
Less: Pledged fixed deposits	**(3,090)**	(1,092)	**–**	–
	75,796	115,711	**666**	32,596

Cash and bank balances comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximate their fair values.

Fixed deposits bear interest ranging from 0.20% to 1.20% (2014: 0.20% to 0.68%) per annum and for tenures ranging 1 to 30 months (2014: 1 to 12 months). Some of the fixed deposits are pledged as security for trade facilities granted by banks to subsidiaries.

Included in the cash and bank balances of the Group is an amount of $2,746,000 (2014: $13,399,000) held under the Housing Developers (Project Account) Rules, withdrawals from which are restricted to payments for expenditure incurred on the respective development properties.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

7 TRADE AND OTHER RECEIVABLES

	Group			Company		
	December 31, 2015 $'000	December 31, 2014 $'000 (Restated) (Note 38(a))	January 1, 2014 $'000 (Restated) (Note 38(a))	December 31, 2015 $'000	December 31, 2014 $'000 (Restated) (Note 38(a))	January 1, 2014 $'000 (Restated) (Note 38(a))
Trade receivables from:						
Sale of goods and services	**4,434**	3,478	2,422	**–**	–	–
Property development customers	**51,923**	1,613	37,636	**–**	–	–
Construction contract customers:						
– Billed/Certified	**26,229**	35,392	40,241	**–**	–	–
– Unbilled (Note 11)	**9,203**	12,832	2,333	**–**	–	–
Retention monies on contract work:						
– Associates (Note 5)	**6,784**	6,249	3,742	**–**	–	–
– Third parties	**26,740**	26,939	32,088	**–**	–	–
Associates (Note 5)	**5,093**	23,196	14,379	**–**	–	–
Joint ventures (Note 5)	**4,219**	–	–	**–**	–	–
Companies in which certain directors have control (Note 5)	**3**	226	5	**–**	–	–
Less: Allowance for doubtful receivables						
– Associates (Note 5)	**(57)**	(57)	(57)	**–**	–	–
– Third parties	**(1,114)**	(877)	(858)	**–**	–	–
	133,457	108,991	131,931	**–**	–	–
Other receivables due from:						
Third parties	**1,356**	198	73	**24**	111	29
Associates (Note 5)	**91,311**	64,083	59,172	**–**	–	–
Joint ventures (Note 5)	**221**	–	–	**–**	–	–
Less: Allowance for doubtful receivables						
– Associates (Note 5)	**(22,187)**	–	–	**–**	–	–
Companies in which certain directors have control (Note 5)	**97**	90	39	**–**	–	–
Subsidiaries	**–**	–	–	**105,611**	74,374	33,629
	70,798	64,371	59,284	**105,635**	74,485	33,658
Staff loans	**18**	72	65	**–**	–	–
Less: Allowance for doubtful receivables	**–**	(17)	(17)	**–**	–	–
	18	55	48	**–**	–	–
Total trade and other receivables	**204,273**	173,417	191,263	**105,635**	74,485	33,658
Current	**137,012**	106,626	131,008	**9,732**	6,125	12,763
Non-current	**67,261**	66,791	60,255	**95,903**	68,360	20,895
	204,273	173,417	191,263	**105,635**	74,485	33,658

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

7 TRADE AND OTHER RECEIVABLES (CONTINUED)

Credit periods generally range from 30 to 60 days (2014: 30 to 60 days). No interest is charged on overdue trade receivables. Interest is charged at 2.5% to 5.3% (2014: 2.5% to 5.3%) per annum by the Group and Company on other receivables due from associates and subsidiaries. For the purpose of determining present values of retention monies, the discount rate is 5% (2014: 5%) per annum. Retention sums are classified as current as they are expected to be received within the Group's normal operating cycle.

The Company's other receivables due from subsidiaries are repayable on demand.

The table below is an analysis of trade and other receivables:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Not past due and not impaired[i]	**200,837**	169,930	**105,635**	74,485
Past due but not impaired[ii]	**3,436**	3,487	**–**	–
Impaired receivables				
– individually assessed and past due more than 12 months	**23,358**	951	**–**	–
Less: Allowance for doubtful receivables	**(23,358)**	(951)	**–**	–
Total trade and other receivables, net	**204,273**	173,417	**105,635**	74,485

[i] There has not been a significant change in credit quality of trade receivables that are not past due and not impaired.
[ii] Aging of receivables that are past due but not impaired.

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
< 3 months	**1,333**	2,029	**–**	–
3 months to 6 months	**223**	365	**–**	–
6 months to 12 months	**1,342**	591	**–**	–
> 12 months	**538**	502	**–**	–
	3,436	3,487	**–**	–

Management expects the above past due debts which are not impaired to be recoverable as there has not been a significant change in credit quality. The Group does not hold any collateral over these balances.

Movement in the allowance for impairment of doubtful trade and non-trade receivables:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Balance at beginning of the year	**951**	932	**–**	–
Amounts recovered during the year	**(6)**	(40)	**–**	–
Bad debts written off	**(17)**	–	**–**	–
Increase in allowance recognised in profit or loss during the year	**22,430**	59	**–**	–
Balance at end of the year	**23,358**	951	**–**	–

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

8 DEPOSITS AND PREPAYMENTS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Deposits placed with third parties	**1,831**	1,514	**2**	2
Prepayments	**2,228**	1,743	**18**	23
	4,059	3,257	**20**	25

9 AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2015	**2014**
	$'000	**$'000**
Quoted debt securities, at fair value	**–**	9,437

The fair value measurements of the quoted debt securities are classified within Level 1 of the fair value hierarchy and are determined based on quoted bid prices in an active market.

10 INVENTORIES

	Group	
	2015	**2014**
	$'000	**$'000**
Goods held for sale	**5,763**	4,871

The cost of inventories recognised as an expense for the financial year amounted to $13,973,000 (2014: $12,681,000).

11 CONSTRUCTION CONTRACTS

	Group	
	2015	**2014**
	$'000	**$'000**
Contract work-in-progress at end of the reporting period:		
Costs incurred plus recognised profits less foreseeable losses	**979,247**	773,949
Less: Progress billings	**(1,007,989)**	(812,069)
	(28,742)	(38,120)
Represented by:		
Amounts due from contract customers included in trade and other receivables (Note 7)	**9,203**	12,832
Amounts due to contract customers included in trade and other payables (Note 22)	**37,945**	50,952

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

12 DEVELOPMENT PROPERTIES

	Group	
	2015	2014
	$'000	$'000
Completed development properties	**5,532**	–
Properties under development:		
Costs incurred plus recognised profits less foreseeable losses	**163,301**	298,467
Less: Progress billings	**(3,799)**	(63,011)
	159,502	235,456
	165,034	235,456

Development properties with revenue recognised based on percentage of completion method

	Group	
	2015	2014
	$'000	$'000
Revenue from sold development properties recognised during the year	**64,498**	63,165
Costs incurred plus recognised profits less foreseeable losses as at December 31	**113,594**	256,791
Advances received (included in Advance payment received in Note 22)	**2,265**	7,254

Development properties are classified as current assets in accordance with Financial Reporting Standard 1 as they are expected to be realised in the normal operating cycle.

The carrying amount of development properties which are mortgaged to banks as security for credit facilities obtained by the Group (Note 21) amounted to $123,106,000 (2014: $235,456,000).

The cost of development properties include the following items which have been charged during the year:

	Group	
	2015	2014
	$'000	$'000
Property tax capitalised	**631**	687
Interest expense capitalised (Note 30)	**3,896**	3,667
Impairment loss on development properties	**24,691**	5,001
Liquidated damages for development property	**–**	428

The weighted average rate of capitalisation of the interest expenses for the financial year ended 2015 is 3.1% (2014: 3.1%) per annum.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

12 DEVELOPMENT PROPERTIES (CONTINUED)

Particulars of the development properties as at December 31, 2015 are as follows:

Description	Location	Approximate saleable area (Sq. Metres)	Completed/ estimated date of completion	Tenure	Site area (Sq. Metres)
Properties in Singapore					
The Cristallo (Residential)	70 & 72 – 76B Lorong K Telok Kurau Road	482*	Completed	Freehold	3,227
Terra Villas (Residential)	19, 21, 23 & 25 Jalan Sayang	2,231	September 2016	Freehold	1,278
Ascent@456 (Commercial and residential)	456 Balestier Road	2,805	December 2017	Freehold	1,084
Residential development	12 Shan Road	5,170	June 2017	Freehold	2,058
Properties in Thailand					
De Iyara Share (Commercial and residential)	Klong Luang District Pathum Thani, Thailand	80*	Completed	Freehold	8,000
De Iyara Grande (Commercial and residential)	Klong Luang District Pathum Thani, Thailand	7,200	March 2016	Freehold	16,000
Property in Cambodia					
The Gateway (Commercial and residential)	Russian Boulevard, Phnom Penh, Cambodia	70,600	December 2019	Freehold	20,515

* Area of completed units yet to be sold/delivered.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

13 PROPERTY, PLANT AND EQUIPMENT

	Freehold properties $'000	Leasehold properties $'000	Properties under construction $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group						
Cost:						
At January 1, 2014	638	19,850	–	21,328	4,267	46,083
Additions	178	158	14,125	2,373	1,634	18,468
Transfer from investment property (Note 14)	–	1,140	–	–	–	1,140
Exchange differences	9	–	–	22	18	49
Disposals	–	–	–	(108)	(359)	(467)
At December 31, 2014	825	21,148	14,125	23,615	5,560	65,273
Additions	390	7	6,599	2,497	839	10,332
Transfer from property under construction	9,230	–	(9,230)	–	–	–
Exchange differences	(261)	(27)	–	(119)	(67)	(474)
Written off	(509)	–	–	(31)	–	(540)
Disposals	–	–	–	(804)	(88)	(892)
At December 31, 2015	**9,675**	**21,128**	**11,494**	**25,158**	**6,244**	**73,699**
Accumulated depreciation:						
At January 1, 2014	197	7,771	–	14,946	2,307	25,221
Depreciation	35	708	–	3,292	758	4,793
Exchange differences	3	–	–	6	4	13
Disposals	–	–	–	(108)	(302)	(410)
At December 31, 2014	235	8,479	–	18,136	2,767	29,617
Depreciation	76	735	–	3,218	874	4,903
Exchange differences	4	(3)	–	(48)	(28)	(75)
Written off	(233)	–	–	(10)	–	(243)
Disposals	–	–	–	(624)	(64)	(688)
At December 31, 2015	**82**	**9,211**	**–**	**20,672**	**3,549**	**33,514**
Carrying amount:						
At December 31, 2015	**9,593**	**11,917**	**11,494**	**4,486**	**2,695**	**40,185**
At December 31, 2014	590	12,669	14,125	5,479	2,793	35,656

(a) The carrying amount of the Group's property, plant and equipment includes $1,331,000 (2014: $1,900,000) of assets held under finance leases (Note 23).

(b) In 2015, all acquisitions were paid without the use of finance leases. In 2014, $751,000 of the acquisitions made within the year were through finance leases and cash payments of $17,717,000 were made.

(c) All leasehold properties were mortgaged to banks as security for credit facilities obtained by the Group (Note 21).

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Details of properties are as follows:

Location	Description	Title	Gross area (Sq. Metres)
1 Jalan Berseh #03-01, #03-02, #03-03, #03-04, #03-05 #03-07/08/09 and #03-16 New World Centre Singapore 209037	Commercial	Leasehold (99 years from March 31, 1994)	1,100
53 Sungei Kadut Loop Singapore 729502	Warehouse/ dormitory	Leasehold (30 years from March 16, 1995)	4,211
67/67A Sungei Kadut Drive Singapore 729567	Premises for provision of engineering services/ dormitory	Leasehold (30 years from December 16, 1990)	6,168
Tuas South Street 11 Singapore	Warehouse*	Leasehold (20 years and 10 months from October 21, 2014)	10,000
No. 224, 232/1-7 & 232/9 Okkiam Thoraippakkam Industrial Estate Chennai 600096 India	Vacant, previously used as test centre	Freehold	8,986
No. 23 Vengadamangalam Village Chengalpet Taluk Kancheepura District Chennai 600048 India	Test centre	Freehold	17,685
Lot 3712, Batu 28 Jalan Johor Mukim Rimba Terjun Pontian, 82001 Johor	Factory for manufacturing of pre-cast concrete components	Freehold	3,748

* Property under construction.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

14 INVESTMENT PROPERTIES

	Group	
	2015 $'000	2014 $'000
At fair value		
Balance at beginning of the year	**192,669**	60,175
Addition during the year	**57,417**	132,194
Transfer to property, plant and equipment (Note 13)	**–**	(1,140)
Changes in fair value included in profit or loss	**19,189**	1,440
Balance at end of the year	**269,275**	192,669

Details of the investment properties are as follows:

Location	Description	Title	Gross area (Sq. Metres)
1 Jalan Berseh, #B1-02 to #B1-22, #01-03, #01-15, #01-16, #02-02 to #02-28, #03-10 to #03-15 New World Centre, Singapore 209037	Commercial	Leasehold (99 years from March 31, 1994)	4,360
83 Sungei Kadut Drive Singapore 729566	Industrial	Leasehold (29 years from October 16, 1991)	4,701
Tuas South Street 13 Singapore	Dormitory under construction	Leasehold (20 years from July 7, 2014)	52,038
1 Leonie Hill Road, #28-01 Leonie Hill Residences, Singapore 239191	Residential	Freehold	260
586 Balestier Road #02-04 & #03-04, Singapore 329898	Residential	Freehold	260

The fair values of the Group's investment properties have been determined on the basis of valuations carried out at or close to the respective year end dates by independent qualified valuers experienced in the location and category of the properties being valued. The valuations were arrived at by reference to market evidence of transacted prices per square metre in the open market for comparable properties, adjusted for differences such as location, age and size. With regard to the dormitory under construction, independent valuers have also used the discounted cash flow method, and deducted the cost of outstanding work to be incurred to determine the market value on an "As-Is-Where-Is" basis.

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. Fair value measurements of the Group's investment properties at December 31, 2015 and 2014 are classified as Level 3 in the fair value hierarchy, as defined in Note 2 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

14 INVESTMENT PROPERTIES (CONTINUED)

The fair values of the Group's investment properties are sensitive to unobservable adjustments to the prices per square metre. The adjusted prices per square metre used in estimating fair values of the investment properties ranged from $9,700 to $19,000 (2014: $9,700 to $19,000) per square metre for commercial units; ranged from $10,000 to $19,000 (2014: $10,000 to 19,000) per square metre for residential units; is equivalent to $574 (2014: $404) per square metre for industrial units; and equivalent to an average of $4,000 (2014: $2,500) per square metre for the dormitory. The change in the fair value of the dormitory result from completion of certain blocks in the whole development within 2015. Any change to the unobservable inputs, to the extent that they increase or decrease the price per square metre, will result in a corresponding increase or decrease in the fair values of the respective properties.

All investment properties are mortgaged to banks as security for credit facilities obtained by the Group (Note 21).

Rental income from operating lease of the Group's investment properties amounted to $1,493,000 (2014: $1,417,000). Direct operating expenses (including repairs and maintenance) incurred for these investment properties amounted to $582,000 (2014: $500,000).

15 GOODWILL

	Group	
	2015	**2014**
	$'000	**$'000**
At cost	**2,595**	2,595

Goodwill acquired in a business combination is allocated, at acquisition, to the following cash generating units ("CGUs") that are expected to benefit from that business combination:

	Group	
	2015	**2014**
	$'000	**$'000**
Cash-generating units		
Tiong Aik Resources (S) Pte Ltd and its subsidiary	**1,728**	1,728
Sino Tac Resources Pte Ltd	**835**	835
Others	**32**	32
	2,595	2,595

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Tiong Aik Resources (S) Pte Ltd has been profit-generating for the past 2 years and management expects profits in future. The fair value of a property owned by the CGU has since increased by an amount which exceeds the amount of goodwill. The value of the property was determined by an independent valuer.

Sino Tac Resources Pte Ltd has been profit-generating for the past 2 years and management expects profits in future.

Goodwill of other CGUs are immaterial.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

16 SUBSIDIARIES

	Company 2015 $'000	Company 2014 $'000
Unquoted equity shares at cost	**116,965**	116,965

Details of the Company's significant subsidiaries are as follows:

Name of significant subsidiaries	Principal activities/ Country of incorporation and operations	Group's proportion of ownership interest and voting power held 2015 %	2014 %
Aston Air Control Pte Ltd	Installation and Contractor of air conditioning servicing of air conditioning systems/Singapore	**90**	90
Credence Engineering Pte. Ltd.	Building, construction, engineering, and civil works/Singapore	**100**	100
Meadows Investment Pte. Ltd.	Investment holding/Singapore	**100**	100
Sino Holdings (S'pore) Pte Ltd	Investment holding/Singapore	**100**	100
SinoTac Builder's (S) Pte. Ltd.	Building construction/Singapore	**100**	100
Tiong Aik Construction Pte Ltd	Building construction/Singapore	**100**	100
Tiong Aik Development Pte. Ltd.	Real estate development/Singapore	**100**	100
Tiong Aik Holding Pte Ltd	Real estate development/Singapore	**100**	100
Tiong Aik Investments Pte Ltd	Real estate development/Singapore	**100**	100
Sino Tac Resources Pte Ltd	Trading in lubricants/Singapore	**100**	100
Held by Sino Holdings (S'pore) Pte Ltd			
TA Realty Pte. Ltd.	Real estate development/Singapore	**100**	100
Nexus Point Investments Pte. Ltd.	Dormitory operator/Singapore	**62**	62
TACC (C.R) Ltd.	Real estate development/Cambodia	**85**	85
Held by SinoTac Builder's (S) Pte Ltd			
Quest Homes Pte. Ltd.	Real estate development/Singapore	**100**	100
Held by Tiong Aik Construction Pte Ltd			
Tiong Aik Resources (S) Pte Ltd	Investment holding, general wholesale trade (including general importers and exporters)/Singapore	**57**	57

All subsidiaries above are audited by Deloitte & Touche LLP, Singapore.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

17 ASSOCIATES AND JOINT VENTURES

	Group 2015 $'000	Group 2014 $'000
Associates		
Cost of investment in associates	**10,074**	10,073
Add: Additional investment	**–**	1
	10,074	10,074
Impairment loss in an associate, charged to profit or loss	**(4,811)**	–
Share of post-acquisition losses, net of dividend received	**(5,548)**	(5,760)
	(285)	4,314
Joint ventures		
Cost of investment in joint ventures	**8,824**	–
Share of post-acquisition losses	**(1,036)**	–
	7,788	–
Interest in an unincorporated joint venture	**2,216**	2,216
Total of associates and joint venture	**9,719**	6,530

(a) Details of the Group's significant associates and joint ventures are as follows:

	Principal activities/ Country of incorporation and operations	Effective equity interest 2015 %	Effective equity interest 2014 %	Proportion of ownership and voting power held 2015 %	Proportion of ownership and voting power held 2014 %
Associates					
Held by Sino Holdings (S'pore) Pte Ltd (Note 16)					
Meadows Bright Development Pte Ltd[1]	Real estate development/Singapore	**50**	50	**50**	50
Dalian Shicheng Property Development (S) Pte. Ltd.[1]	Investment holding/Singapore	**25.37**	25.37	**25.37**	25.37
Held by Dalian Shicheng Property Development (S) Pte Ltd					
Dalian Shicheng Property Development Co., Ltd.[2]	Development of properties/ People's Republic of China	**25.37**	25.37	**25.37**	25.37
Held by Meadows Bright Development Pte Ltd					
Meadows Property (S'pore) Pte Ltd[1][3]	Real estate development/Singapore	**44.45**	44.45	Refer to footnote (3)	
Bukit Timah Green Development Pte. Ltd.[3][4]	Real estate development/Singapore	**25**	25	Refer to footnote (3)	

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

17 ASSOCIATES AND JOINT VENTURES (CONTINUED)

(a) Details of the Group's significant associates and joint ventures are as follows:

Name of significant associates and joint ventures	Principal activities/ Country of incorporation and operations	Effective equity interest 2015 %	2014 %	Proportion of ownership and voting power held 2015 %	2014 %
Joint Ventures					
Held by Sino Holdings (S'pore) Pte Ltd (Note 16)					
Soon Zhou Investments Pte. Ltd.[5]	Investment holding/Singapore	**50**	50	**50**	50
Eternal Synergy Pte. Ltd.[1]	Trading/Singapore	**50**	–	**50**	–
Synergy Truck Pte. Ltd.[1]	Trading/Singapore	**50**	–	**50**	–
Synergy Performance Oil Pte. Ltd.[1]	Trading/Singapore	**50**	–	**50**	–
Viva Energia Pte. Ltd.[1]	Trading/Singapore	**50**	–	**50**	–

All of the above associates and joint ventures are accounted for using the equity method in these consolidated financial statements.

(1) Audited by Deloitte & Touche LLP, Singapore

(2) Dalian Shicheng Property Development Co., Ltd. is a wholly-owned subsidiary of Dalian Shicheng Property Development (S) Pte. Ltd. The entity is audited by an overseas practice of Deloitte Touche Tohmatsu Limited.

(3) Meadows Bright Development Pte Ltd, a 50% held associate, owns 88.89% (2014: 88.89%) of the equity in Meadows Property (S'pore) Pte Ltd, and 50% (2014: 50%) of the equity interest in Bukit Timah Green Development Pte. Ltd.

(4) Bukit Timah Green Development Pte. Ltd. is audited by Ernst & Young LLP.

(5) Soon Zhou Investments Pte. Ltd. is audited by another firm of auditors.

(b) Summarised financial information in respect of each of the Group's material associates is set out below.

Meadows Bright Development Pte Ltd and its subsidiaries

	2015 $'000	2014 $'000
Current assets	**142,993**	189,972
Non-current assets	**5,898**	391
Current liabilities	**(150,801)**	(191,576)
Non-controlling interests	**1,058**	126
Capital deficiency	**(852)**	(1,087)
Revenue	**30,788**	18,571
Loss for the year, representing total comprehensive loss for the year	**(697)**	(84)

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

17 ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) Summarised financial information in respect of each of the Group's material associates is set out below.

Reconciliation of the above summarised financial information to the carrying amount of the interest in Meadows Bright Development Pte Ltd recognised in the consolidated financial statements:

	2015 $'000	2014 $'000
Net liabilities of the associate	**(852)**	(1,087)
Proportion of the group's ownership in the associate	**50%**	50%
Carrying amount of the group's interest in the associate	**(426)**	(544)

Dalian Shicheng Property Development (S) Pte. Ltd. ("DSPDS") and its subsidiary, Dalian Shicheng Property Development Co., Ltd. ("DSPDC")

	2015 $'000	2014 $'000
Current assets	**60,185**	98,319
Non-current assets	**118**	138
Current liabilities	**(131,765)**	(111,053)
Capital deficiency	**(71,462)**	(12,596)
Revenue	**293**	10,608
Loss for the year	**(59,043)**	(4,524)
Other comprehensive income for the year	**177**	479
Total comprehensive loss for the year	**(58,866)**	(4,045)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Dalian Shicheng Property Development (S) Pte. Ltd. recognised in the consolidated financial statements:

	2015 $'000	2014 $'000
Net liabilities of the associate	**(71,462)**	(12,596)
Proportion of the group's ownership in the associate	**25.37%**	25.37%
	(18,130)	(3,196)
Pre-acquisition losses not recorded by the Group	**8,007**	8,007
	(10,123)	4,811
Carrying amount of the group's interest in the associate comprising cost plus share of post-acquisition results of the associate	–	4,811

At December 31, 2015, management considers the amount of investment in DSPDS to be fully impaired as explained in Note 3.2.4 (a).

At December 31, 2014, management considers the amount of investment in DSPDS to be recoverable on the basis set out in Note 3.2.4 (a).

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

17 ASSOCIATES AND JOINT VENTURES (CONTINUED)

(c) Aggregate information of other associates that are not individually material

	2015 $'000	2014 $'000
The Group's share of profit for the year	**99**	43
The Group's share of other comprehensive income	**9**	4
The Group's share of total comprehensive income	**108**	47
Aggregate carrying amount of the Group's interests in these associates	**141**	47

(d) Aggregate information of joint ventures that are not individually material

	2015 $'000	2014 $'000
The Group's share of loss for the year	**(634)**	–
The Group's share of other comprehensive loss	**(327)**	–
The Group's share of total comprehensive loss	**(961)**	–
Aggregate carrying amount of the Group's interests in these joint ventures	**7,788**	–

(e) The Group's 49% interest in an unincorporated joint venture is recorded at cost contributed towards acquisition of land. The joint venture has no operating results.

18 OTHER NON-CURRENT ASSETS

	Group	
	2015 $'000	2014 $'000
Club memberships, at cost	**416**	416
Less: Impairment loss	**(98)**	(16)
	318	400

19 DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2015 $'000	2014 $'000
Interest rate cap	**783**	–

The interest rate cap protects against increases in interest rates by capping the maximum rate payable when the floating interest rate (Singapore Swap Offer Rate) exceeds the cap. The Group receives the difference between the capped rate of 1.5% and the floating rate. The nominal amount of the contract is $50 million and the period of the protection is up to July 2018.

The interest rate cap is not designated as a hedge instrument for a specific borrowing and changes in fair values are recorded in the profit or loss.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

20 DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group and the movements thereon, during the current and prior reporting period:

	Profits on uncompleted projects (taxable on completion) $'000	Accelerated tax depreciation $'000	Others $'000	Net $'000
At January 1, 2014	240	349	–	589
Charge (Credit) to profit or loss (Note 31)	1,204	21	(131)	1,094
At December 31, 2014	1,444	370	(131)	1,683
Charge (Credit) to profit or loss (Note 31)	(1,444)	(70)	131	(1,383)
At December 31, 2015	**–**	**300**	**–**	**300**

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for purposes of the statements of financial position:

	Group	
	2015 $'000	2014 $'000
Deferred tax liabilities	**300**	1,952
Deferred tax assets	**–**	(269)
	300	1,683

21 BORROWINGS

	Group	
	2015 $'000	2014 $'000
Unsecured		
Bank loans	**13,622**	5,172
Trust receipts	**197**	–
Secured		
Invoice financing	**3,121**	2,267
Bank loans	**294,304**	274,962
	311,244	282,401
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(82,014)**	(91,291)
Amount due for settlement after 12 months	**229,230**	191,110

The borrowings bear variable interest at margins above the bank's cost of funds. The interest rates are adjusted for periods ranging from 1 month to 1 year.

Management estimates that the carrying amounts of the bank loans approximate their fair values as market interest rates are charged on the bank loans.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

21 BORROWINGS (CONTINUED)

The Group has the following secured bank loans:

(a) Loans of $163,129,000 (2014: $120,654,000) are secured by charges over the Group's investment properties (Note 14).

(b) Loans of $121,178,000 (2014: $143,960,000) are secured by mortgages over the Group's development properties (Note 12).

(c) Loans of $9,997,000 (2014: $10,348,000) are secured by mortgages over the Group's leasehold properties (Note 13).

All bank loans are covered by the corporate guarantees of the Company. Certain loans are also covered by guarantees from certain non-controlling shareholders of partially-owned subsidiaries. The fair value of these corporate guarantees is assessed by the management to be insignificant as the primary securities are the mortgaged properties.

22 TRADE AND OTHER PAYABLES

	Group			Company	
	December 31, 2015 $'000	**December 31, 2014 $'000 (Restated)**	**January 1, 2014 $'000 (Restated)**	**December 31, 2015 $'000**	**December 31, 2014 $'000**
Trade payables due to:					
– Third parties	**46,107**	48,747	49,634	**–**	13
– Associates (Note 5)	**19**	19	7	**–**	–
– Companies in which certain directors have control (Note 5)	**4**	4	–	**–**	–
Other payables due to:					
– Third parties	**3,468**	2,480	3,247	**–**	–
– Associates (Note 5)	**118**	83	608	**–**	–
– Companies in which certain directors have control (Note 5)	**44**	40	16	**–**	–
– Non-controlling shareholders of subsidiaries	**34,567**	18,989	2,694	**–**	–
Accrued operating expenses	**8,583**	10,168	10,358	**973**	2,330
Accrued contract expenses	**5,964**	5,764	3,404	**–**	–
Amounts due to contract customers (Note 11)	**37,945**	50,952	44,145	**–**	–
Dividend payable to non-controlling shareholders of subsidiaries	**–**	64	3,077	**–**	–
Retention payables	**20,051**	17,339	13,303	**–**	–
Advance payment received	**2,511**	7,565	3,907	**–**	–
Deposits received	**1,271**	943	969	**–**	–
Total trade and other payables	**160,652**	163,157	135,369	**973**	2,343
Current	**128,617**	146,479	135,369	**973**	2,343
Non-current	**32,035**	16,678	–	**–**	–
	160,652	163,157	135,369	**973**	2,343

Trade creditors and accruals comprise amounts outstanding for trade purchases and sub-contractor costs. The balances with related parties are unsecured, interest-free and repayable on demand. For the purpose of determining present value of retention monies, the discount rate is 5% (2014: 5%) per annum. Retention payables are classified as current as they are expected to be repaid within the Group's normal operating cycle.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

23 FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Amounts payable under finance leases:				
Within 1 year	**323**	470	**295**	388
Within 2 to 5 years	**475**	753	**431**	725
	798	1,223	**726**	1,113
Less: Future finance charges	**(72)**	(110)	**–**	–
Present value of lease obligations	**726**	1,113	**726**	1,113
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(295)**	(388)
Amount due for settlement after 12 months			**431**	725

The lease terms range from 3 to 5 years (2014: 3 to 5 years). The average effective interest rate approximates 3.5% (2014: 3.5%) per annum. Interest rates are fixed at the contract dates. All finance leases repayments are fixed with no contingent amount payable.

The fair values of the Group's lease obligations approximate their carrying amounts.

The Group's obligations under finance lease are secured by the lessor's title to the leased assets.

24 TERM NOTES

	Group and Company	
	2015	2014
	$'000	$'000
Multi-currency term notes, net of issuance cost:		
Current	**74,588**	–
Non-current	**–**	74,082

In August 2013, the Company set up a $150 million multi-currency medium term note programme. In April 2014, the Company issued $75 million medium term notes due October 24, 2016 at fixed interest rate of 5.25% per annum. Interest is payable on a half-yearly basis.

In June 2015, the Company has increased the programme size to $300 million.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

25 SHARE CAPITAL

	Group and Company			
	2015	2014	2015	2014
	Number of ordinary shares		$'000	$'000
Issued and paid up:				
At beginning and end of the year	**465,000,000**	465,000,000	**142,185**	142,185

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

26 CAPITAL RESERVE

The capital reserve arose from the gift of shares in the Company previously owned by the executive directors to certain employees of the Group.

27 REVENUE

	Group	
	2015	2014
	$'000	$'000 (Reclassified) (Note 38(b))
Revenue from:		
Construction contracts	**176,408**	204,648
Sale of development properties	**74,564**	75,165
Sale of goods	**17,512**	15,292
Rental of properties	**1,493**	1,417
Worker training and other services	**6,719**	7,837
	276,696	304,359

28 OTHER INCOME

	Group	
	2015	2014
	$'000	$'000 (Reclassified) (Note 38(b))
Rental income	**974**	843
Dormitory fee	**493**	777
Project management and administrative fee	**218**	156
Interest income	**567**	517
Interest income from associates	**1,046**	1,680
Deemed interest income on retention amounts	**902**	880
Net gain in fair value of investment properties	**19,189**	1,440
Gain on disposal of property, plant and equipment	**265**	86
Net foreign exchange gain	**–**	81
Grant from government	**578**	293
Other sundry income	**799**	1,033
	25,031	7,786

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

29 OTHER OPERATING EXPENSES

	Group 2015 $'000	Group 2014 $'000 (Reclassified) (Note 38(b))
Depreciation (Note 32)	**3,283**	2,165
Property tax and repair and maintenance	**1,162**	688
Allowance for doubtful receivables	**22,424**	20
Rental expenses	**854**	760
Impairment loss on development properties	**24,691**	5,001
Impairment loss on investment in associate	**4,811**	–
Impairment loss on other non-current assets	**82**	16
Legal and professional fees	**637**	419
Loss on sale of available-for-sale investments	**152**	–
Fair value change in financial derivative instrument	**147**	–
Net foreign exchange losses	**1,135**	–
Property, plant and equipment written off	**297**	–
Provision for liquidated damages for development property	**–**	428
Trainers' fee	**168**	190
Others	**263**	83
	60,106	9,770

30 FINANCE COSTS

	Group 2015 $'000	Group 2014 $'000
Interest on borrowings	**13,006**	9,324
Interest from a non-controlling interest	**546**	170
Interest on obligations under finance leases	**38**	47
Deemed interest expense on retention amounts	**121**	46
Total borrowing costs	**13,711**	9,587
Less: Amounts included as cost of development properties (Note 12)	**(3,896)**	(3,667)
Less: Amounts included as cost of investment properties (Note 14)	**(6,019)**	(1,641)
	3,796	4,279

31 INCOME TAX EXPENSE

	Group 2015 $'000	Group 2014 $'000
Current tax		
– for the year	**8,465**	4,711
– underprovision in prior years	**882**	52
Deferred tax (Note 20)	**(1,383)**	1,094
	7,964	5,857

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

31 INCOME TAX EXPENSE (CONTINUED)

Income tax in Singapore is calculated at 17% (2014: 17%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the financial year can be reconciled to the accounting (loss) profit as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
(Loss) Profit before income tax	**(16,001)**	27,600
Tax at Singapore statutory rate of 17% (2014: 17%)	**(2,720)**	4,692
Tax effect of expenses that are not deductible in determining taxable profit	**9,693**	1,391
Effect of differences in tax rate in other jurisdictions	**18**	54
Deferred tax benefits not recognised	**638**	91
Underprovision in prior years	**882**	52
Tax exempt income	**(215)**	(178)
Tax rebate	**(147)**	(163)
Utilisation of tax losses	**(185)**	(78)
Others	**–**	(4)
	7,964	5,857

Subject to the agreement by the tax authorities, at the end of the reporting period, the Group has the following unutilised tax losses available for offset against future profits.

	Group	
	2015	**2014**
	$'000	**$'000**
Balance at beginning of the year	**882**	534
Adjustment in respect of prior year	**199**	272
Addition during the year	**3,752**	535
Utilisation during the year	**(1,088)**	(459)
Balance at end of the year	**3,745**	882
Deferred tax benefit on above unrecorded	**637**	150

No deferred tax asset has been recognised on unutilized tax losses due to the unpredictability of future profit against which the tax losses can be utilised.

At December 31, 2015, undistributed earnings of foreign subsidiaries was $1.4 million (2014: $1.2 million). These earnings are subject to withholding tax of 10% if remitted out of these foreign tax jurisdictions. No deferred tax has been provided by the Group in respect of these unremitted retained earnings as the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

32 (LOSS) PROFIT FOR THE YEAR

This has been arrived at after charging (crediting):

	Group	
	2015	**2014**
	$'000	**$'000**
Depreciation on property, plant and equipment (Note 13)	**4,903**	4,793
Depreciation allocated to construction projects in progress	**(1,620)**	(2,628)
Depreciation charged as other operating expense (Note 29)	**3,283**	2,165
Cost of development properties recognised as cost of sales	**59,897**	61,211
Directors' remuneration:		
– of the Company	**1,712**	3,110
– of the subsidiaries	**603**	488
Employee benefits (excluding directors' remuneration)	**26,610**	25,565
Audit fees paid/payable to auditors of the Company	**360**	322
Non-audit fees paid/payable to auditors of the Company	**18**	18

33 LOSS/EARNINGS PER SHARE

Loss per share of 5.1 cents per share for 2015 has been calculated based on the loss attributable to the owners of the Company of $23,853,000 and 465,000,000 shares.

Earnings per share of 4.4 cents per share for 2014 has been calculated based on the profit attributable to the owners of the Company of $20,331,000 and 465,000,000 shares.

34 SEGMENT INFORMATION

For the purpose of resource allocation and assessment of segment performance, the Group's operating decision makers have determined the business segments as follows:

Construction

General builders and construction contractors, training of workers, general engineering, sale of construction materials and design, installation and maintenance of air conditioning and mechanical ventilation systems.

Real estate development and investment

Development of residential and commercial projects, investment in real estate and project management services.

Distribution

Sale and distribution of petroleum based lubricant products and automotive tyres.

Others

This comprises management and administration services.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.

All assets are allocated to reportable segments except for other non-current assets (Note 18). Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

All liabilities are allocated to reportable segments. Liabilities incurred jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

34 SEGMENT INFORMATION (CONTINUED)

	Construction $'000	Real estate development and Investment $'000	Distribution $'000	Others $'000	Elimination $'000	Total $'000
2015						
REVENUE						
External revenue	183,127	76,057	17,512	–	–	276,696
Inter-segment revenue	97,405	382	10,757	–	(108,544)	–
	280,532	76,439	28,269	–	(108,544)	276,696
RESULT						
Segment result	7,939	(20,985)	(982)	(692)	–	(14,720)
Interest income	1,075	1,400	2	38	–	2,515
Interest expense	(203)	(1,396)	(55)	(2,142)	–	(3,796)
Profit (Loss) before income tax	8,811	(20,981)	(1,035)	(2,796)	–	(16,001)
Income tax expense	(6,225)	(1,693)	(46)	–	–	(7,964)
Profit (Loss) for the year	2,586	(22,674)	(1,081)	(2,796)	–	(23,965)
STATEMENT OF FINANCIAL POSITION						
Segment assets	271,806	755,934	31,420	223,286	(501,874)	780,572
Unallocated corporate assets	318	–	–	–	–	318
Total assets	272,124	755,934	31,420	223,286	(501,874)	780,890
Segment liabilities	153,795	663,917	16,546	75,561	(353,786)	556,033
Total liabilities	153,795	663,917	16,546	75,561	(353,786)	556,033
OTHER INFORMATION						
Additions to non-current assets	8,938	58,523	288	–	–	67,749
Associates and joint ventures	–	1,931	7,788	–	–	9,719
Depreciation	4,067	488	348	–	–	4,903
Allowance for impairment on development properties	–	24,691	–	–	–	24,691
Allowance for doubtful receivables	217	22,187	20	–	–	22,424
Allowance for impairment on other non-current assets	82	–	–	–	–	82

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

34 SEGMENT INFORMATION (CONTINUED)

	Construction $'000	Real estate development and Investment $'000	Distribution $'000	Others $'000	Elimination $'000	Total $'000
2014						
REVENUE						
External revenue	212,485	76,582	15,292	–	–	304,359
Inter-segment revenue	44,689	245	7,029	–	(51,963)	–
	257,174	76,827	22,321	–	(51,963)	304,359
RESULT						
Segment result	23,289	5,616	428	(531)	–	28,802
Interest income	1,193	1,804	–	80	–	3,077
Interest expense	(104)	(1,081)	(28)	(3,066)	–	(4,279)
Profit (Loss) before income tax	24,378	6,339	400	(3,517)	–	27,600
Income tax expense	(4,393)	(1,428)	–	(36)	–	(5,857)
Profit (Loss) for the year	19,985	4,911	400	(3,553)	–	21,743
STATEMENT OF FINANCIAL POSITION						
Segment assets	254,656	688,838	17,764	224,071	(404,369)	780,960
Unallocated corporate assets	400	–	–	–	–	400
Total assets	255,056	688,838	17,764	224,071	(404,369)	781,360
Segment liabilities	158,703	538,626	10,948	76,425	(257,287)	527,415
Total liabilities	158,703	538,626	10,948	76,425	(257,287)	527,415
OTHER INFORMATION						
Additions to non-current assets	17,432	132,693	537	–	–	150,662
Associates and joint ventures	–	6,530	–	–	–	6,530
Depreciation	4,117	397	279	–	–	4,793
Allowance for impairment on development properties	–	5,001	–	–	–	5,001
Allowance for impairment on other non-current assets	16	–	–	–	–	16

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

34 SEGMENT INFORMATION (CONTINUED)

Geographical segments

The Group's revenue from external customers generated from other countries is not significant compared to Group's revenue for the year, which is principally generated from Singapore. Accordingly, no geographical segment assets and revenue from external customers' information are presented.

35 DIVIDENDS

On May 15, 2015, a dividend of 1.0 cent per share totalling $4,650,000 was paid to the shareholders. In May 2014, the dividend paid was 1.0 cents per share totalling $4,650,000.

In respect of 2015, the directors propose that tax exempt final dividend of 1.0 cent (2014: 1.0 cent) per share be paid to shareholders. This dividend amounting to $4,650,000 (2014: $4,650,000) is subject to the approval by shareholders at the forthcoming Annual General Meeting and has not been included as a liability in these financial statements.

The Company has established a Scrip Dividend Scheme which provides shareholders with the option to elect to receive new shares in lieu of the cash for any dividend declared on their holding of shares.

36 CONTINGENT LIABILITIES AND GUARANTEES

(a) The Company together with a joint guarantor provided joint and several corporate guarantees to a bank in respect of bank loans of associates and a joint venture entity and the total bank loans outstanding at December 31, 2015 was $80.9 million. Further information are provided in Note 3.2.5.

The Company and a subsidiary, together with the joint guarantor provided joint and several corporate guarantees to a bank in respect of bank loans of associates and the total bank loans outstanding at December 31, 2014 was $59.0 million.

(b) The Company provided joint and several corporate guarantees to banks in respect of bank facilities provided to its other joint ventures entities and the total bank borrowings outstanding at December 31, 2015 was $4.1 million (2014: $Nil).

(c) Corporate guarantees have been given by the Group to financial institutions in respect of bankers' guarantees amounting to $23.6 million (2014: $21.8 million) and performance bonds/guarantees amounting to $57.3 million (2014: $53.2 million). The fair values of the corporate guarantees were assessed by management to be insignificant at the inception of the guarantees as the primary securities were mortgaged properties.

(d) The management corporation of a condominium has taken legal action for alleged defects in the condominium against four parties, comprising the developer, architect, mechanical and electrical engineer and a subsidiary of the Company which was engaged as the main contractor. The High Court ruled on March 16, 2016, that the defendants can rely on the independent-contractor defence which means the defendants can defend against negligence claims on grounds that they are not vicariously liable for the negligent acts of the independent contractors to whom they had delegated work. A further court hearing is scheduled in July 2016. While there remains uncertainties on the final outcome of legal proceedings, management has obtained legal advice and is of the view that there is no significant liability not already provided for.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

37 OPERATING LEASE ARRANGEMENTS

	Group	
	2015	2014
	$'000	$'000
The Group as lessee		
Minimum lease payments under operating leases (net of rebates) recognised as an expense in the financial year	**861**	818

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2015	2014
	$'000	$'000
Within one year	**847**	771
In the second to fifth year inclusive	**1,670**	1,884
> 5 years	**543**	893
	3,060	3,548

Operating lease payments represents rentals payable by the Group for warehouse, motor vehicles and office equipment. The lease of the warehouse is for 30 years. Rentals are subject to annual review with caps on the amount of increase relative to the preceding year. The rental commitments above are based on the current rate. The remaining leases are negotiated for terms of 1 to 2 years and rentals are fixed for the term of the leases.

The Group as lessor

	Group	
	2015	2014
	$'000	$'000
Rental income	**2,447**	2,260

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	Group	
	2015	2014
	$'000	$'000
Within one year	**2,214**	1,546
In the second to fifth year inclusive	**2,085**	1,346
	4,299	2,892

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

38 RECLASSIFICATIONS AND COMPARATIVE FIGURES

(a) Certain funds provided by the Group to a joint venture and an associate which have interest in development properties in PRC are not expected to be repaid within the next 12 months. Certain funds provided by the Company to subsidiaries are used to acquire investment properties or development properties. They are also not expected to be repaid within the next 12 months. The amount payable by a partially owned subsidiary to the non-controlling shareholders is similarly reclassified. Comparative figures in the statements of financial position at December 31, 2014 and January 1, 2014 have been similarly reclassified.

	December 31, 2014		**January 1, 2014**	
	As previously reported $'000	**As reclassified $'000**	**As previously reported $'000**	**As reclassified $'000**
Group				
Trade and other receivables:				
Current	173,417	106,626	191,263	131,008
Non-current	–	66,791	–	60,255
	173,417	173,417	191,263	191,263
Trade and other payables:				
Current	163,157	146,479		
Non-current	–	16,678		
	163,157	163,157		
Company				
Trade and other receivables:				
Current	74,485	6,125	33,658	12,763
Non-current	–	68,360	–	20,895
	74,485	74,485	33,658	33,658

(b) In the preceding year's financial statements, income from rental of investment properties was included in other income. In 2015, this is classified as revenue and the 2014 comparatives have been similarly reclassified.

	Group 2014	
	As previously reported $'000	**As reclassified $'000**
Revenue	302,942	304,359
Other income	9,203	7,786
Cost of sales	(250,604)	(251,104)
Other operating expenses	(10,270)	(9,770)
	51,271	51,271

39 SUBSEQUENT EVENT

On March 29, 2016, the Company issued $40 million notes as Series 2 Notes under its $300 million multicurrency medium term note programme (the "MTN Programme"). The MTN Programme was established on August 28, 2013 and was updated on June 26, 2015. The Series 2 Notes matures on March 29, 2018 and bear fixed interest of 5.5% per annum.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Liong Kiam Teck
Executive Chairman

Neo Tiam Poon @ Neo Thiam Poon
Deputy Executive Chairman

Neo Tiam Boon, PBM
Chief Executive Officer and Executive Director

Neo Thiam An
Executive Director

Lim Hock Beng
Lead Independent Director

Lee Ah Fong
Independent Director

Mervyn Goh Bin Guan
Independent Director

AUDIT COMMITTEE

Lim Hock Beng (Chairman)
Lee Ah Fong
Mervyn Goh Bin Guan

NOMINATING COMMITTEE

Mervyn Goh Bin Guan (Chairman)
Lim Hock Beng
Neo Tiam Boon, PBM

REMUNERATION COMMITTEE

Lee Ah Fong (Chairman)
Lim Hock Beng
Mervyn Goh Bin Guan

COMPANY SECRETARIES

Foo Soon Soo
Yap Ming Choo

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
6 Shenton Way, OUE Downtown 2
#33-00
Singapore 068809

Partner-in-charge: Mrs Wong-Yeo Siew Eng
(Appointed since 24 April 2013)

PRINCIPAL BANKERS

United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited
Malayan Banking Berhad
The Hong Kong and Shanghai Banking Corporation Limited

SHARE REGISTRAR

B.A.C.S Private Limited
8 Robinson Road #03-00
ASO Building
Singapore 048544

REGISTERED OFFICE

1 Jalan Berseh #03-03
New World Centre
Singapore 209037
Website: www.tiongaik.com.sg

INVESTOR RELATIONS CONTACTS

Citigate Dewe Rogerson, i.MAGE
Chia Hui Kheng / Ng Chung Keat
55 Market Street
#02-01
Singapore 048941
Tel: (65) 6534 5122
Fax: (65) 6534 4171
huikheng.chia@citigatedrimage.com
chungkeat.ng@citigatedrimage.com

SHAREHOLDERS' INFORMATION

AS AT 16 MARCH 2016

SHARE CAPITAL

Issued and fully paid capital	:	$142,185,445
Total number of shares in issue	:	465,000,000
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per share

STATISTICS OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 99	–	–	–	–
100 – 1,000	77	11.14	76,100	0.02
1,001 – 10,000	252	36.47	1,318,300	0.28
10,001 – 1,000,000	346	50.07	31,578,900	6.79
1,000,001 and above	16	2.32	432,026,700	92.91
	691	100.00	465,000,000	100.00

SUBSTANTIAL SHAREHOLDERS

	Number of shares fully paid			
Name	Direct Interest	%	Deemed Interest	%
Liong Kiam Teck[1]	152,923,950	32,89	20,000	0.00
Neo Tiam Poon @ Neo Thiam Poon	73,403,496	15.79	–	–
Neo Tiam Boon	77,141,637	16.59	–	–
Neo Thiam An	36,361,917	7.82	–	–
Koh Wee Seng[2]	47,910,000	10.30	–	–

Note:

(1) Mr Liong is deemed to be interested in 20,000 shares held by his spouse.

(2) The number of shares is based on the last notification from Mr Koh Wee Seng to the Company.

SHAREHOLDERS' INFORMATION

AS AT 16 MARCH 2016

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Liong Kiam Teck	152,923,950	32.89
2.	Neo Tiam Boon	77,141,637	16.59
3.	Neo Tiam Poon @ Neo Thiam Poon	73,403,496	15.79
4.	Neo Thiam An	36,361,917	7.82
5.	CIMB Securities (Singapore) Pte Ltd	22,561,800	4.85
6.	UOB Kay Hian Pte Ltd	20,667,800	4.44
7.	Maybank Kim Eng Securities Pte Ltd	16,619,600	3.57
8.	Phillip Securities Pte Ltd	15,245,000	3.28
9.	Tan Su Lan @ Tan Soo Lung	3,797,000	0.82
10.	HSBC (Singapore) Nominees Pte Ltd	3,000,000	0.64
11.	Lim & Tan Securities Pte Ltd	2,861,900	0.61
12.	Lim Seng Kuan	2,589,000	0.56
13.	Singamina Investment Pte Ltd	1,400,000	0.30
14.	Lew Pei Yen Patrina	1,300,000	0.28
15.	Yap Bau Tan	1,148,600	0.25
16.	Lee Chee Hong	1,005,000	0.22
17.	Ko Lee Meng	965,000	0.21
18.	King Wan Construction Pte Ltd	930,000	0.20
19.	Koh Wee Seng	914,000	0.20
20.	Ng Han Kim	900,000	0.19
		435,735,700	93.71

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on information available to the Company as at 16 March 2016, approximately 16.38% of the issued ordinary shares of the Company are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

TREASURY SHARES – RULE 1207(9)(F)

The Company does not hold any Treasury Shares.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of TA Corporation Ltd (the "**Company**") will be held at 1 Jalan Berseh #03-03, New World Centre, Singapore 209037 on Wednesday, 27 April 2016 at 3.00 p.m. for the following purposes:–

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2015 and the Auditors' Report thereon. **(Resolution 1)**

2. To declare a Final Dividend (tax exempt one-tier) of 1.0 cent per share for the financial year ended 31 December 2015. **(Resolution 2)** **(See Explanatory Notes 1)**

3. To approve Directors' fees of $186,250 for the financial year ended 31 December 2015 (2014: $186,250). **(Resolution 3)**

4. To re-elect Mr Liong Kiam Teck, a Director retiring under Article 91 of the Constitution of the Company. **(Resolution 4)**

5. To re-elect Mr Neo Thiam An, a Director retiring under Article 91 of the Constitution the Company. **(Resolution 5)**

6. To re-appoint Mr Lim Hock Beng, who is retiring under Section 153(6) of the Companies Act, Chapter 50 which was in force immediately before 3 January 2016, be and is hereby re-appointed as a Director of the Company. **(Resolution 6)**

   *Mr Lim Hock Beng will upon re-appointment continue to serve as Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). He will remain as member of the Nominating and Remuneration Committees.*

7. To re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

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

8. Authority to allot and issue shares

   "That pursuant to Section 161 of the Companies Act, Cap. 50 (the "Companies Act"), and the listing rules of the SGX-ST, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

NOTICE OF THE ANNUAL GENERAL MEETING

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force; provided always that:

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent (50%) of the total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued shares excluding treasury shares, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

(a) new shares arising from the conversion or exercise of convertible securities, or

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 8)
(See Explanatory Notes 3)

9. Renewal of the Share Buy-Back Mandate

"(a) That for the purposes of the Companies Act and the Listing Manual, the Directors of the Company be hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire issued Shares each fully paid up not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Listing Manual.

(b) Unless varied or revoked by the members of the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period (the "**Relevant Period**") commencing from the date of this Resolution and expiring on the earliest of:

(i) the conclusion of the next AGM of the Company or the date by which such AGM is required by law or the Articles to be held;

(ii) the date on which the authority contained in the Share Buy Back Mandate is varied or revoked by the Shareholders in a general meeting; or

(iii) the date on which the Share Buy Back is carried out to the full extent mandated.

NOTICE OF THE ANNUAL GENERAL MEETING

(c) In this Resolution:

"**Maximum Limit**" means that number of issued Shares representing 10 per cent (10%) of the issued ordinary shares of the Company as at the date of the passing of this Resolution (excluding treasury shares held by the Company as at the date of the passing of this Resolution) unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period or within any one financial year of the Company, whichever is the earlier, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered; and

"**Maximum Price**" means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share in the event of any Share Buy-Back determined by the Directors, but in any event, not exceeding the maximum price, which:

(i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Average Closing Price (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding related expenses of the purchase.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

(d) the Directors 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, incidental, necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

(Resolution 9)
(See Explanatory Notes 4)

10. Authority to issue shares under TA Corporation Ltd Scrip Dividend Scheme

That pursuant to Section 161 of the Companies Act, Cap. 50 and the Listing Manual of the SGX-ST, the Directors of the Company be authorised:

(a) to issue such number of shares in the capital of the Company as may be required to be issued pursuant to the application of the TA Corporation Ltd Scrip Dividend Scheme from time to time; and/or

(b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force, issue such number of shares in the capital of the Company pursuant to the application of the TA Corporation Ltd Scrip Dividend Scheme to any dividend which was approved while the authority conferred by this Resolution was in force;

NOTICE OF THE ANNUAL GENERAL MEETING

provided that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(Resolution 10)
(See Explanatory Notes 5)

ANY OTHER BUSINESS

11. To transact any other business that may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Foo Soon Soo
Yap Ming Choo
Company Secretaries

Singapore, 8 April 2016

Explanatory Notes:

1. The TA Corporation Ltd. Scrip Dividend Scheme is applicable if the proposed Dividend in Resolution 2 is passed.

2. Resolution 6 is for the re-election of Mr Lim Hock Beng who was reappointed at the last annual general meeting to hold office until the conclusion of the forthcoming annual general meeting under Section 153(3) of the Companies Act (which was in force immediately before 3 January 2016 and repealed on 3 January 2016) Accordingly Mr Lim is retiring at the forthcoming annual general meeting and has been nominated for re-appointment. Upon re-appointment, Mr Lim will then be subject to retirement by rotation once every three years under the Constitution of the Company.

3. Resolution 8, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate fifty per cent (50%) of the total number of issued shares excluding treasury shares of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. The total number of issued shares excluding treasury shares of the Company for this purpose shall be the total number of issued shares excluding treasury shares at the time this resolution is passed (after adjusting for new shares arising from the conversion of convertible securities or share options on issue at the time this resolution is passed and any subsequent bonus issues consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

4. Resolution 9, if passed, will renew the Share Buy-Back Mandate and will authorise the Directors to purchase or otherwise acquire Shares on the terms and subject to the conditions of the Resolution. The rationale for, the authority and limitation on, the sources of funds to be used and the illustrative financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate based on the audited accounts of the Company and the Group for the financial year ended 31 December 2015 and certain assumptions are set out in greater detail in the Appendix enclosed together with the Annual Report.

5. Resolution 10 if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or when such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company from time to time pursuant to the application of the TA Corporation Ltd. Scrip Dividend Scheme.

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

2. A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two proxies to attend, speak and vote at the meeting.

3. A proxy need not be a member of the Company.

4. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

5. The instrument appointing a proxy must be deposited at the registered office of the Company at 1 Jalan Berseh #03-03, New World Centre, Singapore 209037 not later than 48 hours before the time appointed for the Annual General Meeting.

Personal data privacy:

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

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of TA Corporation Ltd. (the "Company") will closed on 6 May 2016 after 5.00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited of 8 Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 6 May 2016 will be registered to determine shareholders' entitlements to the proposed final dividend. Members whose securities accounts with The Central Depository (Pte) Limited credited with shares in the Company at 5.00 p.m. on 6 May 2016 will be entitled to the proposed final dividend.

Payment of the proposed dividend, if approved by shareholders at the Annual General Meeting to be held on 27 April 2016 will be paid on 21 June 2016.

BY ORDER OF THE BOARD

Foo Soon Soo
Yap Ming Choo
Company Secretaries

Singapore, 8 April 2016

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TA CORPORATION LTD

Co. Registration No. 201105512R
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the Meeting and vote.
2. For investors who have used their CPF moneys to buy shares in TA Corporation Ltd, this Annual Report is forwarded to them at the request of the CPF Approved Nominees.
3. This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ______________________________

of ______________________________

being a member/members of TA CORPORATION LTD (the "Company"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of shareholdings to be represented by proxy (%)
and/or (delete as appropriate)			

as my/our proxy/proxies, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 1 Jalan Berseh #03-03, New World Centre, Singapore 209037 on Wednesday, 27 April 2016 at 3.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

No	Ordinary Resolutions	No. of Votes For*	No. of Votes Against*
	Ordinary Business		
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2015 and the Auditors' Report thereon.		
2.	To declare a Final Dividend (tax exempt one-tier) of 1.0 cent per share for the financial year ended 31 December 2015.		
3.	To approve Directors' fees of $186,250 for the financial year ended 31 December 2015. (2014: $186,250).		
4.	To re-elect Mr Liong Kiam Teck as a Director.		
5.	To re-elect Mr Neo Thiam An as a Director.		
6.	To re-appoint Mr Lim Hock Beng as a Director.		
7.	To re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
	Special Business		
8.	To authorize Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		
9.	To renew the Share Buy-Back Mandate.		
10.	To authorise Directors to issue shares under TA Corporation Ltd. Scrip Dividend Scheme.		

* All resolutions would be put to vote by poll in accordance with listing rule of Singapore Exchange Securities Trading Limited. If you wish to exercise all your votes "For" or "Against", please cross "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ________________ 2016

Total Number of Shares Held

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

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

Notes:

1. A member of the Company (other than a relevant intermediary as defined in Section 181 of the Companies Act, Cap.50) entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on his stead. Such proxy need not be a member of the Company.

2. A relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the meeting and vote.

3. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting.

   Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

5. This instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

6. A corporation which is a member of the Company may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Constitution of the Company and Section 179 of the Companies Act, Chapter 50 of Singapore.

7. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 1 Jalan Berseh #03-03, New World Centre, Singapore 209037 not later than 48 hours before the time set for the Annual General Meeting.

8. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited) he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

10. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.

11. Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

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