TA CORPORATION LTD

1 Jalan Berseh #03-03
New World Centre
Singapore 209037

Tel: (65) 6392 2988
Fax: (65) 6392 0988

www.tiongaik.com.sg

TA CORPORATION LTD

ANNUAL REPORT 2011

CONSTRUCTING THE FUTURE

TA CORPORATION LTD
ANNUAL REPORT 2011

CONTENTS

Designed and produced by
TOPPAN
TOPPAN VITE PTE. LTD.
(65) 6578 6522

VISION & MISSION

VISION

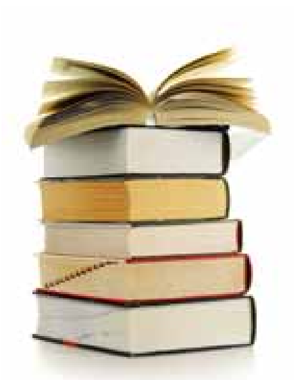
To be the preferred property developer and construction services provider through our pursuit of uncompromising quality and excellence.

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

ABOUT TA CORPORATION



With a history tracing back to 1972, TA Corporation has grown to become an established property and construction group in Singapore. Backed by its competencies in the construction business and experience in working with established real estate developers, the Group has gained a reputation as a developer of quality residential developments, targeting at the middle to upper middle markets. Some of its completed developments include Leonie Hill Residences, The Inspira and The Citrine, and its ongoing real estate development projects include Parc Seabreeze, Auralis and Coralis. In addition, the Group has also successfully ventured overseas through real estate development joint ventures in the PRC and Cambodia.

TA Corporation's main construction business is principally undertaken through its subsidiary, Tiong Aik Construction Pte Ltd, which has a track record of almost 40 years in the construction business in Singapore. Over the years, the Group has built a sound reputation as a reliable building contractor with the ability to undertake a wide spectrum of projects for both public and private sector clients. Some notable projects include the award-winning School of the Arts (SOTA) development, mixed-use developments such as Wilkie Edge, additions and alterations for St. James Power Station, the conversion of an existing office building into the Ascott Raffles Place serviced apartments and condominium projects such as Park Infinia and the Belle Vue Residences.

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.

To complement the construction business, the Group has also expanded into specialised services such as steel fabrication and metal works, a worker training and test centre in Chennai, India, as well as the design, installation and maintenance of air-conditioning and mechanical ventilation systems.

The Group also derives rental income from investment properties (comprising residential and commercial units as well as industrial properties).

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

CHAIRMAN'S STATEMENT

"Our successful listing amidst weak and volatile market conditions attested to shareholders' confidence in TA Corporation's fundaments, business model and will serve as an important launch pad for the Group's next phase of growth in the years ahead."

"In view of the Group's commendable performance in the year under review, the Board of Directors is pleased to propose a first and final dividend of 1.2 Singapore cents per ordinary share, which represents a 20% payout of our FY2011 profit attributable to shareholders. This is twice the amount promised to shareholders during our IPO. It is our way of showing appreciation to our shareholders who had demonstrated their confidence in TA Corporation in subscribing for our IPO shares."

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS,

It is with great pleasure that I present TA Corporation Ltd's ("TA Corporation", and together with its subsidiaries, the "Group") maiden annual report for the financial year ended December 31, 2011 ("FY2011") since we listed on The Singapore Exchange on November 21, 2011.

Our successful listing amidst weak and volatile market conditions attested to shareholders' confidence in TA Corporation's fundaments, business model and will serve as an important launch pad for the Group's next phase of growth in the years ahead.

Financial Review

In FY2011, the Group's performance was affected by weaknesses in the global financial markets and the Singapore Government's "cooling measures" to moderate the sharp rise in property prices. Nonetheless, TA Corporation delivered a commendable performance, achieving a 17.2% growth in revenue to $284.7 million, from $243.0 million in FY2010 as we continued to benefit from strong demand for our residential developments and higher percentage of completion recorded for our construction projects. In line with the higher revenue, gross profit least 32.6% to $58.0 million in FY2011, from $43.8 million in FY2010. The Group reported a profit before tax of $43.7 million in FY2011.

The net proceeds of $27.4 million raised from the Group's public listing, together with higher receivables collected during the year, almost doubled our cash and bank balances to $91.0 million as at December 31, 2011, from $47.8 million at the end of the previous year.

Dividend

In view of the Group's commendable performance in the year under review, the Board of Directors is pleased to propose a first and final dividend of 1.2 Singapore cents per ordinary share, which represents a 20% payout of our FY2011 profit attributable to shareholders. This is twice the amount promised to shareholders in our listing prospectus. It is our way of showing appreciation to our shareholders who had demonstrated their confidence in TA Corporation in subscribing for our shares.

Business Overview

With over 15 years of experience in real estate development, TA Corporation has developed a reputation as a boutique developer of quality real estate developments at competitive pricing for the middle to upper middle market segments.

Our key focus is on residential projects with a significant number of landed and apartment/ condominium developments completed and currently we have several projects in prime locations with good accessibility to public transportation and amenities under development in Singapore.

The Group has also expanded overseas through joint ventures. In Dalian, PRC, our associate company, Dalian Shicheng Property Development Co., Ltd. ("DLSC PRC") has a large mixed use (residential and retail) development. The first six phases have been launched, with majority of the units sold, and Phase 7 of this development is currently under development.

For future developments, we have a sizeable land bank in Singapore, the remaining land in our associate DLSC PRC slated for Phase 8 and a plot of land in Phnom Penh for the development of semi-detached villas, held by our joint-venture company in Cambodia.

With a 40-year track record in construction and having earned numerous accreditations and awards from industry regulatory authorities and Government bodies in Singapore, we have established a sound reputation as a reliable building contractor of quality buildings.

Our main construction business is undertaken through our subsidiary, Tiong Aik Construction Pte Ltd, which holds the highest BCA grading of A1 for general building work that allows us to undertake public sector construction projects with unlimited contract value. We are currently working on a significant number of private housing projects, predominantly with blue-chip real estate developers and have a construction order book worth $526 million, as at December 31, 2011. Over the past 40 years, our subsidiary had also undertaken many public housing projects for the HDB, educational institutions as well as private residential condominium projects for other developers.

Outlook

Going forward, business operations could be further constrained. Economic factors, together with cooling measures such as the additional buyer stamp duty ("ABSD") had impacted property demand in Singapore. Separately, the reduction in Man-Year-Entitlement quotas, announced during the recent Singapore Fiscal Budget FY2012 could also have an impact on the construction sector.

Nonetheless, we believe that underlying demand for affordable quality developments remain strong. Cooling measures such as the ABSD are targeted at slowing speculative activities and will not deter genuine home-buyers from making purchases. We have continued to see encouraging responses for our developments in recent launches. Leveraging on our competencies in the construction business, it is our strategy to focus on developing quality small to medium size residential developments and offering them at competitive prices to the market.

Activities in the construction sector are also expected to remain vibrant in the next few years. Based on statistics released by the Building and Construction Authority, construction demand for Singapore in 2012 is estimated to be between $21 billion – $27 billion and between $19 billion – $27 billion for 2013 & 2014, respectively[1]. With a strong track record and long-standing relationships with blue-chip developers, the Group is confident in securing part of these contracts.

Moving forward, we will continue to closely monitor market developments to capture viable growth opportunities and further augment our position as an established player in Singapore's real estate development and construction scene.

With an established foothold in China and beachhead in Cambodia, the Group is also optimistic of growth opportunities in the region as Asian economies continue to show remarkable resilience against the financial crises in Europe and the United States.

In Appreciation

On behalf of the Board of Directors, I would like to take this opportunity to express our heartfelt appreciation to the professional working team and investors who have helped to make our public listing a success. We are also grateful to our customers, suppliers and business partners for their unwavering support.

Last but not least, I wish to extend my appreciation to the management team and all TA Corporation employees who have contributed to our growth. We look forward to your continued support as we bring TA Corporation to the next stage of growth.

Mr Liong Kiam Teck
Executive Chairman

March 28, 2012

---

[1] *http://www.bca.gov.sg/keyconstructioninfo/others/free_stats.pdf*

OPERATIONS REVIEW

REAL ESTATE DEVELOPMENT

Singapore

2011 was an eventful year for the private residential property market in Singapore, with the Singapore Government introducing two rounds of cooling measures to moderate speculative activities that had been driving property prices up. The first round came in January, when the holding period and percentage charge for the imposition of seller's stamp duty was revised, along with a reduction in the Loan-To-Value limit to 60%, from 70% currently, for individuals with one or more outstanding housing loans. The second round came in December, via the ABSD.

Nonetheless, these measures are primarily aimed at lowering speculative demand and did not have much impact on the Group's operations in the year under review. During the year, the Group continued to see demand from genuine home seekers who are looking for good quality small to medium size private properties in prime locations that are in proximity to public transportation hubs and amenities.

For FY2011, the Group's real estate development business saw a 24.9% increase in revenue to $124.5 million as compared to $99.7 million in FY2010 and accounting for approximately 43.7% of total Group revenue. The improvement in revenue was mainly due to higher revenue recognised from the launch of a new residential development and increased sales from two other ongoing residential developments.

Our 94-unit *Parc Seabreeze* development, which was launched in June 2009 – was fully sold by April 2011. Similarly, the Group's 127-unit *Coralis* development located at Joo Chiat Road, continued to perform well in 2011, with more than 90% sold by the end of February 2012. *Coralis* was launched in March 2010.

We also launched a new freehold development – *Auralis* – in May 2011. Located at East Coast Road, the 56-unit development was almost fully sold during the year, with only one unit remaining.

Subsequent to the financial year end, the Group had, in March 2012, launched our latest development – *The Cristallo*. Situated at Lorong K Telok Kurau, the 74-unit freehold development received good response on its preview weekend. The Group also intends to launch a 77-unit residential development situated at 16 Gambir Walk in the second half of FY2012.

PRC & Cambodia

In recent years, our real estate development business has also established in regional markets in Dalian of the People's Republic of China ("PRC") and Phnom Penh, Cambodia.

For the PRC, austerity measures such as the home purchase restriction policy and reserve requirement ratio hike implemented by the PRC Government had affected demand for high-end private residential properties in major first-tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen. However, the property sector for emerging cities such as Dalian remained vibrant in FY2011 underpinned by rising income levels and growing affluence, which had led to an increase in demand for good-quality private developments.

To bear testimony to the above, our 25.37% owned multi-phased mixed use (residential and retail) development in Dalian has to-date launched its first six phases, with majority of the units sold. Currently, Phase 7, which consists of apartments and retail shops with communal facilities and basement car parks remains under development while Phase 8 has been marked for future development into commercial properties, which will include a shopping complex and hotels.

The Group believes that the Cambodia market presents attractive medium to long term growth potential. The Group currently owns 49% equity interest in a Cambodian associate, which in turn owns a plot of land in a prime location in Phnom Penh, the capital city and largest economic centre in Cambodia. The Group also has a right of first refusal to purchase another piece of land in Phnom Penh and will continue to seek opportunities in this market.

Construction

The construction sector turned in a good performance for the year under review driven by strong demand for construction services from both the public and private sector. Operationally, a strong pipeline of construction orders from our predominantly blue-chip developer customer base contributed to a year of stellar earnings for our construction business. Accounting for 56.3% of Group revenue, contributions from the construction business rose 11.8% to $160.2 million for FY2011, from $143.3 million in FY2010.

The segment's outstanding performance was mainly the result of higher gross margins achieved as well as higher percentage of completion recorded by several ongoing projects such as Nouvel 18, Viva, Foresque Residences and Starlight Suites.

Our construction business ended the year on a strong note with two new contracts awarded in November 2011. This includes the Group's single largest construction order to-date, a $231 million contract for a condominium development at Serangoon Crescent/Upper Serangoon Road. The second was a $40 million contract for a condominium development located at West Coast Road. Construction work for both projects had commenced in early 2012, and is slated for completion in 2014.

Backed by a strong construction order book worth $526 million, our construction business has sufficient orders on hand to keep it busy over the next 36 months. Nevertheless, we will continue to leverage on our expertise and relationships with customers to replenish our order book.

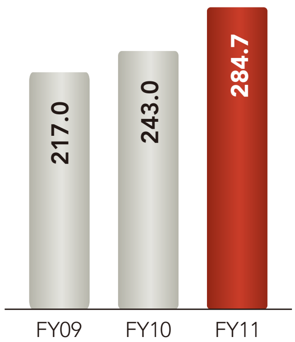
Complementary Competencies

To complement the construction business, the Group had over the years expanded into specialised services such as steel fabrication and metal works, a BCA endorsed worker training and test centre in Chennai, India, as well as the design, installation and maintenance of air-conditioning and mechanical ventilation systems for buildings and other specialised users. Together, these complementary business functions enable the Group to offer a more complete range of products and services to clients, thereby giving us an advantage in a competitive market.

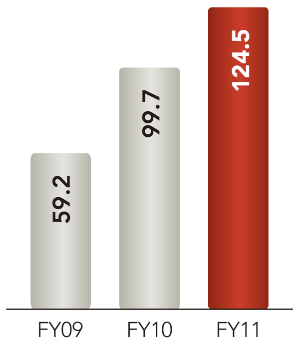
In addition, the Group also recorded $6.2 million in Other incomes for FY2011, which was mainly attributable to recurring rental income from our investment properties, management fees and project management and administrative fees.

FINANCIAL HIGHLIGHTS

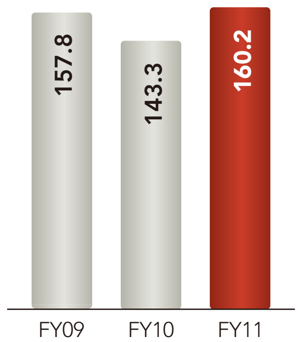
Group Revenue*
($'million)



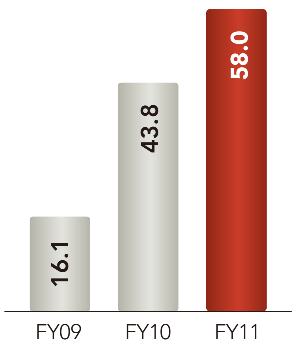
Real Estate Development*
($'million)



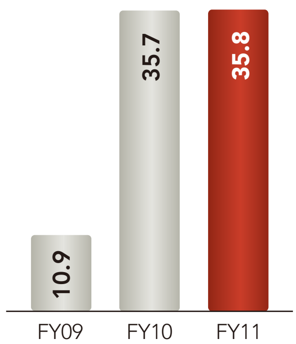
Construction
($'million)



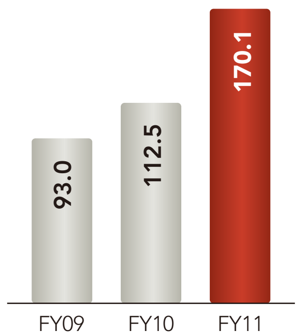
Gross Profit*
($'million)



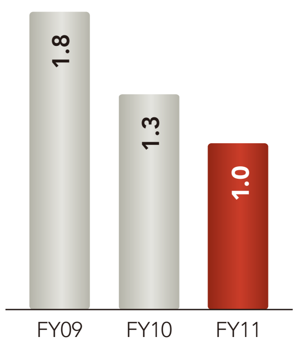
Profit after tax*
($'million)



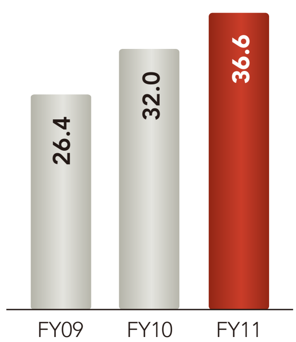
Equity attributable to
shareholders of the Company*
($'million)



Gearing Ratio*
(Time)



Net Asset Value
per Share**
($'cents)



* FY09 & FY10 have been restated as a result of adopting INT FRS 115

** Based on issued share capital of 465,000,000 shares for 31 December 2011; and based on pre-invitation share capital of 352,000,000 shares for 31 December 2010 & 31 December 2009

BOARD OF DIRECTORS

MR LIONG KIAM TECK is the Executive Chairman of our Group. He was appointed to our Board on 7 March 2011. As our 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 was one of the founders of our Group and has over 38 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 TIAM POON @ NEO THIAM POON is the Deputy Executive Chairman of our Group and was appointed to our Board on 7 March 2011. 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 35 years of management experience. Over the years, he has established a network of relationships with developers, customers, consultants and architects within the construction industry.

1	2	3	4	5
			6	7

1. Mr Neo Tiam Poon
2. Mr Neo Thiam An
3. Mr Liong Kiam Teck
4. Mr Mervyn Goh Bin Guan
5. Mr Lee Ah Fong
6. Mr Lim Hock Beng
7. Mr Neo Tiam Boon

BOARD OF DIRECTORS

MR NEO TIAM BOON, PBM is the Chief Executive Officer and Executive Director of our Group. He was appointed to our Board on 7 March 2011. As our Chief Executive Officer, Mr Neo Tiam Boon, PBM responsibilities include overall business development, financial and strategic planning, sales and marketing and human resources of our Group. Mr Neo Tiam Boon, PBM has been with our Group since 1996 and has over 15 years of management experience. Over the years, he has established a network of relationships with developers, customers, consultants and architects within the industry. Prior to joining our Group in 1996, Mr Neo Tiam Boon, PBM was the executive director of C&E Holidays which was involved in the provision of travel agency services and the director of Manswork Employment Agency which was involved in the provision of employment and consultancy services. 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 and was appointed to our Board on 7 March 2011. 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 us since 1977 and has over 31 years of management experience. Over the years, he has established a network of relationships with developers, customers, consultants and architects within the industry.

MR LIM HOCK BENG was appointed as our Independent Director on 20 September 2011. He serves as the Chairman of our Audit Committee and is a member of our Remuneration Committee and the Nominating Committee. 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 at the end of 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. He currently serves on the boards as well as on the audit committees of various public listed companies in Singapore, namely King Wan Corporation Limited, Huan Hsin Holdings Ltd, GP Industries Ltd, Colex Holdings Limited and LMA International N.V.

MR LEE AH FONG was appointed as our Independent Director on 20 September 2011. He serves as the Chairman of our Remuneration Committee and is a member of our Audit Committee. Mr Lee was a civil servant before becoming a practising lawyer in 1981. 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 currently serves on the boards of 2 other public listed companies in Singapore, namely Cortina Holdings Ltd and TEE International Limited. He was called to the English Bar (Middle Temple) as a Barrister-at-Law on 24 July 1980.

MR MERVYN GOH BIN GUAN was appointed as our Independent Director on 20 September 2011. He serves as the Chairman of our Nominating Committee and is a member of our Audit Committee and our 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.

STATEMENT OF CORPORATE GOVERNANCE

TA Corporation Ltd (the "Company") was admitted to the Official list of the SGX-Mainboard on 21 November 2011. The Board and Management of the Company are committed to ensuring and maintaining high standards of corporate governance to preserve and enhance shareholders' value. This report outlines the corporate governance framework and practices of the Company and its subsidiaries (the "Group") with specific reference to the Code of Corporate Governance 2005 (the "2005 Code").

BOARD MATTERS

Board's Conduct of its Affairs

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

The Board of Directors (the "Board") comprises four Executive Directors and three Independent Directors having the appropriate mix of core competencies and diversity of experience to direct and lead the Company. As at the date of this report, the Board comprises the following members:

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
Mr Neo Thiam An	Executive Director
Mr Lim Hock Beng	Lead Independent Director
Mr Lee Ah Fong	Independent Director
Mr Mervyn Goh Bin Guan	Independent Director

The primary role of the Board is that of stewardship, to protect and enhance long-term shareholders' value and is entrusted to exercise reasonable and proper care in utilising the Company's resources for the best interest of shareholders and to safeguard the Company's assets. It sets the corporate strategies of the Group, and directions and goals for the Management. It supervises the Management and monitors performance of these goals. The Board is responsible for the overall corporate governance of the Group.

The Board meets regularly to deliberate the strategic policies of the Group including significant acquisitions and disposals, the annual budgets, the Group's financial performance, risk management and approval for the release of quarterly, half-yearly and year-end results announcements.

In carrying out and discharging its duties and responsibilities efficiently and effectively, the Board is assisted by various Board Committees namely, the Audit Committee, the Nominating Committee and the Remuneration Committee.

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

The table below sets out the number of Board and Board Committee meetings which were convened during the financial year 2011, as well as the attendance of each Board member at these meetings:

	Board	Audit	Remuneration	Nominating
Number of meetings held	2	1	1	0
Name of directors	**Number of meetings attended**			
Mr Liong Kiam Teck	2	N.A.	N.A.	N.A.
Mr Neo Tiam Poon @ Neo Thiam Poon	2	N.A.	N.A.	N.A.
Mr Neo Tiam Boon	2	N.A.	N.A.	0
Mr Neo Thiam An	2	N.A.	N.A.	N.A.
Mr Lim Hock Beng	2	1	1	0
Mr Lee Ah Fong	2	1	1	N.A.
Mr Mervyn Goh Bin Guan	2	1	1	0

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 periodical reviews, provision of guidance and advice on various matters relating to the Group.

The responsibilities of the Board include:

- set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives; reporting to shareholders and the market;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets;
- monitoring the Board composition, director selection and Board processes and performance;
- reviewing and approving executive directors' remuneration;
- validating and approving corporate strategy;
- reviewing major business initiatives and results, monitoring budgetary control; and
- authorising and monitoring major investment and strategic commitments.

Newly appointed directors will be given an orientation program to familiarise themselves with the Group's operations.

STATEMENT OF CORPORATE GOVERNANCE

Board Composition and Guidance

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

The criterion for independence is based on the definition given in the Code of Corporate Governance 2005. The Board considers an "Independent" Director as one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent judgment of the conduct of the Group's affairs. The independence of each Director is reviewed annually by the Nominating Committee, based on the definition of independence as stated in the 2005 Code.

The Board is of the view that 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 Nominating Committee 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.

Key information regarding the Directors is given in the 'Board of Directors' section of the Annual Report.

Particulars of interests of Directors who held office at the end of the financial year in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Report.

Chairman and Chief Executive Officer

Principle 3: *There should be a clear division of responsibilities at the top of the Company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.*

Mr Liong Kiam Teck is the Executive Chairman of the Board. Mr Neo Tiam Boon is the Chief Executive Officer ("CEO") and Executive Director of the Company. The Chairman and the CEO are immediate family members. The Company has adopted the recommendation in the Code to appoint a Lead Independent Director.

The Chairman is responsible for the workings of the Board, ensuring the integrity and effectiveness of its governance process. The Chairman also ensures that the Board constructively engages the management on strategy, business operations, enterprise risk and other plans.

The roles of the Chairman are separate and distinct from the roles of the CEO, each having their own areas of responsibilities. The Company believes that a distinctive separation of responsibilities between the Chairman and the CEO will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Chairman ensures that Board meetings are held regularly, at least four times a year, and as and when necessary. He sets the Board meeting agenda in consultation with the CEO, key executives as well as the Company Secretary. He also ensures that at each Board meeting the agenda, management reports, financial statements, Board papers, and other relevant documents are given to Directors in advance to facilitate a well-informed Board deliberation and decision-making. In the conduct of Board meetings, the Chairman seeks and encourages contribution by both executive and non-executive Directors and the interaction and constructive relations among Directors. Chairman also ensures effective communication with shareholders.

The Chairman is also assisted by the three Committees and the internal auditors who report to the Audit Committee in ensuring compliance with the Company's guideline on corporate governance.

The Chief Executive Officer, Mr Neo Tiam Boon, is primarily responsible for the day-to-day operations of the Group and for achieving various targets set by the Board. He is assisted by the Management team. He reports directly to the Executive Chairman and to the Board and updates the Executive Chairman and the Board on the performance of the Company and the Group during regular meetings, and ensures that policies and strategies adopted by the Board are implemented.

Board Membership

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

The Nominating Committee ("NC") comprises three members, majority of whom including its Chairman are 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	Executive Director

One of the primary functions of the NC is to determine the criteria for identifying candidates and reviewing nominations for the appointment of directors to the Board, ensuring that the process of Board appointments and re-nominations are transparent, and to assess the effectiveness of the Board as a whole taking into consideration the contribution of individual Directors to the effectiveness of the Board as well as to affirm annually the independence of Directors.

The NC functions under the written Terms of Reference which sets out its responsibilities include the following:

(a) To recommend to the Board on all board appointments, re-appointments and re-nominations;

(b) To review the independence of the Non-Executive Directors annually in accordance with the guidelines set out in the 2005 Code;

(c) To assess the effectiveness of the Board as a whole and the effectiveness and contribution of each Director to the Board;

(d) To conduct an annual review of the composition of the Board in terms of the size and mix of skills and qualifications of Board members.

The Directors submit themselves for re-election at regular intervals of at least once every three years in accordance with the Company's Articles.

Board Performance

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

The NC reviewed the Board's size and the composition of the Board to satisfy that it is appropriate for effective decision making, taking into account the nature and scope of the Company's operations.

STATEMENT OF CORPORATE GOVERNANCE

The NC has reviewed and evaluated the performance of the Board as a whole, taking into consideration the attendance record at the meetings of the Board and Board Committees and also the contribution of each Director to the effectiveness of the Board.

The NC has also discussed the findings of the evaluation and made appropriate recommendations to the Board on steps to take to address specific issues.

Access to Information

Principle 6: ***In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.***

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 Board has unrestricted access to the Company's records and information.

Management provides Directors with information whenever necessary and Board papers are sent to Directors before each Board and Board Committee meetings. The Directors have full and unrestricted access to all information pertaining to the Company's business or affairs to enable them to discharge their duties. Directors have access to the Company Secretaries and senior management of the Company and of the Group at all times. The Company Secretaries attend all Board meetings and meetings of the Committees of the Company and ensure that Board procedures are followed and that applicable laws, rules and regulations are complied with.

The Directors, whether as a group or individually may seek independent professional advice relating to the Company's affairs and any aspect of the Group's operations or undertakings. The cost of such professional advice will be borne by the Company.

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 Remuneration Committee ("RC") comprises three members, all including its Chairman are Independent Directors. The members of the RC are:

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 reviews and recommends to the Board a framework of remuneration for the Directors and Executive Officers, and determines specific remuneration package for each Executive Director. The recommendations of the Remuneration Committee will be submitted to the Board for endorsement.

All aspects of remuneration, including but not limited to Directors' fee, salaries, allowances, bonuses and benefits in kind, will be reviewed by the RC. No member of the RC or any Director is involved in the deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him.

The RC functions under the written Terms of Reference that sets out its responsibilities include the following:

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

(b) To determine specific remuneration packages for each Executive Director;

(c) To review the appropriateness of compensation for Non-Executive Directors; and

(d) To review the appropriateness of remuneration awarded to attract, retain and motivate Non-Executive Directors. The remuneration should be appropriate to the level of contribution, and after taking into account factors, such as the effort, time spent and responsibilities of the directors.

The Remuneration Committee will be provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services will be borne by the Company.

Level and Mix of Remuneration

Principle 8: ***The level of remuneration should be appropriate to attract, retain and motivate the Directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of Executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance.***

In setting remuneration packages, the Remuneration Committee will take into consideration the pay and employment conditions within the industry and in comparable companies.

After the Company became a Public Listed Company, the Executive Directors no longer receive Directors' fees. They are paid a basic salary and a performance-related profit sharing bonus pursuant to their respective service agreements.

The Committee also reviewed the remuneration packages for key Executives including those employees related to Directors.

Non-Executive Directors are paid Directors' fees, subject to approval of shareholders at the Annual General Meeting ("AGM"). Directors' fees comprise a basic retainer fee and fees in respect of service on Board Committees.

The Board has recommended a fixed fee for Non-Executive Directors, taking into account the effort, time spent and responsibilities of each Non-Executive Director.

The Company will submit the quantum of Directors' fees of each year to the shareholders for approval at each Annual General Meeting.

Disclosure on Remuneration

Principle 9: ***Each company should provide clear disclosure of its remuneration policy, 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 executives, and performance.***

Remuneration of Directors for the year ended 31 December 2011

	Salary %	Bonus %	Directors' Fee %	Allowances and other benefits %	Total compensation %
$250,000 to $500,000					
Mr Liong Kiam Teck	52.8	15.8	26.3*	5.1	100%
Mr Neo Tiam Poon @ Neo Thiam Poon	53.4	10.7	29.5*	6.4	100%
Mr Neo Tiam Boon	44.3	17.5	29.2*	9.0	100%
Mr Neo Thiam An	41.5	13.7	37.6*	7.2	100%
Below $250,000					
Mr Lim Hock Beng	–	–	100	–	100%
Mr Lee Ah Fong	–	–	100	–	100%
Mr Mervyn Goh Bin Guan	–	–	100	–	100%

* The percentage are in respect of Directors' Fees paid prior to the Company becoming a Public Company and admitted to the Official list of the SGX-Main Board on 21 November 2011.

Remuneration of top key Executives (who are not directors) for the year ended 31 December 2011

	Salary %	Bonus %	Allowances and Other Benefits %	Total Compensation %
$250,000 to $500,000				
First Executive	70.8	24.4	4.8	100%
Below $250,000				
Second Executive	76.6	19.5	3.9	100%
Third Executive	61.6	22.1	16.3	100%
Fourth Executive	67.1	20.3	12.6	100%
Fifth Executive	53.2	26.2	20.6	100%
Sixth Executive	50.1	24.6	25.3	100%

Due to competitive reasons, their names are not disclosed in order to maintain confidentiality.

For the financial year ended 31 December 2011, the aggregate remuneration (including CPF contributions thereon and benefits) of employees who are related to our Directors is $468,969.

Mr Liong Kiam Teck, Mr Neo Tiam Poon @ Neo Thiam Poon, Mr Neo Tiam Boon and Mr Neo Thiam An are siblings. Ms Liong Chai Yin, Fiona and Ms Liong Cailin, Wendy are the daughters of our Executive Chairman, Mr Liong Kiam Teck, and the nieces of our Deputy Executive Chairman, Mr Neo Tiam Poon @ Neo Thiam Poon, our Chief Executive Officer and Executive Director, Mr Neo Tiam Boon and our Executive Director, Mr Neo Thiam An.

Mr Nelson Neo Tiam Chuan is one of the employees of the Group who is the immediate family member of the Directors and the Substantial Shareholders, and whose remuneration exceed $150,000 during the financial year ended 31 December 2011.

Share Incentive 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 mindful of its obligations to furnish 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.

Audit Committee

Principle 11: ***The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.***

The Audit Committee ("AC") comprises three members, all including its Chairman are Independent Directors. The AC comprises the following members:

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

The AC functions under the written Terms of Reference that sets out its responsibilities include the following:

(a) review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to management and the management's response thereto;

(b) review with independent internal auditors, the internal audit plan and their evaluation of the adequacy of our internal control and accounting system before submission of the results of such review to our Board of Directors for approval;

(c) 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 and any other relevant statutory or regulatory requirements;

(d) review the internal control procedures and ensure co-ordination between the external auditors and our management, review the assistance given by our management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of our management, where necessary);

(e) review and consider the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;

(f) review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;

(g) review our Group's hedging policies procedures and activities (if any) and monitor the implementation of the hedging procedure/policies, including reviewing the instruments, processes and practices in accordance with any hedging policies approved by our Board of Directors;

(h) review potential conflicts of interest, if any, and to set out a framework to resolve or mitigate such potential conflicts of interests;

(i) undertake such other reviews and projects as may be requested by our Board of Directors, and report to our Board of Directors its findings from time to time on matters arising and requiring the attention of our Audit Committee;

(j) 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

(k) generally undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

The AC has the power to conduct or authorise investigations into any matter within the AC's scope of responsibility. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses will be borne by the Company. 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 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.

The AC meets with both the external and internal auditors without the presence of the Management at least once a year.

The AC reviews the independence of the external auditors annually. The AC, having reviewed the range and value of non-audit services performed by the external auditors, Deloitte & Touche LLP, was satisfied that the nature and extent of such services did not prejudice the independence and objectivity of the external auditors. During the year, the fees paid to the external auditors of the Company for non-audit services amounted to $458,000 which includes an amount of $440,000 relating to our Initial Public Offering exercise in 2011 or 163.6% of the 2011 audit fee. The AC recommended that Deloitte & Touche LLP be nominated for re-appointment as auditors at the forthcoming AGM.

The Company confirms that it has complied with Rules 712 and 715 of the Listing Manual in engaging Deloitte & Touche LLP, an audit firm registered with the Accounting and Corporate Regulatory Authority ("ACRA"), as the external auditors of the Company and of its Singapore subsidiaries.

The Company has in place a whistle-blowing policy and procedures, which provide employees with well-defined and accessible channels within the Group through which they may, in confidence, raise concerns about possible improprieties to the Chairman of the Company and a copy to the Chairman of the Audit Committee.

Internal Controls and Risk Management

Principle 12: ***The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.***

The Board recognises the importance of sound internal controls addressing financial, operational and compliance controls and risk management. In this respect, the Audit Committee continually reviewed with the internal auditors, the external auditors and the Management the adequacy and the integrity of the Group's internal control system. In the course of their audit, the external auditors will highlight any material internal control weakness and recommendations. Any such material internal weakness will be noted by the AC and Management will identify and evaluate the risks and then design, implement and monitor to mitigate the risk. Inherently, no matter how robust the internal control, it can only provide reasonably sufficient and not absolute assurance against material misstatement or loss or fraud.

Based on the reports from the internal auditors, the external auditors and the Management monitors the internal controls in place, the Board with the concurrence of the Audit Committee is of the opinion that the systems of internal controls is adequate to address the financial, operational and compliance risks.

Internal Audit

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

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

The IA carries out their work based on the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The Audit Committee reviewed the Company's internal control assessment and based on the internal auditor's and external auditor's reports and the internal controls in place, is satisfied that there are adequate internal controls in the Group.

STATEMENT OF CORPORATE GOVERNANCE

COMMUNICATION WITH SHAREHOLDERS

Principle 14: ***Companies should engage in regular, effective and fair communication with shareholders.***

Principle 15: ***Companies should encourage greater shareholder participation at AGM's and allow shareholders the opportunity to communicate their views on various matters affecting the Company.***

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

Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and news release;

(b) Annual Report issued to all shareholders;

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

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

(e) Company's website at www.tiongaik.com.sg at which shareholders can access 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 present at the AGMs to address any shareholders' questions raise.

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

Dealing In Securities

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

Under this Code, Directors and Key Executive Officers of the Group are prohibited in 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, and ending on the date of the announcement of the results. 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.

Interested Person Transactions

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

The Company has established review and approval procedures to ensure that interested person transactions 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 interested person transaction.

The Audit Committee has reviewed the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are on normal commercial terms and are not prejudicial to the interests of the shareholders.

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)
Prestige Resources Pte Ltd	253	N.A.
Sino Tac Resources Pte Ltd	290	N.A.
TAC Alliance Pte. Ltd.	282	N.A.

Material Contracts

There was no material contract entered into by the Company or any of its subsidiary companies involving the interest of the Chief Executive Officer, any Director, or controlling shareholder during the financial year ended 31 December 2011, except for the service agreements between the Company and each of the Executive Directors.

Use of IPO Proceeds

The Company makes periodic announcements on the use of the IPO proceeds as and when the funds from the IPO are materially disbursed.

FINANCIAL REPORTS

REPORT OF THE DIRECTORS

The directors present their report 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, 2011.

1 DIRECTORS

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

Liong Kiam Teck	(Appointed on March 7, 2011)
Neo Tiam Poon @ Neo Thiam Poon	(Appointed on March 7, 2011)
Neo Tiam Boon	(Appointed on March 7, 2011)
Neo Thiam An	(Appointed on March 7, 2011)
Lim Hock Beng	(Appointed on September 20, 2011)
Lee Ah Fong	(Appointed on September 20, 2011)
Mervyn Goh Bin Guan	(Appointed on September 20, 2011)

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 directors		**Shareholdings in which directors are deemed to have an interest**	
Name of directors and companies in which interests are held	**At date of incorporation or date of appointment, if later**	**At end of year**	**At date of incorporation or date of appointment, if later**	**At end of year**
Liong Kiam Teck	1	154,350,000	–	–
Neo Tiam Poon @ Neo Thiam Poon	–	74,088,000	–	–
Neo Tiam Boon	–	77,861,000	–	–
Neo Thiam An	–	36,701,000	–	–
Lim Hock Beng	–	100,000	–	–

The directors' interest in the shares of the Company and related corporations at January 21, 2012 were the same as at December 31, 2011.

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

REPORT OF THE DIRECTORS

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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

5 AUDIT COMMITTEE

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

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/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 Group's financial and operating results and accounting policies;
- To review the statement of financial position and statement of changes in equity of the Company, the consolidated financial statements of the Group before their submission to the Board of Directors and the external auditors' report on those financial statements;
- To review the quarterly, half-yearly and annual announcements as well as the related presentation slides and press releases on the results and financial positions of the Company and the Group;
- To review the co-operation and assistance given by the management to the Group's external and internal auditors; and
- To review the re-appointment of the external and internal auditors of the Group.

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

The Audit Committee 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 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.

7 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 28, 2012

STATEMENT OF DIRECTORS

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 31 to 85 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2011 and of the results, 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.

ON BEHALF OF THE DIRECTORS

Liong Kiam Teck

Neo Tiam Boon

March 28, 2012

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, 2011, the statement of 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 notes, as set out on pages 31 to 85.

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 profit and loss accounts and balance sheets 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 state of affairs of the Group and of the Company as at December 31, 2011 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TA CORPORATION LTD

Report on Other Legal and Regulatory Requirements

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

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
March 28, 2012

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2011

	Note	Group 31.12.2011 $'000	Group 31.12.2010 $'000 (Restated)	Group 01.01.2010 $'000 (Restated)	Company 31.12.2011 $'000
ASSETS					
Current assets					
Cash and bank balances	6	**90,958**	47,840	32,273	**26,933**
Trade and other receivables	7	**125,274**	87,559	90,851	**11,546**
Deposits and prepayments	8	**4,164**	5,690	2,880	**39**
Inventories	9	**58**	98	90	–
Development properties	11	**179,048**	148,241	145,102	–
Total current assets		**399,502**	289,428	271,196	**38,518**
Non-current assets					
Trade and other receivables	7	**16,695**	16,076	26,970	–
Property, plant and equipment	12	**16,115**	15,975	15,116	–
Investment properties	13	**57,630**	57,630	52,230	–
Goodwill	14	**1,728**	1,728	1,728	–
Subsidiaries	15	–	–	–	**113,665**
Associates	16	**17,675**	18,715	11,855	–
Available-for-sale investments	17	**127**	127	1,917	–
Deferred tax assets	18	–	55	668	–
Total non-current assets		**109,970**	110,306	110,484	**113,665**
Total assets		**509,472**	399,734	381,680	**152,183**

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2011

		<——— Group		———>	Company
	Note	31.12.2011 $'000	31.12.2010 $'000 (Restated)	01.01.2010 $'000 (Restated)	31.12.2011 $'000
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	19	**43,771**	40,266	63,549	–
Trade and other payables	20	**121,818**	109,197	108,496	**3,916**
Current portion of finance leases	21	**647**	540	203	–
Income tax payable		**3,078**	6,525	394	–
Total current liabilities		**169,314**	156,528	172,642	**3,916**
Non-current liabilities					
Borrowings	19	**140,280**	114,628	104,373	–
Trade and other payables	20	**4,420**	3,411	7,174	–
Finance leases	21	**742**	1,437	421	–
Deferred tax liabilities	18	**9,219**	3,812	2,708	–
Total non-current liabilities		**154,661**	123,288	114,676	–
Capital, reserves and non-controlling interests					
Share capital	22	**142,185**	29,391	29,391	**142,185**
Translation reserve		**37**	(85)	(94)	–
Retained earnings		**27,832**	83,158	63,670	**6,082**
Equity attributable to owners of the Company		**170,054**	112,464	92,967	**148,267**
Non-controlling interests		**15,443**	7,454	1,395	–
Total equity		**185,497**	119,918	94,362	**148,267**
Total liabilities and equity		**509,472**	399,734	381,680	**152,183**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2011

	Note	Group 31.12.2011 $'000	Group 31.12.2010 $'000 (Restated)
Revenue	23	**284,685**	242,992
Cost of sales		**(226,670)**	(199,238)
Gross profit		**58,015**	43,754
Other income	24	**6,244**	15,826
Selling and distribution costs		**(2,432)**	(3,363)
General and administrative expenses		**(10,667)**	(9,147)
Other operating expenses	25	**(3,547)**	(1,677)
Share of (loss)/profit of associates	16	**(861)**	3,163
Finance costs	26	**(3,068)**	(3,842)
Profit before income tax		**43,684**	44,714
Income tax expense	27	**(7,863)**	(8,975)
Profit for the year	28	**35,821**	35,739
Other comprehensive income:			
Exchange differences on translation of foreign operations		**37**	(63)
Total comprehensive income for the year		**35,858**	35,676
Profit attributable to:			
Owners of the Company		**27,915**	29,596
Non-controlling interests		**7,906**	6,143
		35,821	35,739
Total comprehensive income attributable to:			
Owners of the Company		**27,869**	29,605
Non-controlling interests		**7,989**	6,071
		35,858	35,676
Earnings per share (cents):			
Basic and diluted	29	**7.7**	8.4

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2011

	Note	Share capital $'000	Translation reserve $'000	Retained earnings $'000	Equity attributable to owners of the Company $'000	Non-controlling interests $'000	Total $'000
Group							
Balance at December 31, 2009 (restated)		29,391	(94)	62,563	91,860	1,395	93,255
Effect of adopting INT FRS 115		–	–	1,107	1,107	–	1,107
Balance at January 1, 2010 (restated)		29,391	(94)	63,670	92,967	1,395	94,362
Total comprehensive income for the year before adopting INT FRS 115	34	–	9	30,105	30,114	6,071	36,185
Effect of adopting INT FRS 115	34	–	–	(509)	(509)	–	(509)
		–	9	29,596	29,605	6,071	35,676
Dividends	31	–	–	(10,108)	(10,108)	(12)	(10,120)
Balance at December 31, 2010 (restated)		29,391	(85)	83,158	112,464	7,454	119,918
Adjustments arising from the restructuring exercise	22	(29,391)	85	(83,158)	(112,464)	–	(112,464)
New shares issued pursuant to restructuring exercise	22	112,464	–	–	112,464	–	112,464
New shares issued pursuant to the initial public offering	22	31,640	–	–	31,640	–	31,640
Total comprehensive income for the year		–	37	27,832	27,869	7,989	35,858
Share issue expenses taken to equity	22	(1,919)	–	–	(1,919)	–	(1,919)
Balance at December 31, 2011		**142,185**	**37**	**27,832**	**170,054**	**15,443**	**185,497**

See accompanying notes to financial statements.

	Note	Share capital $'000	Retained earnings $'000	Total $'000
Company				
Balance at date of incorporation, March 7, 2011		–	–	–
New shares issued pursuant to the restructuring exercise	22	112,464	–	112,464
New shares issued pursuant to the initial public offering	22	31,640	–	31,640
Total comprehensive income for the year		–	6,082	6,082
Share issue expenses taken to equity	22	(1,919)	–	(1,919)
Balance at December 31, 2011		**142,185**	**6,082**	**148,267**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2011

	Group 31.12.2011 $'000	Group 31.12.2010 $'000 (Restated)
Operating activities		
Profit before income tax	**43,684**	44,714
Adjustments for:		
Depreciation expense	**2,065**	1,819
Share of loss/(profit) of associates	**861**	(3,163)
Gain in fair value of investment properties	**–**	(5,400)
Fair value gain on disposal of available-for-sale investment	**–**	(3,727)
Negative goodwill arising on additional investment in associate	**–**	(247)
Gain on disposal of property, plant and equipment	**(357)**	(240)
Interest expense	**3,068**	3,842
Interest income	**(1,980)**	(1,484)
(Reversal)/Allowance for doubtful debts	**(20)**	608
Operating cash flows before movements in working capital	**47,321**	36,722
Trade and other receivables	**(45,792)**	18,725
Deposits and prepayments	**1,526**	(2,810)
Inventories	**39**	(8)
Development properties	**(26,159)**	(6,350)
Trade and other payables	**23,122**	(9,629)
Cash generated from operations	**57**	36,650
Income tax paid	**(2,507)**	(1,127)
Interest paid	**(3,068)**	(3,842)
Net cash (used in)/from operating activities	**(5,518)**	31,681
Investing activities		
Interest received	**1,980**	1,484
Purchase of property, plant and equipment	**(2,165)**	(1,043)
Proceeds from disposal of property, plant and equipment	**387**	246
Additional investment in associate	**(6)**	(3,302)
Net cash from/(used in) investing activities	**196**	(2,615)
Financing activities		
Proceeds from borrowings	**85,208**	34,841
Repayment of borrowings	**(55,016)**	(45,200)
Repayment of obligations under finance leases	**(738)**	(352)
Net proceeds from issue of shares	**29,721**	–
Dividends paid	**(10,000)**	(120)
Net cash from/(used in) financing activities	**49,175**	(10,831)
Increase in cash and cash equivalents	**43,853**	18,235
Cash and cash equivalents at beginning of the year	**46,805**	28,569
Effect of exchange rate changes	**300**	1
Cash and cash equivalents at end of the year	**90,958**	46,805
Cash and cash equivalents at end of the year comprise the following:		
Cash and bank balances (Note 6)	**90,958**	47,840
Bank overdrafts (Note 19)	**–**	(1,035)
Cash and cash equivalents at end of the year	**90,958**	46,805

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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 on November 21, 2011. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 15.

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, 2011 were authorised for issue by the Board of Directors on March 28, 2012.

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").

Adoption of new and revised standards

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2011. 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 effect on the amounts reported for the current or prior years except as disclosed below:

INT FRS 115 *Agreements for Construction of Real Estate*

INT FRS 115 applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The Interpretation provides guidance on the distinction between 'construction contracts' and other agreements for the construction of real estate. Agreements involving the construction of real estate will need to be assessed whether they should be accounted for in accordance with FRS 11 C*onstruction Contracts* or FRS 18 *Revenue*.

- If an agreement is to be accounted for as a construction contract under FRS 11, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period;

- If an agreement is to be accounted for as a sale of goods under FRS 18, revenues are typically recognised at the completion of the construction i.e. when the entity has transferred to the buyer the significant risks and rewards of ownership of the goods; unless those significant risks and rewards are transferred continuously as construction progresses, in which case revenue and costs should be recognised by reference to the stage of completion using the stage of completion method.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised standards (Continued)

INT FRS 115 *Agreements for Construction of Real Estate* (Continued)

Consequently, the recognition of revenue and associated expenses by entities which have agreements for construction of real estate may change. INT FRS 115 is effective for annual periods beginning on or after January 1, 2011, and is to be applied retrospectively.

The Interpretation is issued with an Accompanying Note that explains the application of the Interpretation to specific type of property development sales in Singapore by considering its legal framework.

With the adaption of INT FRS 115, the revenue from the completed development project in 2010 under the deferred payment scheme is recognised on completion of construction basis, in which case revenue and costs will be recognised at the completion of the construction.

There is no material effect to the Group from the adoption of INT FRS 115 in 2011.

The additional disclosures on application of the Interpretation can be found in the respective notes to the financial statements.

The following are the estimated effects of retrospective application on the amounts previously reported:

	As previously reported 31.12.2010 $'000	Restated upon adoption of INT FRS 115 31.12.2010 $'000	Restated upon adoption of INT FRS 115 01.01.2010 $'000
Trade and other receivables	96,156	103,635	90,851
Development properties	152,889	148,241	145,102
Income tax payable	3,185	6,525	394
Revenue	235,513	242,992	–
Cost of sales	(194,590)	(199,238)	–
Profit before income tax	41,883	44,714	–
Income tax expense	(5,635)	(8,975)	–
Profit after income tax	36,248	35,739	–

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

- Amendments to FRS 107 *Financial Instruments: Disclosures – Transfers of Financial Assets*
- FRS 27 (Revised) *Separate Financial Statements*
- FRS 110 *Consolidated Financial Statements*
- FRS 112 *Disclosure of Interests in Other Entities*
- FRS 113 *Fair Value Measurement*

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised standards (Continued)

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

Amendments to FRS 107 *Financial Instruments: Disclosures – Transfers of Financial Assets*

The amendments to FRS 107, effective for annual periods beginning on or after July 1, 2011, increase the disclosure requirements for transactions involving transfer of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. The Group is currently assessing the effects of amendments to FRS 107 in the period of initial adoption.

FRS 110 *Consolidated Financial Statements and FRS 27 Separate Financial Statements*

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12 *Consolidation – Special Purpose Entities.*

FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 27 remains as a standard applicable only to separate financial statements.

FRS 110 will take effect from financial years beginning on or after January 1, 2013, with full retrospective application.

When the Group adopts FRS 110, entities it currently consolidates may not qualify for consolidation, and entities it currently does not consolidate may qualify for consolidation. The Group is currently estimating the effects of FRS 110 on its investments in the period of initial adoption.

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

FRS 112 will take effect from financial years beginning on or after January 1, 2013, and the Group is currently estimating extent of additional disclosures needed.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised standards (Continued)

FRS 113 *Fair Value Measurement*

FRS 113 is a single new Standard that applies to both financial and non-financial items. It replaces the guidance on fair value measurement and related disclosures in other Standards, with the exception of measurement dealt with under FRS 102 *Share-based Payment,* FRS 17 *Leases,* net realisable value in FRS 2 *Inventories* and value-in-use in FRS 36 *Impairment of Assets.*

FRS 113 provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope, but does not change the requirements in other Standards regarding which items should be measured or disclosed at fair value.

FRS 113 will be effective prospectively from annual periods beginning on or after January 1, 2013. Comparative information is not required for periods before initial application.

The Group is currently estimating the effects of FRS 113 in the period of initial adoption.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries as at the end of each reporting period. A subsidiary is an entity over which the Company has control, which is the power to govern the financial and operating policies so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the financial year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with those used by other members of the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this may result in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control 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 subsidiary. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal 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. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

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.

Basis of Combination

The combined financial statements for 2010 incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) and had been prepared using the principles of merger accounting and on the assumption that the restructuring of entities controlled by the same shareholders has been enlisted as at the beginning of the year presented in these combined financial statements for 2010. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of are included in the combined statement of comprehensive income for 2010 from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

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 the profit or loss.

Business combinations

Other than business combination involving entities under common control, acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates 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 being recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (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 the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment*; 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 (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year from acquisition date. The policy described above is applied to all business combinations that take place on or after January 1, 2010.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control 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 subsidiary. 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal 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. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

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.

<u>Effective interest method</u>

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.

<u>Available-for-sale financial assets</u>

Certain shares and debt securities held by the Group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instrument (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. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instrument (Continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, fixed deposits less bank overdrafts and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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 and overdrafts 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 (see below).

Derecognition of financial liabilities

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

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, as measured by the proportion of certified contract value of work performed to date relative to the estimated total contract value. 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, 2011

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 added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the period in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as 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 liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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, other than freehold land, over the estimated useful lives of the assets using the straight-line method, on the following bases:

Leasehold properties	Over remaining period of lease
Plant and equipment	3 to 7 years
Motor vehicles	5 years

Depreciation is not provided on freehold land.

Fully depreciated assets still in use are retained in the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (Continued)

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.

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.

Development properties

Development properties, which are properties held for development and sale in the ordinary course of business, are stated at the lower of 1) cost plus attributable profits net of progress billings and 2) net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling.

Cost comprises costs that relate directly to the development, such as acquisition costs, and related costs that are attributable to development activities and can be allocated to the development project, including attributable borrowings costs (see accounting policy for borrowing costs below).

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

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

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

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>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>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 the total time expected to install that has elapsed at the end of the reporting period;
- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Construction Contracts

Revenue and profits from construction contracts are recognised in accordance with the Group's accounting policy on construction contracts (see above).

Sale of development properties

Revenue for sales of development properties is recognised when risks and rewards of ownership of the real estate is transferred to the buyer on a continuous basis. This policy applies to standard residential developments.

For such properties, revenue is recognised based on the percentage of completion method when the transfer of significant risks and rewards of ownership occurs as construction progresses. Under the percentage of completion method, revenue and costs are recognised by reference to the stage of completion of the development activity at the end of the reporting period based on survey of work completed at the end of each reporting period performed by independent qualified surveyors. Profits are recognised only in respect of properties with finalised sales agreements. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Development properties are stated at cost plus attributable profits less progress billings if their revenue is recognised based on percentage of completion method.

Interest income

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

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 as 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 capitalisation.

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

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 financial year. Taxable profit differs from profit as reported in the statement of 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 enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the 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, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the 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. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

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), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

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 entity within the Group operates (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.

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 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 period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation accumulated in a separate component of equity, shall be reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognised.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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.

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, apart from those involving estimations as discussed below.

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.

<u>Construction contracts</u>

The Group recognises contract revenue and contract 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 are required in estimating the total contract costs which affect the contract cost recognised to-date based on the percentage of completion. Total contract revenue also includes estimation for variation works that are recoverable from customers. In making these estimates, the Group relies on past experience and the work of specialists.

In addition, the valuation of construction contracts, development properties and provisions for warranty costs can be subject to uncertainty in respect of variation works and estimation of future costs. The carrying amounts of assets and liabilities arising from construction contracts are disclosed in Note 10 to the financial statements.

<u>Deferred tax</u>

Significant assumptions are involved in determining the provision for deferred tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's deferred tax liabilities is disclosed in Note 18 to the financial statements.

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

Key sources of estimation uncertainty (Continued)

Accrued contract costs

Determining the accrued contract costs in respect of cost of work required to be carried out for the rectification of construction defects requires an assessment of the potential defects that could arise, the estimation of the timing of incurring such costs and of the future costs of carrying out such rectification works. The carrying amount of the accrual is disclosed in Note 20 to the financial statements.

Provision for foreseeable losses

Management reviews the development property for foreseeable loss whenever there is an indication that the estimated selling prices are lower than the estimated total development cost.

The estimated selling prices are based on recent selling prices for the development project or comparable projects and the prevailing property market conditions. The estimated total development costs are based on contracted amounts, and in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred. The carrying amount of the development properties is disclosed in Note 11 to the financial statements.

Allowance for impairment loss on 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. If there is objective evidence that an impairment loss on trade and other receivables has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the loss is recognised in the profit or loss. Where the loss subsequently reverses, the reversal is recognised in profit or loss. The carrying amount of the trade and other receivables is disclosed in Note 7 to the financial statements.

Impairment of assets

The Group follows the guidance of FRS 39 and FRS 36 in determining when a financial asset is impaired or when its investments in associates, available-for-sale investments, property, plant and equipment and investment properties are other than temporarily impaired. This assessment requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of an investment or financial asset is less than its cost; and the financial health of and near-term business outlook for the investment or financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill is disclosed in Note 14 to the financial statements.

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

Key sources of estimation uncertainty (Continued)

Fair value of investment properties

The preparation of financial statements in accordance with FRS requires the company's management to make estimates affecting the reported amounts of assets and liabilities, of revenue and expenses, and of gains and losses. As described in Note 2, the company's investment properties, are stated at fair value, as determined by independent valuers. These estimated market values may differ from the prices at which the company's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of factors not within management's control, such as overall market conditions. As a result, actual results of operations and realisation of net assets in the future could differ from the estimates set forth in these financial statements. The carrying value of investment properties is disclosed in Note 13 to the financial statements.

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
	31.12.2011	**31.12.2010**	**31.12.2011**
	$'000	**$'000**	**$'000**
		(Restated)	
Financial assets			
Available for sale financial asset	**127**	127	–
Loans and receivables at amortised cost (including cash and cash equivalents)	**229,733**	140,579	**38,479**
Financial liabilities			
Amortised cost	**311,678**	269,479	**3,916**

(b) Financial risk management policies and objectives

The Group's financial instruments comprise borrowings, finance leases and cash and bank balances. It is management's intent to maintain a balanced portfolio of financial instruments to finance the Group's operations. The Group also has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations.

The Group does not hold or issue derivative financial instruments for speculative purposes. Market risk exposures are measured using sensitivity analysis indicated below.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

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

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 a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

(ii) Interest rate risk management

The Group's exposure to interest rate risk relates primarily to fixed deposits and debt obligations. The interest rates for deposits and borrowings are indicated in Notes 6 and 19 to the financial statements. The Group manages interest cost by using a mixture of fixed and variable rate debts.

The Group may from time to time enter into interest rate swaps to manage its exposures to interest rate risk.

The borrowing costs related to property development projects are capitalised as cost of property development (Note 11). All other borrowing cost are recognised in profit or loss in the period in which they are incurred.

Interest rate sensitivity analysis

The sensitivity analyses 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 the 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.

If interest rates had 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, 2011 would have increased/decreased by $503,000 (2010: increased/decreased by $512,000).

In addition, if interest rates had been 50 basis points lower or higher and all other variables were held constant, the Group's profit for the financial year ended December 31, 2011 would have increased/decreased by $315,000 (2010: increased/decreased by $276,000).

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

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

(iii) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by the management on an on-going basis.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group's exposure to credit risk on receivables arising from the sale of condominium real estate development units is not significant as such payments are arranged through loans taken up by customers with creditworthy financial institutions.

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

The Group monitors its potential losses on credit extended. In addition, rental deposits are received as security from tenants of its investment properties. The amounts presented in the statement 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.

The maximum aggregate amount the Group could be liable under all the guarantees in Note 32 (a) is approximately $68.5 million in aggregate, if the full amount of all the guarantees is claimed by the banks under each of the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is unlikely that any amount will be payable under these arrangements.

Other than the above, the carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and the exposure to defaults from corporate guarantees above, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

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

(iv) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

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 the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial 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
Group						
2011						
Non-interest bearing	–	**126,238**	–	–	–	**126,238**
Finance leases (fixed rate)	**5.9**	**720**	**815**	–	**(146)**	**1,389**
Fixed interest rate instruments	**3.4**	**4,074**	**15,898**	**3,193**	**(762)**	**22,403**
Variable interest rate instruments	**2.7**	**40,907**	**125,105**	–	**(4,364)**	**161,648**
		171,939	**141,818**	**3,193**	**(5,272)**	**311,678**
2010						
Non-interest bearing	–	112,608	–	–	–	112,608
Finance leases (fixed rate)	5.0	716	1,489	–	(228)	1,977
Fixed interest rate instruments	3.1	7,038	30,584	4,309	(1,032)	40,899
Variable interest rate instruments	3.1	33,227	85,695	–	(4,927)	113,995
		153,589	117,768	4,309	(6,187)	269,479
Company						
2011						
Non-interest bearing	–	**3,916**	–	–	–	**3,916**

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

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

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial asset on the statements of financial position.

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	Adjustment $'000	Total $'000
Group					
2011					
Non-interest bearing	**–**	**188,158**	**16,695**	**–**	**204,853**
Fixed interest rate instruments	**0.5**	**25,016**	**–**	**(9)**	**25,007**
		213,174	**16,695**	**(9)**	**229,860**
2010					
Non-interest bearing	–	124,195	16,076	–	140,271
Fixed interest rate instruments	1.0	435	–	–	435
		124,630	16,076	–	140,706
Company					
2011					
Non-interest bearing	**–**	**13,472**	**–**	**–**	**13,472**
Fixed interest rate	**0.5**	**25,016**	**–**	**(9)**	**25,007**
instruments		**38,488**	**–**	**(9)**	**38,479**

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

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

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

(v) Fair value of financial assets and liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the 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 financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and

- the fair values of current financial assets and financial liabilities approximate the carrying amounts of those assets and liabilities reported in the statements of financial position due to the relatively short-term maturity of these financial instruments.

(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 maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 19, cash and cash equivalents as disclosed in Note 6 and equity attributable to owners of the Company, comprising issued capital, other components of equity and retained earnings as disclosed in the statement of changes in equity.

The Group reviews the capital structure on an annual basis. As a part of this review, the Group considers the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends and issuance of new shares as well as the issuance of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged.

5. RELATED PARTY TRANSACTIONS

Some of the transactions and arrangements are 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. No expenses has been recognised in the year for bad or doubtful debts in respect of the amounts owed by related parties.

During the year, Group entities entered into the following trading transactions with related parties:

	Group	
	31.12.2011 $'000	**31.12.2010 $'000**
Associates		
Interest income	**346**	21
Project management services	**144**	–
Accounts & administrative services	**104**	120
Companies in which certain directors have control		
Sales of motor vehicles	**169**	–
Sales and service of air-conditioners	**137**	42
Maintenance fees	**41**	35
Management service fee	**432**	405
Vehicle rental income	**1**	8
Rental income	**415**	495
Miscellaneous income	**7**	5
Medical Fee	**(72)**	(81)
Purchase of air tickets	**(24)**	(12)
Project management services	**–**	(338)
Accounts and administrative services	**–**	(818)
Dormitory rental	**(104)**	(248)
Consultancy fee	**(26)**	(38)
Purchase of furniture for project	**–**	(2)
Hotel room charges	**(12)**	(11)
Services rendered – upkeep of machinery	**(113)**	(53)
Purchase of lubricants/stackers	**(29)**	(31)
Directors		
Sales of motor vehicles	**82**	–

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

5. 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	
	31.12.2011 $'000	31.12.2010 $'000
Short-term benefits	**2,412**	1,699

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

6. CASH AND BANK BALANCES

	Group		Company
	31.12.2011 $'000	31.12.2010 $'000	31.12.2011 $'000
Cash at bank and in hand	**25,007**	47,405	**25,007**
Fixed deposits	**65,951**	435	**1,926**
	90,958	47,840	**26,933**

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 0.4% – 0.5% (2010: 1.0%) per annum and for a tenure ranging 30 – 33 days (2010: 30 days).

Included in the cash and bank balances of the Group is an amount of $27,822,000 (2010: $30,335,000) held under the Housing Developers (Project Account) Rules, withdrawals from which are restricted to payments for expenditure incurred on the development properties (Note 11).

7. TRADE AND OTHER RECEIVABLES

	Group 31.12.2011 $'000	Group 31.12.2010 $'000 (Restated)	Group 01.01.2010 $'000 (Restated)	Company 31.12.2011 $'000
Current portion:				
Trade receivables from:				
Sale of goods and services	**1**	–	1,817	–
Property development customers	**68,779**	36,518	24,399	–
Construction contract customers: – Billed	**26,187**	11,364	17,876	–
Construction contract customers: – Unbilled (Note 10)	**5,996**	11,503	10,778	–
Accrued trade receivables for construction contracts	**4,398**	13,346	9,269	–
Retention monies	**2,597**	2,333	9,528	–
Associates (Note 5)	**2,242**	3,547	–	–
Companies in which certain directors have control (Note 5)	**14**	5	10,185	–
Others	**–**	2	21	–
Less: Allowance for doubtful debts – Third parties	**(582)**	(603)	(3)	–
	109,632	78,015	83,870	–
Other receivables due from:				
Third parties	**149**	–	233	–
Associates (Note 5)	**15,461**	9,521	666	–
Companies in which certain directors have control (Note 5)	**–**	5	5,461	–
Subsidiaries	**–**	–	–	**11,546**
Less: Allowance for doubtful debts – Companies in which certain directors have control	**–**	(5)	–	–
	15,610	9,521	6,360	**11,546**
Staff loans	**22**	23	18	–
Income tax recoverable	**10**	–	603	–
	32	23	621	–
Total current portion	**125,274**	87,559	90,851	**11,546**
Non-current portion:				
Trade receivables from:				
Retention monies	**16,665**	14,547	10,535	–
Property development customers	**30**	329	1,890	–
Other receivables due from:				
Associates (Note 5)	**–**	1,200	14,545	–
Total non-current portion	**16,695**	16,076	26,970	–
Total trade and other receivables	**141,969**	103,635	117,821	**11,546**

The average credit period is 30 and 60 days (2010: 30 and 60 days). No interest is charged on the trade receivables. Interest is charged at 2.5% to 5.3% (2010: 5.3%) per annum for the Group and Company on other receivables due from associates and other subsidiaries. Retention monies are discounted at 5.1%-5.4% (2010:5.3%-5.4%) per annum.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

7. TRADE AND OTHER RECEIVABLES (Continued)

Accrued trade receivables represent construction works which have been completed within the financial year but for which architects certification is obtained after the financial year.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed on a timely basis. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Included in the Group's trade receivable balance are debtors with a carrying amount of $2,097,000 (2010: $1,570,000) which are past due at the reporting date for which the Group has not provided for any impairment losses as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

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

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

	Group			Company
	31.12.2011	**31.12.2010**	**01.01.2010**	**31.12.2011**
	$'000	**$'000**	**$'000**	**$'000**
		(Restated)	**(Restated)**	
Not past due and not impaired (i)	**139,872**	102,065	116,260	**11,546**
Past due but not impaired (ii)	**2,097**	1,570	1,561	–
Impaired receivables				
– individually assessed (iii)				
– Past due more than 12 months	**582**	603	3	–
Less: Allowance for impairment	**(582)**	(603)	(3)	–
Total trade receivables, net	**141,969**	103,635	117,821	**11,546**

(i) There has not been a significant change in credit quality of these trade and other receivables that are not past due and not impaired.

(ii) Aging of receivables that are past due but not impaired

	Group			Company
	31.12.2011	**31.12.2010**	**01.01.2010**	**31.12.2011**
	$'000	**$'000**	**$'000**	**$'000**
		(Restated)	**(Restated)**	
< 3 months	**762**	1,570	470	–
3 months to 6 months	**302**	–	1,091	–
6 months to 12 months	**191**	–	–	–
> 12 months	**842**	–	–	–
	2,097	1,570	1,561	–

(iii) These amounts are stated before any deduction for impairment losses.

(iv) These receivables are not secured by any collateral or credit enhancements.

7. TRADE AND OTHER RECEIVABLES (Continued)

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

	Group			Company
	31.12.2011 $'000	31.12.2010 $'000 (Restated)	01.01.2010 $'000 (Restated)	31.12.2011 $'000
Balance at beginning of the year	**608**	3	135	–
Amounts recovered during the year	**(129)**	(3)	(132)	–
Bad debts written off	**(6)**	–	–	–
Increase in allowance recognised in profit or loss	**109**	608	–	–
Balance at end of the year	**582**	608	3	–

8. DEPOSITS AND PREPAYMENTS

	Group		Company
	31.12.2011 $'000	31.12.2010 $'000	31.12.2011 $'000
Advance payments to subcontractors	**–**	3,992	–
Tender deposits placed with third parties	**75**	223	–
Deposits placed with third parties	**2,727**	384	–
Deferred Invitation expenses	**–**	394	–
Prepayments	**1,362**	697	**39**
	4,164	5,690	**39**

Deferred invitation expenses of $394,000 relate to the professional fees for the Initial Public Offering. The amount has been expensed off in 2011.

9. INVENTORIES

	Group	
	31.12.2011 $'000	31.12.2010 $'000
Goods held for sale	**58**	98

The cost of inventories recognised as an expense for the financial year amounted to $40,000 (2010: $8,000).

10. CONSTRUCTION CONTRACTS

	Group 31.12.2011 $'000	Group 31.12.2010 $'000
Contracts in progress at end of the reporting period:		
Amounts due from contract customers included in trade and other receivables (Note 7)	**5,996**	11,503
Aggregate amount of contract costs incurred plus recognised profits (less recognised losses) to date	**332,150**	163,600
Less: Progress billings	**(326,154)**	(152,097)
	5,996	11,503

Retention monies held by customers for contract work amounted to $19,262,000 (2010: $16,880,000).

11. DEVELOPMENT PROPERTIES

	Group		
	31.12.2011 $'000	31.12.2010 $'000 (Restated)	01.01.2010 $'000 (Restated)
Costs incurred plus attributable profits	**400,830**	245,697	211,811
Less: Progress billings	**(221,782)**	(97,456)	(66,709)
	179,048	148,241	145,102

Development properties have been classified as current because they are expected to be realised in the normal operating cycle.

Provision for foreseeable losses is estimated after taking into account estimated selling prices and estimated total development costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and the prevailing property market conditions. The estimated total development costs are based on contracted amounts, and in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred.

All development properties were mortgaged to banks as security for credit facilities obtained by the Group (Note 19).

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

	Group		
	31.12.2011 $'000	31.12.2010 $'000 (Restated)	01.01.2010 $'000 (Restated)
Property tax capitalised during the reporting period	**2,158**	101	165
Interest expense capitalised during the financial year (Note 26)	**3,268**	3,116	3,587
	5,426	3,217	3,752

The weighted average rate of capitalisation of the interest expenses for the financial year ended 2011 is 3.0% (2010: 3.0%) per annum.

11. DEVELOPMENT PROPERTIES (Continued)

Particulars of the development properties as at December 31, 2011 are as follows:

Description	Location	Approximate saleable floor area (Sq. Metres)	Estimated year of completion	Tenure	Site area (Sq. Metres)
Parc Seabreeze	532 Joo Chiat Road	12,960	December 2013	Freehold	5,458
Coralis	530 Joo Chiat Road	10,872	March 2014	Freehold	4,511
Auralis	589 East Coast Road	3,950	December 2013	Freehold	2,818
The Cristallo	70 & 72 – 76B Lorong K Telok Kurau Road	5,012	January 2015	Freehold	3,227
Residential development	16 Gambir Walk	–*	–*	Freehold	3,763
Residential development	19, 21, 23 & 25 Jalan Sayang	–*	–*	Freehold	1,278

* Information not available yet as the written permission from URA for the development has not been received.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Group				
Cost:				
At January 1, 2010	19,250	10,786	4,150	34,186
Additions	57	1,617	1,074	2,748
Exchange differences	(80)	(10)	–	(90)
Disposal	–	(345)	(960)	(1,305)
At December 31, 2010	**19,227**	**12,048**	**4,264**	**35,539**
Additions	**–**	**2,256**	**59**	**2,315**
Exchange differences	**(85)**	**(21)**	**–**	**(106)**
Disposals	**–**	**(24)**	**(1,187)**	**(1,211)**
At December 31, 2011	**19,142**	**14,259**	**3,136**	**36,537**
Accumulated depreciation:				
At January 1, 2010	5,293	10,135	3,642	19,070
Depreciation	674	747	398	1,819
Exchange differences	(21)	(5)	–	(26)
Disposals	–	(343)	(956)	(1,299)
At December 31, 2010	**5,946**	**10,534**	**3,084**	**19,564**
Depreciation	**673**	**1,016**	**376**	**2,065**
Exchange differences	**(16)**	**(9)**	**–**	**(25)**
Disposals	**–**	**(24)**	**(1,158)**	**(1,182)**
At December 31, 2011	**6,603**	**11,517**	**2,302**	**20,422**
Carrying amount:				
At December 31, 2011	**12,539**	**2,742**	**834**	**16,115**
At December 31, 2010	13,281	1,514	1,180	15,975

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) The carrying amount of the Group's plant and equipment and motor vehicles includes an amount of $1,391,000 (2010: $2,000,000) in respect of assets held under finance leases. (Note 21)

(b) During the financial year, the Group acquired property, plant and equipment with an aggregate costs of $2,315,000 (2010: $2,748,000) of which $150,000 (2010: $1,705,000) were acquired through finance leases. Cash payments of $2,165,000 (2010: $1,043,000) were made to purchase property, plant and equipment.

(c) All leasehold properties were mortgaged to banks as security for credit facilities obtained by the Group (Note 19).

(d) Details of leasehold properties are as follows:

Location	Title	Description	Gross Area (Sq. Metres)
1 Jalan Berseh #03-02, #03-03 and #03-07/08/09 New World Centre Singapore 209037	Leasehold (99 years from March 31, 1994)	Commercial	825
53 Sungei Kadut Loop Singapore 729502	Leasehold (30 years from March 16, 1995)	Warehouse /dormitory	4,211
67/67A Sungei Kadut Drive Singapore 729567	Leasehold (30 years from December 16, 1990)	Premises for provision of engineering services/ dormitory	6,168
No. 224 & 232 (part) Okkiam Thoraippakkam Industrial Estate Chennai 600096 India	Freehold	Test Centre	8,986

13. INVESTMENT PROPERTIES

	Group 31.12.2011 $'000	Group 31.12.2010 $'000
At fair value		
Balance at beginning of year	**57,630**	52,230
Changes in fair value included in profit or loss	**–**	5,400
Balance at end of year	**57,630**	57,630

The fair values of the Group's investment properties at respective reporting periods have been determined on the basis of valuations carried out at or close to the respective year end dates by independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. The valuations were arrived at by reference to market evidence of transaction prices for similar properties on the basis of open market values and existing use, and were performed in accordance with International Valuation Standards.

All investment properties were mortgaged to banks as security for credit facilities obtained by the Group (Note 19).

Details of 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, #03-01, #03-04, #03-05, #03-10 to #03-16 New World Centre, Singapore 209037	Commercial	Leasehold (99 years from March 31, 1994)	4,635
83 Sungei Kadut Drive Singapore 729566	Premises for provision of engineering services	Leasehold (29 years from October 16, 1991)	4,701
1 Leonie Hill Road, #28-01 Leonie Hill Residences, Singapore 239191	Residential	Freehold	260

The property rental income from the Group's investment property leased out under operating leases amounted to $2,495,000 (2010: $2,265,000). Direct operating expenses (including repairs and maintenance) arising from the rental - generating investment properties amounted to $805,000 (2010: $855,000).

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

14 GOODWILL

	Group	
	31.12.2011	**31.12.2010**
	$'000	**$'000**
At cost	**1,728**	1,728

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	Group	
	31.12.2011	**31.12.2010**
	$'000	**$'000**
Tiong Aik Resources (S) Pte Ltd	**1,728**	1,728

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. The CGU to which goodwill has been allocated is Tiong Aik Resources (S) Pte Ltd. The goodwill was derived from the business combination in 2010 by Tiong Aik Construction Pte Ltd.

As at December 31, 2011, the management has assessed the fair value of the Net Tangible Assets of the CGU based on the valuation of its property. The management is also of the view that as Tiong Aik Resources (S) Pte Ltd has been profit-generating for the past 2 years, the CGU is forecasted to generate profits in future.

15. SUBSIDIARIES

	Company
	31.12.2011
	$'000
Unquoted equity shares at cost	**113,665**

The Group was formed through a restructuring exercise on September 16, 2011 which involved a series of acquisition and disposals and the rationalisation of our corporate and shareholding structure. The rationale for the restructuring exercise was to streamline the corporate structure and business activities of the Group in preparation of the listing of the Company on the Singapore Exchange Securities Trading Limited.

15. SUBSIDIARIES (Continued)

Upon completion of the restructuring exercise, details of the Company's subsidiaries are as follows:

Name of significant subsidiary	Principal activities/ Country of incorporation and operations	Group's proportion of ownership interest and voting power held 31.12.2011 %
Aston Air Control Pte Ltd	Contractor of air conditioning installation, installation and servicing of air conditioning systems/Singapore	**90**
Credence Engineering Pte. Ltd.	Manufacture and repair of other oilfield and gasfield machinery and equipment/Singapore	**100**
Meadows Investment Pte. Ltd.	Investment holding/Singapore	**100**
Sino Holdings (S'pore) Pte Ltd	Investment holding/Singapore	**100**
SinoTac Builder's (S) Pte Ltd	Building construction/Singapore	**100**
Tiong Aik Construction Pte Ltd	Building construction/Singapore	**100**
Tiong Aik Development Pte. Ltd.	Real estate development/Singapore	**100**
Tiong Aik Holding Pte Ltd	Real estate development/Singapore	**100**
Tiong Aik Investments Pte Ltd	Real estate development/Singapore	**100**

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

15. SUBSIDIARIES (Continued)

Name of significant subsidiary	Principal activities/ Country of incorporation and operations	Group's proportion of ownership interest and voting power held 31.12.2011 %
Held by Sino Holdings (S'pore) Pte Ltd		
Grovehill Pte. Ltd.	Real estate development/Singapore	**70**
Sino Tac Holding Pte Ltd	Real estate development, business and management consultancy services/Singapore	**100**
Tiong Aik Land Pte. Ltd.	Investment holding/Singapore	**100**
Held by SinoTac Builder's (S) Pte Ltd		
Quest Homes Pte. Ltd.	Real estate development/Singapore	**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**

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

16. ASSOCIATES

	Group	
	31.12.2011 **$'000**	31.12.2010 $'000
Cost of investment	**9,516**	490
Add: Transfer from available for sale investments (Note 17)	**–**	5,517
Add: Additional investment	**6**	3,302
Add: Negative goodwill arising on additional investment	**–**	247
Less: Investment written off	**–**	(40)
	9,522	9,516
Share of post-acquisition profit, net of dividend received	**8,153**	9,199
	17,675	18,715

16. ASSOCIATES (Continued)

Details of the Group's associates are as follows:

Name of significant associate	Principal activities/ Country of incorporation and operations	Effective equity interest 31.12.2011 %	31.12.2010 %
Held by Sino Holdings (S'pore) Pte Ltd			
Meadows Bright Development Pte Ltd	Real estate development/Singapore	**45**	45
Dalian Shicheng Property Development (S) Pte. Ltd.	Real estate activities with owned or leased property/Singapore	**25**	25

The above significant associates are audited by Deloitte & Touche LLP, Singapore.

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

	Group 31.12.2011 $'000	31.12.2010 $'000
Total assets	**343,353**	235,130
Total liabilities	**(334,237)**	(196,757)
Net assets	**9,116**	38,373
Group's share of associates' net assets	**7,043**	9,648
Revenue	**33,878**	4,929
(Loss)/Profit for the year	**(4,737)**	7,029
Group's share of associates' (loss)/profit for the year	**(861)**	3,163

17. AVAILABLE-FOR-SALE INVESTMENTS

	Group 31.12.2011 $'000	31.12.2010 $'000
Unquoted equity shares	–	3,392
Less: Allowance for impairment loss	–	(1,602)
	–	1,790
Less: Transferred to investment in associates (Note 16)	–	(5,517)
Add: Fair value gain on deemed disposal	–	3,727
	–	–
Club memberships, at cost	**127**	127
	127	127

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

18. 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:

	Recognition of profits on uncompleted projects $'000	Accelerated tax depreciation $'000	Others $'000	Net $'000
At January 1, 2010	3,341	(47)	(1,254)	2,040
Charge to profit or loss (Note 27)	420	43	1,254	1,717
At December 31, 2010	**3,761**	**(4)**	**–**	**3,757**
Charge to profit or loss (Note 27)	**5,374**	**88**	**–**	**5,462**
At December 31, 2011	**9,135**	**84**	**–**	**9,219**

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	
	31.12.2011 $'000	**31.12.2010 $'000**
Deferred tax liabilities	**9,219**	3,812
Deferred tax assets	**–**	(55)
	9,219	3,757

Temporary differences arising in connection with interests in associates are insignificant.

19. BORROWINGS

	Group	
	31.12.2011 $'000	**31.12.2010 $'000**
Secured – at amortised cost		
Trust receipt	**764**	94
Bank overdrafts	**–**	1,035
Bank loans	**183,287**	153,765
	184,051	154,894
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(43,771)**	(40,266)
Amount due for settlement after 12 months	**140,280**	114,628

The average effective interest rates paid were as follows:

	Group	
	31.12.2011	**31.12.2010**
Bank loans and overdrafts	**3.0%**	3.2%

19. BORROWINGS (Continued)

The borrowings, which are denominated in Singapore dollars, are arranged at floating interest rates and therefore expose the Group to cash flow interest rate risk. The interest rates for the long-term bank loans are reset for periods ranging from 1 month to 1 year based on changes to the banks' cost of funds.

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

The Group has the following bank loans:

a) Loans of $59,555,000 (2010: $32,628,000) secured by charges over the Group's investment properties (Note 13) and joint and several personal guarantees of the Executive Directors. The loans bear interest at rates ranging from 2.1% to 2.6% (2010: 2.3% to 2.8%) per annum.

b) Loans of $109,800,000 (2010: $109,659,000) secured by mortgages over the Group's development properties (Note 11) and joint and several personal guarantees of the Executive Directors and 70% of the shares of a subsidiary. The loans bear interest at rates ranging from 2.3% to 2.6% (2010: 1.8% to 3.1%) per annum.

c) Loans of $13,932,000 (2010: $11,478,000) secured by mortgages over the Group's leasehold properties (Note 12) and joint and several personal guarantees of the Executive Directors. The loans bear interest at rates ranging from 2.3% to 2.5% (2010: 2.3% to 6.1%) per annum.

20. TRADE AND OTHER PAYABLES

	← Group	→	Company
	31.12.2011	**31.12.2010**	**31.12.2011**
	$'000	**$'000**	**$'000**
		(Restated)	
Current portion:			
Trade payables due to:			
– Subsidiaries (Note 15)	**–**	–	**3,338**
– Third parties	**62,484**	55,051	**312**
– Associates (Note 5)	**3**	14	**–**
– Companies in which certain directors have control (Note 5)	**901**	1,023	**–**
Other payables due to:			
– Third parties	**3,602**	865	**–**
– Associates (Note 5)	**556**	–	**–**
– Companies in which certain directors have control (Note 5)	**2,671**	2,704	**–**
– Directors	**–**	477	**–**
– Non-controlling interests	**5,009**	5,009	**–**
Accrued operating expenses	**6,046**	6,844	**266**
Accrued contract expenses	**36,002**	20,395	**–**
Dividend payable	**–**	10,000	**–**
Retention payables	**3,413**	5,890	**–**
Progress payment received	**256**	586	**–**
Deposits received	**875**	339	**–**
	121,818	109,197	**3,916**

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

20. TRADE AND OTHER PAYABLES (Continued)

	Group 31.12.2011 $'000	Group 31.12.2010 $'000	Company 31.12.2011 $'000
Non-current portion:			
Retention payables	**4,420**	3,411	–

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and sub-contractor costs. The balances with related parties are unsecured, interest-free and repayable on demand.

21. FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	31.12.2011 $'000	31.12.2010 $'000	31.12.2011 $'000	31.12.2010 $'000
Amounts payable under finance leases:				
Within 1 year	**720**	716	**647**	540
Within 2 to 5 years	**815**	1,489	**742**	1,437
More than 5 years	**–**	–	**–**	–
	1,535	2,205	**1,389**	1,977
Less: Future finance charges	**(146)**	(228)	**–**	–
Present value of lease obligations	**1,389**	1,977	**1,389**	1,977
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(647)**	(540)
Amount due for settlement after 12 months			**742**	1,437

It is the Group's policy to lease certain of its plant and equipment under finance leases. The average lease term is 3 (2010: 4) years. The average effective interest rate is 5.9% (2010: 5.0%) per annum. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All finance leases (denominated in the Singapore dollars) are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in Singapore dollars.

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.

22. SHARE CAPITAL

	Group and Company	
	31.12.2011 $'000	31.12.2010 $'000
Issued and paid up:		
At beginning of the year	**29,391**	29,391
Adjustments arising from the restructuring exercise	**(29,391)**	–
352,000,000 shares issued pursuant to the restructuring exercise	**112,464**	–
113,000,000 shares issued pursuant to the initial public offering	**31,640**	–
Share issue expenses taken to equity	**(1,919)**	–
At end of the year	**142,185**	29,391

The Company was incorporated on March 7, 2011 as a private limited company with issued and paid up capital of $1 comprising 1 ordinary share.

Pursuant to the restructuring exercise on September 16, 2011, the Company's issued and paid up capital was increased to $112,464,000 comprising 10,000 ordinary shares.

Upon sub-division and the allotment and issue of new Shares during the Initial Public Offering, amounting to $31,640,000 and after taking into account the share issue expenses of $1,919,000, the issued and paid up capital of the Company was increased to $142,185,000 comprising of 465,000,000 ordinary shares.

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.

23. REVENUE

	Group	
	31.12.2011 $'000	31.12.2010 $'000 (Restated)
Revenue from construction contracts	**157,893**	141,987
Revenue from property development	**124,497**	99,720
Revenue from worker training and other complementary services	**2,295**	1,285
	284,685	242,992

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

24. OTHER INCOME

	Group	
	31.12.2011 $'000	31.12.2010 $'000
Property rental income	**2,495**	2,265
Management service fee	**432**	420
Project management and administrative fee	**497**	260
Interest income	**54**	122
Interest income from associates	**346**	21
Interest income on retention amounts	**1,580**	1,341
Gain on disposal of property, plant and equipment	**357**	241
Grant income from Jobs Credit Scheme	**15**	117
Grant income from government	**–**	10
Gain in fair value of investment properties	**–**	5,400
Fair value gain on deemed disposal of available-for-sale investment	**–**	3,727
Negative goodwill on additional interest in associate	**–**	247
Net foreign exchange gain	**5**	–
Impairment of investment in associate reversed	**–**	18
Reversal of allowance for doubtful debts	**129**	–
Labour supply	**81**	323
Other sundry income	**253**	1,314
	6,244	15,826

25. OTHER OPERATING EXPENSES

	Group	
	31.12.2011 $'000	31.12.2010 $'000
Property tax	**157**	150
Repairs and maintenance	**246**	565
Allowance for doubtful debts	**109**	608
Rental of office premises	**567**	72
Rental of office equipment	**118**	74
Share issue expenses	**2,287**	–
Others	**63**	208
	3,547	1,677

26. FINANCE COSTS

	Group	
	31.12.2011 $'000	31.12.2010 $'000
Interest on borrowings	**4,658**	4,991
Interest on obligations under finance leases	**83**	61
Interest expense on retention amounts	**1,595**	1,906
Total borrowing costs	**6,336**	6,958
Less: Amounts capitalised as cost of development properties (Note 11)	**(3,268)**	(3,116)
	3,068	3,842

26. FINANCE COSTS (Continued)

The borrowing costs capitalised as cost of construction contracts and development properties relate to borrowings taken up specifically to finance each specific project/development.

27. INCOME TAX EXPENSE

	Group 31.12.2011 $'000	Group 31.12.2010 $'000 (Restated)
Current tax	**2,241**	7,303
Deferred tax (Note 18)	**5,462**	1,717
Under/(Over) provision in prior years – current	**160**	(45)
	7,863	8,975

Domestic income tax is calculated at 17% (2010: 17%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated as the rates prevailing in the relevant jurisdictions.

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

	Group 31.12.2011 $'000	Group 31.12.2010 $'000 (Restated)
Profit before income tax	**43,684**	44,714
Tax at statutory rate of 17% (2010: 17%)	**7,426**	7,601
Tax effect of expenses that are not deductible in determining taxable profit	**551**	1,916
Deferred tax benefits not recognised	**(199)**	(74)
Under/(Over) provision in prior years	**160**	(45)
Reversal of deferred tax asset recognised in prior year	**–**	(263)
Tax exempt income	**(142)**	(180)
Utilisation of tax losses	**(12)**	30
Others	**79**	(10)
	7,863	8,975

As at the end of the reporting period, the Group and the Company have tax losses of approximately $3,558,000 (2010: $3,687,000) and $Nil (2010: $Nil) respectively that are available for offset against future taxable profits of the companies in the Group and the Company in which the losses arose for which no deferred tax asset is recognised due to uncertainty of recoverability. The use of these tax losses is subject to the agreement of the tax authorities.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

28. PROFIT FOR THE YEAR

This has been arrived at after charging (crediting):

	Group	
	31.12.2011 $'000	**31.12.2010 $'000**
Depreciation		
Depreciation on property, plant and equipment	**2,065**	1,819
Less: Transferred to cost of goods sold	**(834)**	(471)
	1,231	1,348
Cost of development properties recognised as expenses	**88,565**	90,267
Staff cost recognised as contract costs	**13,544**	13,744
Directors' remuneration	**1,519**	1,288
Employee benefits	**18,827**	17,403
Audit fees paid/payable to auditors of the Company	**280**	229
Non-audit fees paid/payable to auditors of the Company*	**458**	–

* Includes an amount of $440,000 relating to Initial Public Offering exercise in 2011.

29. EARNINGS PER SHARE

Earnings per share for 2011 have been calculated based on the profit attributable to the owners of the Company of $27,915,000 and weighted average share capital of 361,416,667 shares for year ended December 31, 2011. The net earnings per share for December 31, 2010 was calculated based on profit attributable to the owners of the Company of $29,596,000 and pre-invitation share capital of 352,000,000 shares. The effect to the restated earnings per share for 2010 from the adoption of INT FRS 115 is $509,000.

30. SEGMENT INFORMATION

For the purpose of resource allocation and assessment of segment performance, the Group's chief operating decision makers have focused on the business operating units which in turn, are segregated based on their services. This forms the basis of identifying the segments of the Group under FRS 108.

Operating segments are aggregated into a single reportable segment if they have similar economic characteristics. The Group's reportable operating segments under FRS 108 are as follows:

Construction

General builders and construction contractors, general engineering and sale of construction materials.

Real estate development

Development of residential and commercial projects.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

30. SEGMENT INFORMATION (Continued)

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment.

All assets are allocated to reportable segments other than investments in associates (Note 16). 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 recorded jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

Others

Group level management and administration services.

	Construction $'000	Real estate development $'000	Others $'000	Elimination $'000	Consolidated $'000
2011					
REVENUE					
External revenue	160,188	124,497	–	–	284,685
Inter-segment revenue	34,389	–	–	(34,389)	–
	194,577	124,497	–	(34,389)	284,685
RESULT					
Segment result	15,076	32,307	(2,611)	–	44,772
Interest income	1,578	391	11	–	1,980
Interest expense	(2,171)	(897)	–	–	(3,068)
Profit before income tax	14,483	31,801	(2,600)	–	43,684
Income tax expense	(1,558)	(6,305)	–	–	(7,863)
Profit for the year	12,925	25,496	(2,600)	–	35,821
STATEMENT OF FINANCIAL POSITION					
Segment assets	163,484	425,638	38,527	(118,304)	509,345
Unallocated corporate assets	127	–	–	–	127
Total assets	163,611	425,638	38,527	(118,304)	509,472
Segment liabilities	176,091	262,272	3,916	(118,304)	323,975
Total liabilities	176,091	262,272	3,916	(118,304)	323,975
OTHER INFORMATION					
Additions to non-current assets	2,268	47	–	–	2,315
Depreciation expense	1,879	186	–	–	2,065

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

30. SEGMENT INFORMATION (Continued)

	Construction $'000	Real estate development $'000	Elimination $'000	Consolidated $'000
2010 (Restated)				
REVENUE				
External revenue	143,272	99,720	–	242,992
Inter-segment revenue	31,094	–	(31,094)	–
	174,366	99,720	(31,094)	242,992
RESULT				
Segment result	9,805	37,267	–	47,072
Interest income	1,342	142	–	1,484
Interest expense	(2,521)	(1,321)	–	(3,842)
Profit before income tax	8,626	36,088	–	44,714
Income tax expense	(1,211)	(7,764)	–	(8,975)
Profit for the year	7,415	28,324	–	35,739
STATEMENT OF FINANCIAL POSITION				
Segment assets	126,118	350,865	(77,376)	399,607
Unallocated corporate assets	127	–	–	127
Total assets	126,245	350,865	(77,376)	399,734
Segment liabilities	103,325	253,867	(77,376)	279,816
Total liabilities	103,325	253,867	(77,376)	279,816
OTHER INFORMATION				
Additions to non-current assets	2,389	359	–	2,748
Depreciation expense	1,560	259	–	1,819
Fair value gain on investment properties	280	5,120	–	5,400

Geographical segments

The Group's revenue from external customers is solely principally generated from Singapore. Accordingly, no geographical segment assets and revenue from external customers information are presented.

31. DIVIDENDS

In 2010, certain subsidiaries declared and paid tax exempt (one-tier) interim dividends of 13.33 to 80.00 cents per share amounting to $10,120,000 in respect of financial year ended December 31, 2010 to the then shareholders.

In respect of the current year, the directors propose that tax exempt (one-tier) final dividend of 1.2 cents per share be paid to shareholders. This dividend 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 total estimated dividend to be paid is $5,580,000.

32. CONTINGENT LIABILITIES AND GUARANTEES

a) The Group's contingent liabilities as at December 31, 2011:

i) One of our subsidiaries together with another major shareholder of our associate, Dalian Shicheng Property Development Co., Ltd provided joint and several corporate guarantees amounting to RMB250 million (approximately $54.0 million) (2010: RMB250 million (approximately $54.0 million)) to a bank in respect to development loan facilities utilised by that associate;

ii) One of our subsidiaries together with another major shareholder of our associate, Dalian Shicheng Property Development (S) Pte Ltd provided joint and several corporate guarantees amounting to $14.5 million (2010: $14.5 million) to a bank in respect to bridging loan facilities utilised by that associate;

The fair value of the corporate guarantees is assessed by the management to be insignificant.

iii) During the year, a third party has instituted proceedings for a claim. As of December 31, 2011, to the best of the management's knowledge and belief, the claim is not material.

b) The Group's bankers' guarantees and performance bonds as at December 31, 2011:

i) Outstanding bankers' guarantees amounting to $21.8 million (2010: $21.8 million);

ii) Outstanding performance bonds/guarantees amounting to $70.3 million (2010: $54.8 million).

33. OPERATING LEASE ARRANGEMENTS

	← Group	→
	31.12.2011	**31.12.2010**
	$'000	**$'000**
The Group as lessee		
Minimum lease payments under operating leases (net of rebates) recognised as an expense in the financial year	**567**	581

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

	← Group	→
	31.12.2011	**31.12.2010**
	$'000	**$'000**
Within one year	**484**	343
In the second to fifth year inclusive	**1,408**	1,713
	1,892	2,056

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

33. OPERATING LEASE ARRANGEMENTS (Continued)

The Group as lessee (Continued)

Operating lease payments represents rentals payable by the Group for office and warehouse premises and certain office equipment. The lease term of the office and warehouse premises is 30 years and rentals are fixed for an average of 2 years. The remaining leases are negotiated for terms between 1 to 2 years and rentals are fixed during the term of the leases.

The Group as lessor

	Group	
	31.12.2011 $'000	**31.12.2010 $'000**
Rental income	**2,495**	2,265

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

	Group	
	31.12.2011 $'000	**31.12.2010 $'000**
Within one year	**1,497**	1,289
In the second to fifth year inclusive	**1,531**	1,952
	3,028	3,241

34. RESTATEMENT AND COMPARATIVE FIGURES

The comparative financial statements for the year ended December 31, 2010 as presented in these financial statements are consistent with those included in the prospectus for the Initial Public Offering of the Company's shares on the Mainboard of Singapore Exchange Securities Trading Limited.

As disclosed in Note 2, INT FRS 115 has been adopted for annual periods beginning January 1, 2011 and has been applied retrospectively. Prior year's financial statements have also been restated to account for reclassification of certain expenses. As a result, certain line items have been amended in the statement of financial position, consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flows and the related notes to the financial statements. Comparative figures have been adjusted to conform to the current year's presentation. There are no comparative figures for the Company as it was incorporated in 2011.

34. RESTATEMENT AND COMPARATIVE FIGURES (Continued)

The summarised effects of the retrospective application and reclassification on the Group's reported amounts are disclosed as below:

	01.01.2010 (Previously reported) $'000	31.12.2010 (Restated) $'000	31.12.2010 (Previously reported) $'000	01.01.2010 (Restated) $'000
Group				
Statement of Financial Position				
Current assets				
Development properties	152,889	148,241	141,891	145,102
Trade and other receivables	96,156	103,635	95,998	90,851
Current liabilities				
Trade and other payables	109,706	109,197	105,272	108,496
Income tax payable	3,185	6,525	394	394
Equity				
Equity attributable to owners of the Company	83,158	83,158	63,161	63,670

	31.12.2010 (Previously reported) $'000	31.12.2010 (Restated) $'000
Group		
Consolidated Statement of Comprehensive Income		
Revenue	**235,513**	242,992
Cost of sales	**(194,590)**	(199,238)
Profit before tax	**41,883**	44,714
Income tax expenses	**(5,635)**	(8,975)
Profit for the year	**36,248**	35,739
Basic and diluted earnings per share (cents)	**8.6**	8.4
Consolidated Statement of Cash Flows		
Operating activities		
Development properties	**(10,998)**	(6,350)
Trade and other receivables	**26,204**	18,725

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
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower Two
Singapore 068809

Partner-in-charge: Mr Cheung Pui Yuen (Appointed since 27 May 2011)

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
63 Cantonment Road
Singapore 089758

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
Elaine Lim / Ng Chung Keat
1 Raffles Place
#26-02
One Raffles Place
Singapore 048616
Tel: (65) 6534 5122
Fax: (65) 6534 4171
elaine.lim@citigatedrimage.com
chungkeat.ng@citigatedrimage.com

SHAREHOLDERS' INFORMATION

As at 16 March 2012

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

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 999	–	–	–	–
1,000 – 10,000	381	41.14	1,863,000	0.40
10,001 – 1,000,000	524	56.59	55,355,000	11.90
1,000,001 and above	21	2.27	407,782,000	87.70
	926	**100.00**	**465,000,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	Number of shares fully paid	
Name	**Direct Interest**	**Deemed Interest**
Liong Kiam Teck	154,350,000	–
Neo Tiam Poon @ Neo Thiam Poon	74,088,000	–
Neo Tiam Boon	77,861,000	–
Neo Thiam An	36,701,000	–

SHAREHOLDERS' INFORMATION

As at 16 March 2012

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Liong Kiam Teck	154,350,000	33.19
2.	Neo Tiam Boon	77,861,000	16.74
3.	Neo Tiam Poon @ Neo Thiam Poon	74,088,000	15.93
4.	Neo Thiam An	36,701,000	7.89
5.	Citibank Nominees Singapore Pte Ltd	11,600,000	2.50
6.	First Grand Investment Pte Ltd	8,801,000	1.89
7.	Jeffrey Hing Yih Peir	6,926,000	1.49
8.	Richie Chew Chee Kong	5,800,000	1.25
9.	UOB Kay Hian Pte Ltd	5,109,000	1.10
10.	Singamina Investment Pte Ltd	4,578,000	0.99
11.	OCBC Securities Private Ltd	4,339,000	0.93
12.	First Alexandra Pte Ltd	3,000,000	0.65
13.	Lee Chee Hong	2,600,000	0.56
14.	DBS Nominees Pte Ltd	2,187,000	0.47
15.	Lian Seng Investment Pte Ltd	1,900,000	0.41
16.	Lee Ee @ Lee Eng	1,579,000	0.34
17.	Lim & Tan Securities Pte Ltd	1,501,000	0.32
18.	Lew Pei Yen Patrina	1,300,000	0.28
19.	Allplus Holdings Pte Ltd	1,200,000	0.26
20.	Chew Hock Seng	1,200,000	0.26
	Total	**406,620,000**	**87.45**

Based on information available to the Company as at 16 March 2012, approximately 26.20% of the issued ordinary shares of the Company are held in the hands of public. Accordingly, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

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 Tuesday, 24 April 2012 at 3.00 p.m. for the following purposes:–

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2011 together with the Reports of the Directors and Auditors' thereon.

   (Resolution 1)

2. To declare a Final Dividend (tax exempt one-tier) of 1.2 cents per share for the financial year ended 31 December 2011.

   (Resolution 2)

3. To approve Directors' fees of $42,047 for the financial year ended 31 December 2011.

   (Resolution 3)

4. To re-elect the following Directors, who will retire pursuant to Article 97 of the Company's Articles of Association:

   Mr Liong Kiam Teck **(Resolution 4)**

   Mr Neo Tiam Poon @ Neo Thiam Poon **(Resolution 5)**

   Mr Neo Tiam Boon **(Resolution 6)**

   Mr Neo Thiam An **(Resolution 7)**

   Mr Lee Ah Fong **(Resolution 8)**
   Mr Lee will, upon re-election as a Director of the Company, remain as a member 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 the Chairman of the Remuneration Committee and a member of the Audit Committee.

   Mr Mervyn Goh Bin Guan **(Resolution 9)**
   Mr Goh will, upon re-election as a Director of the Company, remain as a member 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 the Chairman of the Nominating Committee and a member of the Remuneration Committee.

5. To re-appoint Mr Lim Hock Beng who is retiring under Section 153(6) of the Companies Act, Cap. 50.

   (Resolution 10)

   Mr Lim will, upon re-appointment as a Director of the Company, remain as the 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 a member of the Nominating Committee and a member of the Remuneration Committee.

6. To re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

   (Resolution 11)

NOTICE OF THE ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

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

7. Authority to allot and issue shares

"That pursuant to Section 161 of the Companies Act, Cap. 50, and the listing rules of the Singapore Exchange Securities Trading Limited, 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

(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 12)
(See Explanatory Notes)

ANY OTHER BUSINESS

8. 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, 9 April 2012

Explanatory Notes:

Resolution 3 relates to the payment of the pro-rated Directors' fees for period from 20 September 2011 to 31 December 2011 in respect of the financial year ended 31 December 2011.

Resolution 12, 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 twenty per cent (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.

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy in his stead.

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

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

4. 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 Meeting.

NOTICE OF THE ANNUAL GENERAL MEETING

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 be closed from 4 May 2012 after 5.00 p.m. to 7 May 2012 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited of 63 Cantonment Road, Singapore 089758 up to 5:00 pm on 4 May 2012 will be registered to determine shareholders' entitlements to the proposed final dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares in the Company at 5:00 pm on 4 May 2012 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 24 April 2012 will be paid on 18 May 2012.

BY ORDER OF THE BOARD

Foo Soon Soo
Yap Ming Choo
Company Secretaries

Singapore, 9 April 2012

TA CORPORATION LTD

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

PROXY FORM

IMPORTANT

1. For investors who have used their CPF monies to buy TA CORPORATION LTD shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees, and is sent FOR INFORMATION ONLY.
2. 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 and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at 1 Jalan Berseh #03-03, New World Centre, Singapore 209037 on Tuesday, 24 April 2012 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	To be used on a show of hands		To be used in the event of a poll	
		For*	Against*	For**	Against**
	Ordinary Business				
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2011 together with the Reports of the Directors and Auditors' thereon.				
2.	To declare a Final Dividend (tax exempt one-tier) of 1.2 cents per share for the financial year ended 31 December 2011.				
3.	To approve Directors' fees of $42,047 for the financial year ended 31 December 2011.				
4.	To re-elect Mr Liong Kiam Teck as a Director.				
5.	To re-elect Mr Neo Tiam Poon @ Neo Thiam Poon as a Director.				
6.	To re-elect Mr Neo Tiam Boon as a Director.				
7.	To re-elect Mr Neo Thiam An as a Director.				
8.	To re-elect Mr Lee Ah Fong as a Director.				
9.	To re-elect Mr Mervyn Goh Bin Guan as a Director.				
10.	To re-appoint Mr Lim Hock Beng as a Director.				
11.	To re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.				
	Special Business				
12.	To authorize Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.				

* Please indicate your vote "For" or "Against" with a "X" within the box provided.
** 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 ____________ 2012

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 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. 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.

3. 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.

4. 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 Association and Section 179 of the Companies Act, Chapter 50 of Singapore.

5. 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.

6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

7. 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 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

8. 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 48 hours before the time set for the Annual General Meeting.

This page has been intentionally left blank

This page has been intentionally left blank