CORPORATE GOVERNANCE

"Tuan Sing Holdings Limited (the "Company" and, together with its subsidiaries, the "Group") is committed to achieving and maintaining a high standard of corporate governance to promote transparency as we believe that good governance supports long-term value creation."

The directors of the Company ("**Directors**" or "**Board**") and the Company's management ("**Management**") believe that good corporate governance is key to the integrity of the Group and essential to the long-term sustainability of the Group's businesses and performance. The Board has established policies and procedures to enhance corporate performance and accountability of the Group.

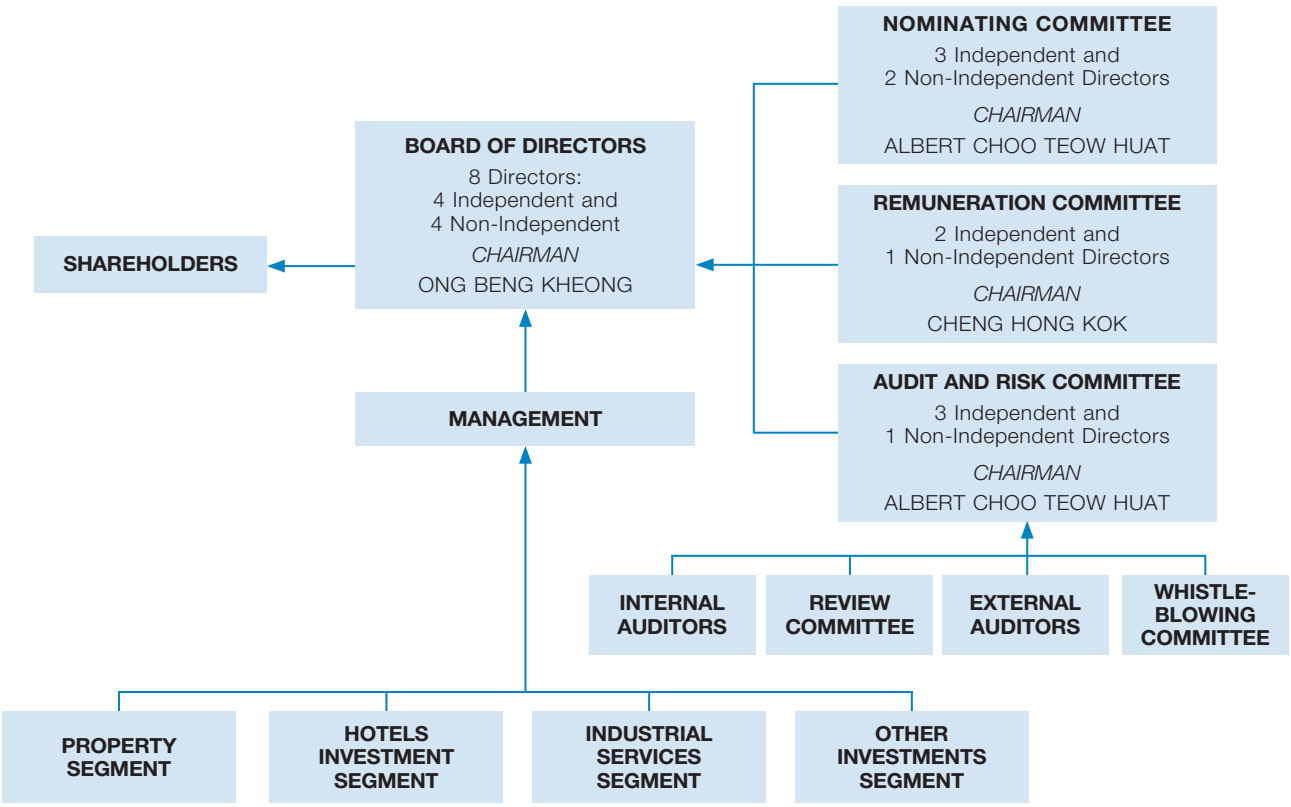
In 2019, the Company received a number of accolades in recognition of its pursuit to achieve high standards of corporate governance and was ranked 11th in The Singapore Governance and Transparency Index (SGTI) 2019, out of 578 Singapore-listed companies.

Welcome to the Corporate Governance section of our Annual Report

This report sets out the Company's corporate governance processes, practices and activities in the financial year ended 31 December 2019 ("**FY2019**") with specific reference to the Code of Corporate Governance 2018 ("**Code**").

Unless otherwise elaborated, the Board is pleased to report that the Company has complied, in all material aspects, with the principles and provisions set out in the Code.

CORPORATE GOVERNANCE FRAMEWORK



CORPORATE GOVERNANCE

I. BOARD MATTERS

BOARD'S CONDUCT OF ITS AFFAIRS
PRINCIPLE 1: EFFECTIVE BOARD LEADERSHIP AND ORGANISATION, WORKING WITH MANAGEMENT FOR THE LONG-TERM SUCCESS OF THE COMPANY

The Board works with the Management to achieve the long-term success of the Company and value-creation for our shareholders.

Provisions 1.1 and 1.2
Board roles and Directors' duties

The Board oversees the strategic direction, performance and business affairs of the Group and provides overall guidance to Management. The duties and power of the Board include:

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

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

iii. reviewing the adequacy and effectiveness of the Group's risk management and internal controls framework (including establishing risk appetite, parameters and internal control systems which include financial, operational compliance and information technology controls and management systems) to safeguard the shareholders' investments and the Company's assets;

iv. effectively monitoring and managing risks, achieving appropriate balance between risks and the Company's performance;

v. overseeing the long-term succession planning for Management and ensuring that Management observes the code of conduct as applied to them;

vi. ensuring that policies are in place to ensure compliance with legislative and regulatory requirements;

vii. monitoring the Group's performance, position and prospects and reviewing the performance of Management against agreed goals and objectives and satisfying themselves that the Group's businesses are properly managed;

viii. reviewing and approving the release of the Group's quarterly and year-end financial results and a variety of other strategic initiatives tabled by Management; and

ix. ensuring transparency and accountability to key stakeholder groups.

In carrying out its roles, the Board will appropriately focus on value creation, innovation and sustainability.

The Board exercises due diligence and independent judgement in dealing with the business affairs of the Group. It also relies on the skills, commitment and due diligence of its Management and its external advisors to make objective decisions in the best interests of the Group while maximising value for shareholders. In addition, the Board sets the tone for the entire organisation where ethics and values are concerned. The Board is also supported by three Board committees (Audit and Risk Committee ("**ARC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**")) to facilitate the discharge of its functions to which it delegates specific areas of responsibilities.

Conflicts of interest

Internal guidelines requiring all Board members who have a potential conflict of interest in a particular agenda item to abstain from participating in the relevant Board discussion have been implemented. This policy also applies to all the Board committees.

Directors' competencies

Directors are provided with opportunities to undergo training which are relevant, to continually improve the performance of the Board and Board committees. The Company will fund Directors' participation at industry conferences, seminars or any training programmes in connection with their duties as Directors. The Company will also update Directors on statutory and regulatory changes that affect their obligations as Directors.

During FY2019, the Board met with Management at an offsite strategy meeting in June 2019 to review the Company's strategic plans. The Company's independent directors ("**Independent Directors**") also undertook three visits to China and Indonesia in March, September and November 2019 respectively, to keep abreast of developments within the Company.

News articles and reports (including industry news and analyst reports) relevant to the Group's business are circulated to the Directors on a regular basis. It is also the Company's standard practice for other updates including changes in laws and regulations, code of corporate governance and financial reporting standards to be shared at Board meetings or circulated via email to the Directors.

Upon appointment to the Board, a Director will receive a formal letter of appointment together with a thumb drive containing information which include Directors' duties and responsibilities, Board and Board committee meetings' schedule, the Company's last Annual Report, Constitution, respective Board committees' terms of reference, remuneration framework for Directors and the Group's guidelines for dealing in securities by Directors and employees. A Director's onboarding programme is also organised for the new Director which includes a presentation session by senior management on an overview of the Group's business activities and site visits to the Group's key investment properties and projects.

The Company observed the aforesaid practices when Mr Richard Eu Yee Ming joined the Board in August 2019.

CORPORATE GOVERNANCE

Provision 1.3
Internal guidelines on matters requiring Board's approval

The Company has established guidelines governing matters that require the Board's approval. The Delegation of Authority matrix, which forms part of the Company's Policies and Procedures Manual, provides clear direction to Management on matters requiring the Board's specific approval, which include:

i. formation of new entities;

ii. material acquisition and disposal of land/assets/investments;

iii. corporate/financial restructuring/corporate exercises;

iv. financial results announcements and press releases;

v. budgets/forecasts;

vi. declaration of dividends;

vii. delegation of authority matrix, policies and procedures; and

viii. material financial/funding arrangements and provision of all corporate guarantees.

The Delegation of Authority matrix is reviewed and revised periodically (last reviewed in November 2019).

Key Activities of the Board – 2019

Standard agenda:

- Reports of the ARC, NC and RC
- Group Chief Executive Officer ("**CEO**")'s monthly management report and quarterly updates on:
  - o businesses including risk profiles
  - o development/operations in Australia
  - o compliance of financial covenants and 16-month cash flow projection
  - o litigation cases
- Review and approval of all announcements including those for quarterly results and year-end financial statements
- Interested Person Transactions ("**IPTs**") Register
- Whistle-blowing Register
- Disclosure of Directors' interests pursuant to Section 156 of the Companies Act, Cap. 50

Other key items deliberated during FY2019:

- Proposed acquisitions and divestments
- Medium Term Note Programme
- Business strategies
- Developments/updates relating to accounting, legal, regulatory and/or corporate governance
- Formation of entities

Matters reserved for specific Board approval:

i. Documents for distribution to shareholders, annual report and financial statements

ii. Annual budgets and business plans

iii. Dividend payout

iv. CEO's Key Performance Indicators ("**KPIs**") and performance review

The Board is also responsible for the succession planning, appointment and replacement of Directors, appointment of key management personnel ("**KMP**") and the determination of their remuneration. The Company's KMP has been identified as the CEO, Chief Financial Officer ("**CFO**") and General Counsel.

Board organisation and support

Provision 1.4
Delegation to Board Committees

To assist the Board in discharging its functions and to optimise operational efficiency, the Board has delegated certain of its functions to various committees, namely: the ARC, the NC, and the RC (each, a "**Board Committee**" and collectively, the "**Board Committees**"). Each Board Committee has its specific written terms of reference setting out the scope of its duties and responsibilities, and procedures governing the manner in which it is to operate and how decisions are to be taken. Any amendment to the terms of reference for any Board Committee requires the approval of the Board. Further information on the Board Committees are set out in the respective sections concerning Board Committees in this report.

Provision 1.5
Board and Board Committee meetings and attendance records

Meetings of the Board, Board Committees and shareholders are scheduled in advance of each financial year in consultation with the Directors to ensure optimal participation. *Ad hoc* meetings of the Board and Board Committees may be called where necessary or warranted by particular circumstances. On occasions when Directors are unable to attend meetings in person, telephonic or video conference participation is permitted in accordance with the Constitution of the Company.

In line with our commitment to sustainability, the Company has, since 2014, issued each Director with an electronic tablet device to enable them to access and read meeting papers electronically in place of hard-copy printouts. This initiative also enhances information security as the documents are passcode-secured for Directors to download to their tablet devices.

CORPORATE GOVERNANCE

The attendance record of the Directors in FY2019 is set out below:

	Board	ARC[1]	NC	RC	General Meetings
Total Number of Meetings held	6	6	1	1	2
	Total Number of Meetings Attended				
Executive Director					
William Nursalim alias William Liem	6	N.A.	N.A.	N.A.	2
Non-Executive Director					
Ong Beng Kheong	6	N.A.	1	N.A.	2
Cheng Hong Kok	6	N.A.	1	1	2
Albert Choo Teow Huat	6	6	1	1	2
Richard Eu Yee Ming[2]	2	1	N.A.	N.A.	0
David Lee Kay Tuan	4	5	N.A.	N.A.	0
Michelle Liem Mei Fung	4	N.A.	1	1	0
Neo Ban Chuan	6	6	1	N.A.	2

Annotations:
(1) The ARC met six times in FY2019, of which four were scheduled meetings and two were *ad hoc* meetings.
(2) Appointed on 19 August 2019.

Provision 1.6
Access to information

To enable the Board to make informed decisions and to fulfil its responsibilities, Management provides complete, accurate and adequate information in a timely manner.

The Board, Board Committees and Directors have separate and independent access to Management and are free to request for additional information as needed to make informed decisions. Agendas of the Board and Board Committee meetings are to be circulated to the Directors together with meeting materials at least one week ahead of the meetings.

In addition to the annual budget and business plans submitted to the Board for approval, the Board is provided with monthly management reports analysing the operational performance. The reports also detail the variances between the achieved results and those of the corresponding period of the previous year, as well as that of the budget, complete with appropriate explanations. Further, reports on cash flow forecast, performance forecast, risks assessment, scenarios analysis, share price movements, utilisation of bank facilities, benchmarking with other listed real estate entities, Board memorandums and related materials are circulated to the Board from time to time. All internal auditors' reports are sent directly to members of ARC for review. Detailed qualitative and financial analysis, cash flow forecasts and financing requirements of each bid or project are formalised in proposals, and tabled to the Board for approval before any bid for land or properties or engagement in new projects.

Provision 1.7
Independent professional advice/Company Secretary

The Company provides for Directors, individually or as a group, to have separate and independent access to Management, the Company Secretary and to seek external professional advice, where necessary, at the expense of the Company, in the furtherance of their duties and after consultation with the Chairman of the Board.

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

Under the direction of the Chairman, the Company Secretary ensures good information flow to and within the Board and the Board Committees and between Management and Non-Executive Directors. Meeting materials and minutes of meetings are circulated to all members of the Board and Board Committees in a timely manner. The appointment and removal of the Company Secretary are subject to the approval of the Board.

CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE
PRINCIPLE 2: APPROPRIATE LEVEL OF INDEPENDENCE AND DIVERSITY OF THE BOARD, ENABLING IT TO MAKE DECISIONS IN THE BEST INTERESTS OF THE COMPANY

Board Composition at a glance

The Board consists of members who have the appropriate level of independence and diversity of thought and background. Collectively, their established track record in real estate, business, finance, accounting, legal, strategic planning and management have enabled the Board to make decisions in the best interests of the Company.

Independent and Non-Executive Directors

1. Albert Choo Teow Huat
2. Cheng Hong Kok
3. Neo Ban Chuan
4. Richard Eu Yee Ming

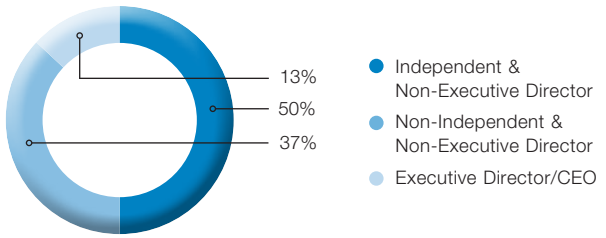
Non-Independent and Non-Executive Directors

1. Ong Beng Kheong
2. David Lee Kay Tuan
3. Michelle Liem Mei Fung

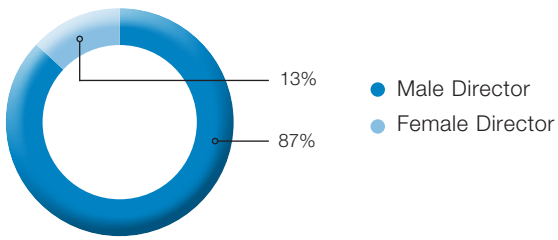
Executive Director/Chief Executive Officer

William Nursalim alias William Liem

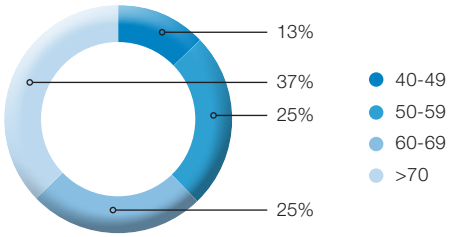
INDEPENDENCE



GENDER DIVERSITY



AGE GROUP OF OUR DIRECTORS



Provision 2.1

Independence of Directors

The Board comprised eight Board members, of whom four are independent and four are non-independent as at end December 2019. Other than the CEO, all Directors are non-executive.

An Independent Director is one who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers who can interfere, or be reasonably perceived to interfere with the exercise of the Director's independent business judgement to the best interests of the Company.

The NC and the Board take into account the existence of relationships or circumstances, including those identified by the SGX-ST Listing Manual and the Code's Practice Guidance 2018 ("**Practice Guidance**") that are relevant in determining as to whether a Director is independent.

Each Director is required to declare his independence by completing an annual declaration in the form of a self-assessment questionnaire that sets out the circumstances where a Director is deemed not to be independent, and submit to the NC for review, results of which are collated by the Company Secretary and reported to the Board.

In FY2019, the NC conducted its annual review of the Directors' independence and was satisfied that the Company complies with the provision 2.1 of the Code, the Practice Guidance and SGX-ST Listing Rules 210(5)(d)(i) and (ii).

The Board recognises that Independent Directors will over time, develop significant insights in the Group's business and operations, and continue to provide objective valuable contribution to the Board as a whole. The Board is of the view that the independence of a Director ought not to be determined solely on the basis of a set period of time. Nevertheless, when there are Directors who have served beyond nine years, the Board will rigorously review their continuing contributions and independence and decide if they should continue with the appointment.

In line with SGX-ST Listing Rule 210(5)(d)(iii) which will take effect from 1 January 2022, any Independent Director who has served the Board for an aggregate period of more than nine years will undergo the mandatory two-tier voting process at the Company's 2021 Annual General Meeting.

CORPORATE GOVERNANCE

As at the end of FY2019, Mr Albert Choo Teow Huat was the only Independent Director who had served beyond nine years. He was thus subjected to a rigorous assessment by the NC and the Board (with Mr Choo abstaining from the exercise). The assessment included the following:

i. Contribution: whether he offered objective and constructive opinions concerning IPTs; whether he made independent judgment or decisions or adopted an autonomous stand at meetings;

ii. Knowledge and abilities: whether he used his knowledge and abilities to challenge Management's assertions/ responses particularly on IPTs;

iii. Integrity: whether he demonstrated objective, fair and ethical behaviour in decision-making and whether he acted as a "gatekeeper" for minority shareholders; and

iv. Teaming: whether he respected the Board's governance role versus Management's role, and contributed as a team member without compromising his responsibilities as an Independent Director.

After the completion of the assessment, fellow Directors unanimously affirmed Mr Choo's independent status.

The NC noted Mr Cheng Hong Kok's directorship in the Company's subsidiary, SP Corporation Limited ("**SP Corporation**"). Mr Cheng's appointment was solely for board service and he was neither employed by the Company nor SP Corporation. In FY2019, the Company provided management support services to SP Corporation. The aggregate value of the said support was not material compared to the revenues of the Company and SP Corporation. Mr Cheng was not involved in determining the value of the support or rendering the support itself. The NC was of the view that Mr Cheng's directorship with SP Corporation had neither interfered, nor was reasonably perceived to interfere, with his ability to exercise independent judgement to act in the best interests of the Company.

For FY2019, the NC had assessed the independence of Messrs Albert Choo Teow Huat, Cheng Hong Kok, Neo Ban Chuan and Richard Eu Yee Ming and was satisfied that there was no relationship (based on the aforesaid assessments) or other factors such as gifts or financial assistance, past or present association, business dealings, representative of shareholder, financial dependence, relationship with the Group or the Group's management which would impair their independent judgement.

Provision 2.2
Composition of Independent Directors on the Board

The Board notes the requirement for Independent Directors to make up a majority of the Board where the Board Chairman is not an Independent Director and non-compliance thereof for FY2019.

The NC commenced work on board renewal process in FY2018 and Mr Richard Eu Yee Ming was appointed as an additional Independent Director in August 2019 upon recommendation of the NC and the approval of the Board.

The Board Independent Directors composition satisfies the SGX-ST Listing Rule (210(5)(c)) requirement wherein Independent Directors shall comprise one-third of the Board. Rule 210(5)(c) becomes effective on 1 January 2022.

For FY2019, the NC reviewed the composition of the Board and its Committees and was of the view that the current Board size of eight Directors was adequate to facilitate effective decision making for the current needs and demands of the Group's businesses.

The NC would continue with the search for additional Independent Directors with the appropriate skills, knowledge and experience to join the Board. The Board concurred with the NC's assessment and recommendation.

Each Director participates in the Board's decision-making process, which are made collectively without any individual or small group of individuals influencing or dominating the decision-making process.

Provision 2.3
Proportion of Non-Executive Directors

For FY2019, Independent Directors made up half of the Board (four out of eight Board members) whilst majority of the Board members (seven out of eight Board members) were Non-Executive in nature. The Non-Executive Directors help Management in setting strategies and goals and where necessary, challenge the underlying assumptions of Management's proposals. They also set the CEO's KPIs. During the year, Non-Executive Directors reviewed the monthly operation reports submitted by Management and monitored Management's performance in meeting KPIs and long-term strategies.

Provision 2.4
Board composition and size

In FY2019, the NC conducted its annual review on the composition and size of the Board and concluded that they were appropriate, taking into account the scope and nature of the operations of the Group. The NC also noted that there was adequate diversity in that the Board comprised members of both genders and from different backgrounds whose core competencies, qualifications, skills and experience met with the requirements of the Group.

As part of the annual assessment process, the NC reviewed the competency matrix of the Directors, taking into account their respective areas of specialisation and expertise, and was satisfied that members of the Board as a whole possess the relevant core competencies in areas such as accounting, finance, legal, property, strategic planning, business and management experience. The Executive Director possesses good industry knowledge while the Non-Executive Directors, who are professionals and experts in their own fields, are able to take a broader view of the Group's activities, contribute their valuable experiences, and provide independent judgement during Board deliberations. The Board concurred with the NC's assessment.

Board diversity policy

The Company recognises and embraces the benefits of diversity of experience, age, skill sets, gender and ethnics on the Board ("**Board Diversity**"). The Board views Board Diversity as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

CORPORATE GOVERNANCE

Although the Company does not have a written policy on Board Diversity, it has maintained a culture of diversity to benefit from a wide talent pool. The current composition of the Board provides diversity in terms of skills, experience, gender and knowledge.

The NC believes in the merits of gender diversity in relation to the composition of the Board. In identifying suitable candidates for new appointment to the Board, the NC will ensure that female candidates are included for consideration. Having said that, gender is but one aspect of diversity and new Directors will continue to be selected based on merit, taking into account the candidates' potential contributions to the Board, as part of the process for new Board appointments and Board succession planning.

In FY2019, there was one female Director (12.5%) out of a total of eight Directors. The female Board member is Ms Michelle Liem Mei Fung. Ms Liem has been a member of the Board since 2001. The Company continues to benefit from her membership in terms of improved discussions, debates and decision-making at the Board level.

The NC will be tasked to develop a Board Diversity policy setting out the qualitative and quantitative objectives at an appropriate time.

Provision 2.5
Regular meetings of Non-Executive Directors

In FY2019, the Non-Executive Directors met quarterly and informally with the KMP (including the CEO) and other senior management of the Group from time to time to discuss matters relating to the Group. After the meetings, they provided feedback to Management to review and resolve specific issues and matters discussed during the meetings. The Company benefitted from Management's ready access to the Non-Executive Directors for guidance and exchange of views, both within and outside of Board and Board Committee meetings.

The Non-Executive Directors meet to discuss, *inter alia*, Management's performance without the presence of Management at least once a year.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER
PRINCIPLE 3: DIVISION OF RESPONSIBILITIES BETWEEN BOARD AND MANAGEMENT, AND AVOIDANCE OF A SINGLE INDIVIDUAL INFLUENCE ON DECISION-MAKING

Provisions 3.1 and 3.2
Separation of the role of Chairman and CEO

The roles of the Chairman and the CEO of the Company remain distinct through a clear division of responsibilities which have been established in the written terms of reference of the Board.

The Chairman leads the Board with the highest standard of integrity and governance. He promotes effective communication and contributions by each Director. The Chairman manages the business of the Board by setting agendas for meetings, which he leads to ensure full discussion of all agenda items.

The CEO translates the Board's decisions into executive actions and is accountable to the Board. He provides clear and decisive leadership and guidance to the Company's employees. The CEO runs the Company's business with a clear vision and missions set by the Board.

There is no familial relationship between the Chairman, Mr Ong Beng Kheong, and the CEO, Mr William Nursalim alias William Liem.

The Chairman, Mr Ong Beng Kheong, is responsible for ensuring the effective functioning of the Board to act in the best interests of the Company and shareholders. He leads the Board; encourages interaction between the Board and Management; facilitates effective contribution of Non-Executive Directors; encourages constructive relations among the Directors; and promotes good corporate governance.

Prior to each Board meeting, Mr Ong, in consultation with Management and the Company Secretary, sets the agenda for the meeting and ensures that Board members are provided with adequate and timely information. As a general rule, meeting papers are sent to Directors at least one week in advance, in order for Directors to be adequately prepared for the meeting. Mr Ong leads the meetings and ensures full discussion of each agenda and that the Board members are able to engage the Management in constructive debate and open discussions on various matters including strategic issues. Members of the management team with proposals, or who can provide insights into these discussion matters, are invited to participate in the meetings.

At each general meeting of shareholders, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders and the Board.

Provision 3.3
Lead Independent Director

The Code provides for a Lead Independent Director to be appointed by the Board in situations where the Chairman is conflicted and when the Chairman is not independent. The NC and the Board, having taken into consideration the Company's current business operations and current Board size (eight members including four Independent Directors) are of the view that the appointment of a Lead Independent Director is not necessary.

Although no Lead Independent Director has been appointed, the Company's Independent Directors set aside time to meet (without the presence of other Directors) at least once a year. They provide their feedback to the Chairman of the Board. The Independent Directors also meet regularly with, and have unrestricted access to the CEO, other KMP and senior management members, as well as other Non-Executive Directors to discuss matters relating to the Group.

Directors and Management are also accessible to the Company's shareholders, and the Company has always responded to queries raised by its shareholders. The absence of a Lead Independent Director has not impacted, and is unlikely to impact, the efficient communication between the Board and shareholders or other stakeholders of the Company.

Nevertheless, the Board will, on an annual basis, examine the need for the appointment of a Lead Independent Director.

CORPORATE GOVERNANCE

BOARD MEMBERSHIP

PRINCIPLE 4: FORMAL AND TRANSPARENT PROCESS FOR APPOINTMENT/RE-APPOINTMENT AND PROGRESSIVE RENEWAL OF THE BOARD

Provisions 4.1 and 4.2

NC membership and key terms of reference

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

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

The NC is guided by its written terms of reference which stipulate its principal roles as follows:

i. review the nomination, appointment and re-appointment of Directors to the Board;

ii. review annually the independence of Directors;

iii. determine a suitable size of the Board;

iv. develop and maintain internal guidelines to assess a Director's ability and his/her performance in carrying out his/her duties as Director of the Company;

v. review the Directors' mix of skills, attributes/qualities, experiences and diversity that the Board requires;

vi. recommend to the Board on internal guidelines to address the competing time commitments faced by Directors serving on multiple boards;

vii. develop and maintain, as appropriate, a formal assessment process and criteria to evaluate the effectiveness and performance of the Board as a whole, the Board Committees and the contribution by each Director to the effectiveness of the Board;

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

ix. review the succession plans for Directors, appointment and/or replacement of the Chairman, the CEO, and other KMP for recommendation to the Board.

Upon request of the Board and/or the CEO, the NC shall also review any other senior management appointments within the Group, save for any entity listed on a stock exchange and has its own nominating committee, and those that are jointly controlled of which the Company's influence is balanced by other joint venture party(ies).

Other than as stated above, the NC is also involved in the review of training and professional development programmes for the Board. For FY2019, the task of this review was assisted by the in-house corporate secretarial team.

When making decisions on the appointment of new Directors to the Board, the NC and the Board consider several criteria which include the relevant expertise and experience that are required on the Board and the Board Committees. Other determining factors include diversity, independence, conflicts of interest and time commitments.

In discharging its key responsibilities, the NC reviewed the following in FY2019:

i. the independence of Directors, particularly any Director who has served more than nine years;

ii. the size of the Board and its composition;

iii. the commitment of Directors serving on multiple boards;

iv. the performance of the Board as a whole and the Board Committees;

v. contribution by each individual Director to the effectiveness of the Board;

vi. the Directors' continued training and professional development;

vii. the disclosure of Board matters in the annual report; and

viii. Board succession and renewal plans.

A NC report is submitted to the Board at the end of each financial year and the minutes of NC meetings are tabled to the Board to keep Board members apprised.

Provision 4.3

Selection, appointment and re-appointment of Directors

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

The Company has in place a process for selecting and appointing new Directors. This process includes, *inter alia*, an evaluation of the candidate's capabilities by taking into consideration diversity of skills, experience, background, gender, age, ethnicity and other relevant factors and how the candidate fits into the overall desired competency matrix of the Board. The NC may have recourse to both internal sources as well as external sources to draw up a list of potential candidates. Shortlisted candidates will be required to furnish their curriculum vitae, stating in detail their qualifications, working experience and employment history, and to complete certain prescribed forms to enable the NC to assess the candidate's independence status and compliance with the Company's established internal guidelines.

CORPORATE GOVERNANCE

The NC confirmed that, in FY2019, it had observed the due process enumerated above in relation to the appointment of Mr Richard Eu Yee Ming as a Director.

The NC also ensures compliance with the Company's Constitution which stipulates that at each Annual General Meeting ("**AGM**"), one-third of the Board (inclusive of the Chairman and CEO), shall retire from office by rotation at least once every three years.

The CEO is subject to the same provisions on retirement by rotation, resignation and removal as other Directors of the Company as part of the Board renewal process.

In addition, the Constitution of the Company stipulates that new Directors appointed by the Board during the financial year without shareholders' approval be re-elected at the next AGM following their appointment.

Provision 4.4

Continuous review of Directors' independence

During FY2019, the NC had conducted, *inter alia*, an annual review of the independence of the Directors based on their declaration which was drawn up in accordance with the guidelines provided under the Code and had determined, having regard to the circumstances set forth in Provision 2.1 of the Code, the independence of each Director. Please refer to Provision 2.1 of this Corporate Governance Report on the process and details of NC's review of Directors' independence. The NC is also committed to reassess the independence of each individual Director as and when warranted.

Provision 4.5

Multiple directorships

Information on the directorships and principal commitment(s) of each Director is furnished under the "Directors' Profile" section of this Annual Report and on the Company's website.

There are internal guidelines to assist the NC to determine whether Directors who sit on multiple boards have committed adequate time to discharge their responsibilities towards the Company's affairs. In this respect, the Company's current policy stipulates that if a Director is an executive director or key management personnel of another listed company or a major corporation, he/she should preferably not hold more than three other directorships on unrelated listed companies and/or major corporations. No Director exceeded this limit for FY2019.

For FY2019, the NC reviewed each Director's external directorships, his/her principal commitment(s) and attendance and contributions to the Board. Despite the multiple directorships of some Directors, the NC was satisfied that all the Directors had discharged their duties adequately and satisfactorily.

BOARD PERFORMANCE

PRINCIPLE 5: FORMAL ANNUAL ASSESSMENT OF THE EFFECTIVENESS OF THE BOARD, ITS BOARD COMMITTEES AND INDIVIDUAL DIRECTORS

Provisions 5.1 and 5.2

Board evaluation process, Board performance criteria and individual Director evaluation

The Company has implemented a formal process to evaluate (i) the performance and effectiveness of the Board as a whole and of its Board Committees; and (ii) the contribution by the Chairman and each individual Director to the Board.

The performance criteria were recommended by the NC and approved by the Board.

In FY2019 and as in previous years, the Board conducted an annual evaluation of the performance of the Board and individual Directors in the following manner:

i. Each Director was to complete the questionnaire for "Board Performance Assessment" with comments where necessary; and

ii. Self-assessments were conducted by the individual Directors, with comments where necessary.

The "Board Performance-Assessment" encompasses the performance evaluation for the Board Committees. The NC and the Board were of the view that this streamlined process was adequate and effective.

In evaluating the Board's performance, the following areas were assessed:

(a) Board structure including independent element on the Board, working partnership between the Board and Management, Board size, and contribution by the Chairman and each Director to the Board;

(b) conduct of meetings including their regularity, adequacy of notice, leadership of the chair, quality of discussion and consensus of decision;

(c) corporate strategy and planning including provision of entrepreneurial leadership to the Management, resources allocation and approval of annual business plan;

(d) risk management and internal controls including its framework and a review of their implementation effectiveness;

(e) measuring and monitoring Management's performance, including conducting monthly and quarterly reviews in comparison with the previous year's performance and budget;

(f) recruitment, evaluation and compensation, including approval for KMP appointments, remuneration framework, annual compensation and bonus for the KMP;

(g) succession planning for the Board and Management;

(h) financial reporting including the integrity of financial statements, principles applied and approval for announcements; and

(i) communication with shareholders.

CORPORATE GOVERNANCE

In evaluating the Board's performance, the NC also considered the Company's five-year share price performance against certain market indexes, five-year financial indicators such as return on assets, return on equity, and the economic value add of the Group.

In addition, the NC used the data obtained from the "Real Estate Development & Holding Company – market capitalisation of $300 million – $3 billion" (source: Bloomberg) as a benchmark to assess the Company's past year performance. Where there was material divergence, underlying reasons were sought and recorded, and action was taken where necessary.

In the self-assessment of individual Directors, a Board competency matrix is used to assess the Directors' respective areas of specialisation and expertise, as well as other factors as provided under the Code's guidelines. The Board will then act on the results where appropriate.

The evaluation of each individual Director's performance is a continuous process. The evaluation criteria include the Director's attendance at meetings of the Board, Board Committees and at general meetings, his/her ability to devote sufficient time and attention to the Company's affairs, participation in discussions at meetings, knowledge of and contacts in the regions where the Group operates, his/her functional expertise and commitment of time to the Company.

Further, the Executive Director and the Non-Executive Directors are evaluated using different criteria. The Executive Director is evaluated by the Non-Executive Directors, *inter alia*, through assessment of his performance against certain KPIs set by the Board in the early part of the year. The KPIs include both financial and non-financial criteria and short-term to medium-term goals.

To ensure confidentiality, completed evaluation forms by all Directors were submitted to the Company Secretary for collation. The results of the evaluation were collectively presented first to the NC for review and discussion, and thereafter to the Board for a further discussion.

The Board was satisfied with the results of the annual evaluation of the performance of the Board, its Board Committees and individual Directors' assessment for FY2019.

The results of the performance evaluation exercise are used as a reference by the Chairman (who is also a member of the NC) to review, where appropriate, the composition of the Board and its Board Committees, and in consultation with the NC, to support its proposals for Board renewal, so as to improve the effectiveness of the Board's oversight of the Company. Comments received from the NC are compiled and presented to the Board in due course.

The Board did not engage any independent external consultant to facilitate the annual review of the performance of the Board, the Board Committees and the individual Directors in FY2019.

II. REMUNERATION MATTERS

Matters concerning remuneration of the Directors, KMP and other senior management are under the purview of the RC, whose primary function is to establish formal and transparent policies on remuneration matters in the Company.

Matters which are required to be disclosed in the annual remuneration report have been sufficiently disclosed in this report and in the notes to the financial statements of the Company and of the Group.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES
PRINCIPLE 6: FORMAL AND TRANSPARENT PROCEDURE FOR DEVELOPING DIRECTOR AND EXECUTIVE REMUNERATION

Provisions 6.1 and 6.2

Remuneration Committee composition and terms of reference

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

- Mr Cheng Hong Kok, Chairman
  (Independent and Non-Executive)
- Mr Albert Choo Teow Huat
  (Independent and Non-Executive)
- Ms Michelle Liem Mei Fung
  (Non-Independent and Non-Executive)

The RC is guided by its written terms of reference, which stipulate its principal responsibilities as follows:

i. offers an independent perspective in assisting the Board to establish a formal and transparent procedure for developing a remuneration policy for Directors and KMP (or executive of equivalent rank) of the Company;

ii. establishes an appropriate remuneration framework to motivate and retain Directors and KMP (or executive of equivalent rank), and ensure that the Company is able to attract appropriate talent from the market in order to maximise value for shareholders;

iii. develops a remuneration policy for the Executive Director and KMP (or executive of equivalent rank), structuring it to link rewards to corporate and individual performance;

iv. determines specific remuneration packages for the Executive Director and KMP (or executive of equivalent rank) and any relative of a Director and/or substantial shareholder who is employed in a managerial position by the Company;

v. reviews and approves the compensation of the KMP (or executive of equivalent rank); and

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

CORPORATE GOVERNANCE

The RC has explicit authority to investigate any matter within its terms of reference including seeking expert advice within and/or outside the Company.

An RC report is submitted to the Board at the end of each financial year and the minutes of the RC meetings are tabled to the Board to keep Board members apprised.

Provision 6.3
Developing remuneration framework

The RC, with the endorsement of the Board, has established an appropriate remuneration framework to attract, retain and motivate Directors and KMP (or executive of equivalent rank) of the Company as well as specific remuneration packages for each Director, the KMP (or executive of equivalent rank) and any relative of a Director and/or substantial shareholder who is employed in a managerial position by the Company. The framework is being reviewed periodically to ensure that they remain relevant and effective.

The RC's remit is to make recommendations to the Board. Determining the remuneration of the Directors is the purview of the Board as a whole, and individual Directors do not participate in discussions regarding their own remuneration.

In FY2019, the RC reviewed and recommended to the Board the remuneration package of the CEO and the KMP (or executive of equivalent rank). The RC also reviewed and endorsed the Management's recommendation of other employees' bonuses for 2019 and salary increments for 2020.

The Company's obligations in the event of termination of service of the Executive Director and the KMP are enumerated in their respective employment letters. The RC is satisfied that the termination clauses therein were fair and reasonable to the respective employment class and were not overly generous.

Provision 6.4
RC's access to advice on remuneration matters

The RC has direct access to the Company's Director of Human Resources, should they have any queries on human resource matters. The RC has explicit authority to investigate any matter within its terms of reference and to seek external expert advice should such a need arise at the Company's expense. In this regard, the RC draws on a pool of independent consultants for diversified views and specific expertise to ensure that existing relationships, if any, between the Group and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

The Company did not engage any external remuneration consultants in FY2019.

LEVEL AND MIX OF REMUNERATION

PRINCIPLE 7: LEVEL AND STRUCTURE OF REMUNERATION ARE APPROPRIATE AND PROPORTIONATE TO THE SUSTAINED PERFORMANCE, VALUE CREATION AND STRATEGIC OBJECTIVES OF THE COMPANY

Provisions 7.1, 7.2 and 7.3
Remuneration of Directors and KMP

The Company's remuneration structure for the Executive Director/CEO and KMP (or executive of equivalent rank) has been benchmarked against entities of a comparable size and in similar industries. It consists of both fixed and variable portions with the aim to attract, retain and motivate appropriate talents on a sustainable basis. The fixed compensation comprises a base salary and fixed allowances. The variable component, on the other hand, is a cash-based, short-term incentive that is performance-related and is linked to the Company and the individual's performance. This is designed to align the employees' remuneration with the interests of shareholders and to link rewards to corporate and individual performance so as to promote the long-term success of the Group.

Throughout FY2019, the Board had only one Executive Director, namely the CEO. As stipulated in the Company's remuneration framework, the Executive Director and KMP of the Group do not receive Director's fees from the Company or from its subsidiaries/associated entities if they are nominated and appointed to these boards.

For the purpose of assessing the performance of the Executive Director/CEO and KMP (or executive with equivalent rank), KPIs with both financial and non-financial targets are clearly set out at the start of the financial year. Financial targets include net profit, return on total assets, return on shareholders' equity and total shareholder's return (i.e. dividend plus share price movement over the year). Non-financial targets are those related to reputation, customers, employees, environment, community and sustainable future. Such KPIs also comprise both quantitative and qualitative factors as well as short and medium-term targets. The RC believes that the KPIs enable the Company to monitor its success in achieving its strategy and the progress of the Group in delivering high-quality sustainable growth.

Each year, the RC reviews and approves the remuneration package of the Executive Director/CEO and the KMP (or executive with equivalent rank) for recommendation to the Board. This includes the review of their basic salary, allowance, benefits and bonus. In the process, the RC takes into account the KPI performance of each individual for the financial year under review. In addition, the RC also reviews the performance of the Group's other heads of department ("**HOD**") (excluding those employed by the listed subsidiary which has its own remuneration committee), after taking into consideration the CEO's assessment of, and recommendation for, bonus and remuneration.

Having reviewed and considered the variable components of the Executive Director/CEO and KMP (or executive of equivalent rank), which are not excessive, the RC is of the view that there is no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration paid in prior years. There are no lengthy or onerous removal clauses in the employment contracts.

For FY2019, the RC was satisfied that the adjustments made to the salaries as well as the performance-related bonuses granted to the Executive Director/CEO and KMP were reflective of their performance and contributions made by them taking into account the extent to which their KPIs were met.

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

CORPORATE GOVERNANCE

Remuneration framework for Non-Executive Directors

Non-Executive Directors have no service contracts (except for the letter of appointment) with the Company and their terms in office are specified in the Constitution. The remuneration packages of Non-Executive Directors consist of Directors' fees and attendance fees, which are computed based on a fees scale covering basic retainer fees as Director; additional fees for serving on any of the Board Committees; and attendance fees for participation in meetings of the Board and the Board Committees.

The RC takes into consideration factors such as the frequency of meetings, the time spent and responsibilities of Non-Executive Directors, as well as the need to stay competitive with industry practices when determining the appropriate level of Directors' fees.

The RC also considers the nature and responsibilities of the Chairman and members of the ARC who receive higher additional fees which are commensurate with their roles and responsibilities.

The framework for Non-Executive Directors' fees (on a per-annum basis unless otherwise indicated), which was last revised in FY2018, is as follows:

Roles	Members (per annum)	Chairman (per annum)
Board of Directors	$50,000	Additional $50,000
Audit and Risk Committee	$20,000	Additional $20,000
Other Committees	$7,500	Additional $7,500
Attendance Fee	$1,000 per meeting	
Overseas Engagement Fee	$2,000 per trip	
Special or *Ad hoc* Project(s)	Appropriate sum depending on complexity and time involved, as recommended by the Board after the completion of the projects and approved by shareholders in a general meeting	

The remuneration framework for Non-Executive Directors was last reviewed in FY2018, using data obtained from a survey of such fees disclosed by comparable peers in property companies listed in Singapore in their 2017 annual reports. The Board concurs with the RC's proposal for Non-Executive Directors' fees for FY2019 which are computed in accordance with the current framework. The RC and the Board will accordingly table the Non-Executive Directors' fees for FY2019 for shareholders' approval at the forthcoming AGM. The Chairman and Non-Executive Directors will abstain from voting in respect of this resolution.

The RC and the Board are collectively of the view that the remuneration for FY2019 is appropriate to attract, retain and motivate Directors to provide good stewardship of the Company, and for KMP to successfully manage the Company for the long term.

DISCLOSURE ON REMUNERATION

PRINCIPLE 8: TRANSPARENCY ON REMUNERATION POLICIES, PROCEDURE, LEVEL AND MIX, AND RELATIONSHIP BETWEEN REMUNERATION, PERFORMANCE AND VALUE CREATION

Provision 8.1

Remuneration report

Details on the remuneration of Directors and the KMP for FY2019 are reported below. During FY2019, there were no termination, retirement or post-employment benefits granted to any of them.

The remuneration of the Executive Director/CEO and Non-Executive Directors for FY2019 is set out in Table A below:

TABLE A

Name of Directors	Directors' Fees[1]	Salary[2]	Benefits[3]	Variable Bonus	Total
Executive Director					
William Nursalim alias William Liem[4]	–	$864,000	$46,626	$468,000	$1,378,626
Non-Executive Directors					
Ong Beng Kheong	$114,500	–	–	–	$114,500
Cheng Hong Kok	$86,500	–	–	–	$86,500
Albert Choo Teow Huat	$133,500	–	–	–	$133,500
Richard Eu Yee Ming[5]	$31,900	–	–	–	$31,900
David Lee Kay Tuan	$76,000	–	–	–	$76,000
Michelle Liem Mei Fung	$69,000	–	–	–	$69,000
Neo Ban Chuan	$97,500	–	–	–	$97,500
Total Directors' Remuneration	**$608,900 31%**	**$864,000 43%**	**$46,626 2%**	**$468,000 24%**	**$1,987,526 100%**

CORPORATE GOVERNANCE

Annotations:
(1) If approved, the aggregate amount of Directors' fees of $608,900 will be paid to the Non-Executive Directors upon approval by shareholders at the forthcoming AGM.
(2) Salary refers to basic salary (CPF contribution is not applicable).
(3) Benefits refer to car benefits.
(4) As an Executive Director, Mr William Nursalim alias William Liem does not receive Director's fees.
(5) Mr Richard Eu Yee Ming was appointed as a Director and a member of the ARC effective 19 August 2019.

During FY2019, there was no change in the fee structure for Directors. The total proposed Directors' fees of $608,900 for FY2019 is 6% higher than that for FY2018, reflecting mainly an increase in the number of Directors, overseas engagements and meetings held during the year.

The range of gross remuneration of the top five management personnel including the KMP, excluding the Executive Director/CEO of the Group is set out in Table B below:

TABLE B

Name of Top 5 Management Personnel including KMP	Designation	Breakdown of Remuneration by Percentage (%)				Total Remuneration in Compensation Bands of $250,000
		Salary(1)	Benefits(2)	Bonus(3)	Total	
Leong Kok Ho(4)	Chief Financial Officer	70%	0%	30%	100%	$250,000 – $499,000
Nick Ng Choong How	Senior Vice President, Business Development	77%	0%	23%	100%	$250,000 – $499,000
Patrick Tan Boon Chew	Head, Asset & Fund Management	70%	0%	30%	100%	$250,000 – $499,000
Peggy Wong(4)	General Counsel	67%	0%	33%	100%	$250,000 – $499,000
Illan Weill	General Manager, Grand Hyatt Melbourne	75%	7%	18%	100%	$500,000 – $749,999
Total Remuneration of Top 5 Management Personnel including the KMP		**$1,700,586 72%**	**$55,250 2%**	**$606,628 26%**	**$2,362,464 100%**	

Annotations:
(1) Salary refers to basic salary, allowance and employer's provident fund or equivalent contribution thereof.
(2) Benefits refer to car benefits and taxable health insurance.
(3) Bonus refers to variable bonus and employer's provident fund or equivalent contribution thereof.
(4) The KMP of the Company are the CEO, the CFO and the General Counsel. The CEO's compensation is disclosed under Table A above.

The aggregate remuneration paid to the above top five management personnel including the KMP (excluding the Executive Director/CEO of the Group) in FY2019 was $2,362,464.

Provision 8.2

Employees related to Substantial Shareholders, Directors or CEO

Except for the Executive Director/CEO, Mr William Nursalim alias William Liem, whose remuneration is disclosed in Table A above, there is no other employee who is a substantial shareholder or is an immediate family member of a Director, the CEO or a substantial shareholder of the Company whose remuneration exceeds $100,000 during the year.

Provision 8.3

Details of all forms of remuneration and other payments and benefits paid to Directors and KMP

Please refer to Table A and Table B above on the breakdown of remuneration and other payments and benefits paid to the Directors and KMP.

The information on the link between remuneration paid to the Executive Director/CEO and KMP and their performance is set out under Principle 7 above.

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

CORPORATE GOVERNANCE

III. ACCOUNTABILITY AND AUDIT

The Board and the ARC are responsible for the governance of risks, and ensure that the Company maintains a sound system of risk management and internal controls over financial reporting, operational risks and compliance risks (including information technology controls and risk management systems), to safeguard the interests of the Company and its shareholders. All areas of weaknesses identified in internal audit reports are properly dealt with in a timely manner. During FY2019, quarterly unaudited results and the audited full-year results of the Group had all been announced within the prescribed timeline after the end of each period.

RISK MANAGEMENT & INTERNAL CONTROLS
PRINCIPLE 9: BOARD'S GOVERNANCE OF RISK MANAGEMENT SYSTEM AND INTERNAL CONTROLS

Provision 9.1

Significant risks, objectives and value creation

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARC with the assistance of the internal auditors. The ARC reviews key risk categories on a quarterly basis to ensure that the activities of the business remain within the Group's risk appetite.

Having considered the Company's business and operations as well as its existing internal control and risk management systems, the Board is of the view that a separate Risk Committee is not required at this juncture.

During FY2019 and as in the previous years, the ARC assisted the Board in the identification of risks and oversight of the Group's risk profile and policies, adequacy and effectiveness of the Group's risk management systems and internal controls. The ARC reported to the Board on risks facing the Group; suggested level of risk tolerance for the Company to achieve its strategic objectives and value creation; and its review of updated risk policies.

A detailed Group Risks Management Report was prepared by Management and reviewed by the ARC and recommended to the Board for approval. The Report identified twenty-six risks and ways to manage them. The Board had since endorsed the Group Risks Management Report. A summary of the contents may be referred to under "Business Dynamics and Risk Factors Statement" section of this Annual Report.

The Group's risks management process is based on the Group's Enterprise Risks Management framework, which is in turn designed to be in line with ISO 31000 – "Risk Management Principles and Guidelines" and the recommended practice under "Risk Governance Guidance for Listed Boards" issued by the Corporate Governance Council in 2012.

The last review of the framework by the ARC and the Board was in 2016, and takes into account changes in the business and operation environments as well as evolving corporate governance requirements. The framework outlines the principles, process, tools, risk categories and types, key responsibilities, reporting requirements and communication timelines within the Group, and intends to provide reasonable assurance that the Group's objectives can be achieved and that its obligations to customers, shareholders, employees and community can be met.

Risks that affect the achievement of the business objectives and financial performance of the Group over a short-to-medium term are summarised in the Group Risks Register by each business unit. The identified risks had been grouped in two dimensions: one based on the risk exposure and appetite, and the other based on the likelihood of happening. From there, a "Risk Matrix Table" was then charted to aid the Board's deliberation. The Group's risks had also been classified into four main categories, namely, Business & Strategy Risks, Financial Risks, Operational Risks and Compliance Risks including information technology controls and risk management systems.

In order to mitigate the risk of fraud, corruption and misconduct by employees, the Group had also implemented the following practices: the Employees' Code of Conduct and Practices, Dealing in Securities, IPTs and Whistle-blowing Policy, all of which are set out in the "Corporate Governance in Action" section of this Annual Report.

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

The risk management system has become an essential part of the Group's business planning and monitoring process. On an annual basis, Management submitted to ARC and the Board the "Risks Report" detailing the Group's risk profile, evaluating their potential impact and proposing countermeasures to mitigate or to transfer identified risks so as to bring them to an acceptable level.

The ARC also reviewed reports submitted by the internal auditors on pre-selected areas of the operations of the Group. The selection process follows a cycle of a few years so that all key operations/units of the Group would be subject to an internal audit in a cycle.

In FY2016, the Company implemented the following policies:

i. Information Security Policy

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

CORPORATE GOVERNANCE

ii. Personal Data Protection Policy

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

iii. Anti-bribery and Anti-corruption Policy

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

iv. Sustainability Policy

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

In accordance with the SGX-ST Listing Rules 711A and 711B, the Board has reviewed the Company's Sustainability Report and approved its inclusion in the Annual Report.

As part of the Group's continuous efforts to ensure that its risk management systems and internal controls are adequate and effective, the Company is not only working towards strengthening the existing policies by conducting regular reviews to ensure that they remain relevant, but is also implementing new ones where necessary so as to meet challenges brought on by a changing business environment.

Provision 9.2

Assurance from CEO, CFO and other responsible KMP

The CEO and the CFO have provided assurances to the Board that the financial records have been properly maintained and that the financial statements give a true and fair view of the Company and the Group's operations and finances for the year ended 31 December 2019.

The Company has adopted an internal annual compliance checklist on internal controls and risk management systems of the Group for FY2019 ("**Compliance Checklist**") which is completed and confirmed by the relevant HOD within the Group. The Compliance Checklist assists the Company in monitoring the compliance of the Group's internal controls (including regulatory compliance, financial, operational and information technology controls) and risk management systems.

Based on the Compliance Checklists that were confirmed and signed off by the relevant HOD within the Group, the CEO and the relevant HOD have provided assurances that the Company's risk management and internal control systems were adequate and effective as of the same date.

The responsibility statements from the CEO, CFO and relevant HOD as published in this Annual Report explicitly acknowledged the aforementioned points in detail.

Board's commentary, with the concurrence of the ARC, on adequacy and effectiveness of internal controls and risk management systems

Based on internal controls established and maintained by the Group, work performed by internal and external auditors and reviews performed by Management, written representation by the CEO and the CFO and various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that the Group's risk management and internal control framework and systems were adequate and effective as at 31 December 2019 to address financial, operational and compliance risks including information technology controls and risk management systems, which the Group consider relevant and material to its operations.

AUDIT AND RISK COMMITTEE

PRINCIPLE 10: ESTABLISHMENT OF AUDIT & RISK COMMITTEE WHICH DISCHARGES ITS DUTIES OBJECTIVELY

Provisions 10.1, 10.2 and 10.3

Composition, roles and expertise of the ARC

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

- Mr Albert Choo Teow Huat, Chairman (Independent and Non-Executive)
- Mr Neo Ban Chuan (Independent and Non-Executive)
- Mr Richard Eu Yee Ming (Independent and Non-Executive)
- Mr David Lee Kay Tuan (Non-Independent and Non-Executive)

The ARC members collectively bring with them accounting, financial management and legal expertise and experience. The Board, after considering the advice from the NC, believes that members of the ARC are appropriately qualified to discharge the ARC's responsibilities as defined under its terms of reference, which have been approved by the Board.

At least two members of the ARC (including the ARC Chairman) have recent and relevant accounting or related financial management expertise or experience.

The ARC Chairman, Mr Albert Choo, has accumulated extensive financial management experience throughout his professional career. Mr Choo previously held senior positions in finance and treasury in the Shell group of companies as well as Caltex Corporation. Mr Choo was also a board member of Power Senoko Pte Ltd.

Mr Neo Ban Chuan is a chartered accountant and a business advisor by profession. Mr Neo is currently the managing director of two business consultancies. He is also a board member of several private organisations including Manulife (Singapore) Pte Ltd.

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Mr Richard Eu Yee Ming brings with him extensive corporate expertise and knowledge, having served as Group CEO of Eu Yan Sang International for 28 years, and where he remains as Non-Executive Chairman. With various corporate leadership positions in several other organisations under his belt, Mr Eu has a wide range of experience across a variety of roles that includes corporate finance.

For FY2019, no former partner or Director of the Company's incumbent auditing firm or its member firms was a member of the ARC.

During FY2019, the ARC met six times, of which four were scheduled meetings and two were ad hoc meetings. The KMP attended all the six meetings. The internal auditors and the external auditors attended two and four scheduled meetings respectively.

The ARC is kept abreast by Management as well as external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

Duties of the ARC

The roles and responsibilities of the ARC as defined under its terms of reference are summarised below:

i. Reviewing the adequacy and effectiveness of the internal controls over financial, operational, compliance, information technology, and risk management policies and systems established by Management;

ii. Reviewing the assurance from the CEO and the CFO on the Group's financial records and financial statements;

iii. Monitoring compliance with the laws and regulations, the SGX-ST Listing Manual and the Code;

iv. Reviewing the principal business risks and assessing the appropriateness of the mechanisms in place to identify, preventing and minimising these business risks;

v. Reviewing the relevance and consistency of the accounting standards used by the Group, significant financial reporting issues and judgements;

vi. Reviewing the monthly management reports as well as quarterly and annual financial statements, assessing and challenging where necessary, their correctness, completeness, integrity and consistency before submission to the Board or made public;

vii. Meeting with Management and external auditors to review the financial statements, the process and the results of the audit and other sections of the annual report including disclosure on corporate governance practices before its release;

viii. Reviewing and recommending for the Board's approval, IPTs as defined under Chapter 9 of the SGX-ST Listing Manual and those that require the ARC's approval as specified in the general mandate approved by shareholders ("**IPT Mandate**");

ix. Reviewing the internal auditors' program with regard to the complementary roles of the internal and external audit functions; ensuring that there are no unjustified restrictions or limitations to the internal auditors' work scope; reviewing the internal auditors' reports and ensuring timely response by Management;

x. Reviewing and recommending to the Board for approval the Whistle-blowing Policy, by which employees of the Company and/or external parties may, in confidence, raise concerns about suspected improprieties including financial irregularities;

xi. Reviewing the audit representation letters to be issued by the Company before consideration by the Board; reviewing the contents of the external auditors' management letters, monitoring the responsiveness of Management to the recommendations made, and ensuring that the external auditors have direct and unrestricted access to officers of the Company and the Chairman of the ARC;

xii. Reviewing audit fees, the terms of the audit, the nature and extent of non-audit services provided by the external auditors, and making recommendations to the Board on the proposals to shareholders on the appointment, re-appointment or removal of the external auditors; and

xiii. Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit functions.

An ARC Report is submitted to the Board at the end of each financial year, and minutes of the ARC meetings are routinely tabled at Board meetings to keep the Board apprised.

Activities of the ARC

In FY2019 and as in past years, the ARC met with the internal and external auditors, without Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the auditors. Where relevant, the ARC makes reference to best practices and guidance in the Guidebook for Audit Committee in Singapore, including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore.

During FY2019 and in line with the IPT Mandate, certain ARC members designated by the ARC Chairman participated in three meetings of the IPT Review Committee ("**IPT RC**"). The minutes of each IPT RC meeting was subsequently tabled at the ARC meeting following each review.

Minutes of the ARC and IPT RC meetings are routinely tabled at Board meetings for information. When considering the IPTs, Directors who are interested in the transactions had recused themselves from the deliberation and approval process in both the ARC and Board meetings.

CORPORATE GOVERNANCE

The ARC reviewed the external auditor's audit plan for FY2019 and agrees with the auditor's proposed significant areas of focus that impact the financial statements. In the ARC's review of financial statements of the Group for FY2019, it had discussed with Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements, and also considered the clarity of key disclosures in the financial statements. The ARC also reviewed and addressed, amongst other matters, the following key audit matters as reported by the external auditors for FY2019:

(1) Revenue recognition of development properties

(2) Valuation of development properties

(3) Valuation of investment properties and hotel properties

Audit & Risk Committee's commentary on key audit matters

The ARC discussed the key audit matters for FY2019 with the Management and the external auditors, Deloitte & Touche LLP ("**Deloitte**"). The ARC concurred with the basis and conclusions included in the auditors' report with respect to the key audit matters for FY2019. For more information on the key audit matters, please refer to pages 98 to 99 of this Annual Report.

Management reported and discussed with the ARC on changes to the accounting standards and accounting issues which had a direct impact on the financial statements. The Directors were invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

Following the review, the ARC is satisfied that all the aforesaid matters have been properly dealt with and recommended the Board to approve the financial statements. The Board has on 6 March 2020 approved the financial statements.

Whistle-blowing policy

The Group has in place a "Whistle-blowing Policy" ("**Policy**") so as to provide a formal avenue for employees and external parties to raise concerns. The Policy offers reassurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith.

A copy of the Policy has been posted on the Company's Human Resource Intranet and official website encouraging the report of any behaviour or actions that anyone reasonably believes might be suspicious, against any rules/regulations/accounting standards as well as internal policies. In addition, a Chinese translation of the said policy has been disseminated to the Group's employees in China. A summary of the Policy is presented in the "Corporate Governance in Action" section of this Annual Report.

The Policy details the mechanism for which submission of issues or concerns could be made and the means of communication including a dedicated email address, whistle-blowing@tuansing.com and the two committees handling the submissions, namely, the Whistle-blowing Committee and the ARC. The Company treats all information received confidentially and protects the identity and the interests of all whistle-blowers. Anonymous reporting will also be attended to, and anonymity honoured.

All newly recruited employees are briefed on the existence of the Policy, and a reminder is sent to all employees annually in the form of an Annual Declaration by employees requiring them to disclose any instances of conflicts of interest or raising any issues or concerns of possible irregularities of the Company or the Group's affairs. A "nil" return is required even if there is nothing to declare.

It has also been a routine item in the agenda of quarterly meetings of the ARC to review any entries in the register of whistle-blowing incidents, and progress of investigation, if it remains outstanding. The Policy and its accompanying procedures are periodically reviewed, updated and approved by the ARC to ensure its relevance.

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

Evaluation of external auditors

During FY2019 and as in past years, the ARC reviewed the "Professional Services Planning Memorandum" prepared by Deloitte, the independent auditors, discussed about the terms of engagement, materiality in auditing, significant risks assessment, areas of audit focus, internal control plans and audit quality indicators, before the commencement of their audit work.

In respect of the audit quality indicators, the ARC reviews, in particular, the following areas: audit hours planned, experience of the team, adequacy of training received by the team, results of internal and third party inspection of their work, compliance with independence requirement, quality control, staff oversight, and staff attrition rate.

The ARC undertook a review of the independence and objectivity of the external auditors, their approach of the audit work, their proposed audit fees as well as the non-audit fees awarded to them.

CORPORATE GOVERNANCE

The ARC reviewed and concurred with the nature of non-audit work performed and fees charged by Deloitte and its member firms. A breakdown of the fees paid or payable to Deloitte and its member firms are analysed in the table below (excluding fees paid or payable by the Company's associates, i.e., Gul Technologies Singapore Pte. Ltd. and Pan-West (Private) Limited):

	FY2019		FY2018	
	S$	% of Total Fees	S$	% of Total Fees
Audit fees to Deloitte Singapore	380,000	48%	328,000	50
Audit fees to Deloitte member firms outside Singapore	233,000	29%	196,000	30
Total Audit Fees	613,000	77%	524,000	80
Total Non-Audit Fees (both Singapore and member firms)	181,000	23%	128,000	20
Total Fees	**794,000**	**100**	**652,000**	**100**

The ARC is satisfied that the nature and extent of the non-audit services performed by the external auditors have not prejudiced their independence and objectivity.

On the recommendation of the ARC, the Board approved the re-appointment of Deloitte as the independent auditors of the Group at the forthcoming AGM for shareholders' approval. During FY2019, the Company's associates also engaged Deloitte and its member firms for the audit work. In view of the aforesaid, the Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the Company's appointment of auditing firms.

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

Provision 10.4

Internal auditors, reporting line, compliance and function

The ARC's responsibilities over the Group's internal controls and risk management are complemented by the work of the internal audit. The primary reporting line of the internal audit function, which has been outsourced to PricewaterhouseCoopers Risk Services Pte. Ltd. ("**PwC**"), is to the ARC, which also decides on the appointment, termination and remuneration of the internal auditor. The internal auditor has unrestricted access to all the Company's documents, records, properties and personnel, including the ARC, and has appropriate standing within the Company.

Upon the recommendation by ARC, the Board approved the re-engagement of PwC as the internal auditor of the Group in the ensuing year. In FY2019 and as in the past years, the ARC assessed the adequacy of the internal audit function through reviewing of PwC's audit plan submitted at the beginning of the year and the quality of its reports during the year.

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

At the beginning of each year, an annual internal audit plan which entails the review of selected functions or business units of the Group is developed and agreed by the ARC. The audit plan has been devised in such a way that all major functions or business units are audited within an internal-audit cycle. The ARC directs the internal auditor, as and when deemed necessary and important, to focus on certain aspects of an audit to be conducted as well as to audit any operational/ business aspects. Having reviewed the audit plan of PwC, the ARC is satisfied that the Company's internal audit function is adequately resourced to perform the work for the Group.

ARC's commentary on the independence, adequacy and effectiveness of the internal audit function

For FY2019, the ARC reviewed the adequacy of the internal audit function to ensure that the internal audits were conducted effectively, and that Management provided the necessary co-operation to enable PwC to perform its function. After having reviewed the PwC reports and remedial actions implemented by Management, the ARC was satisfied that the internal control functions were independent, adequate and effective.

Provision 10.5

Independent meeting with external and internal auditors

During FY2019, the Company's external auditors and internal auditors were invited to attend the ARC meetings. They also met separately with the ARC without the presence of Management.

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT

The Company believes in treating all shareholders fairly and equitably by recognising, protecting and facilitating the exercise of shareholders' rights. As such, it reviews and updates relevant arrangements regularly and embraces effective and fair communication with its shareholders. It also encourages shareholders to raise questions and to participate in discussions at general meetings.

CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

PRINCIPLE 11: FAIR AND EQUITABLE TREATMENT OF SHAREHOLDERS, ENABLING THEM TO EXERCISE SHAREHOLDER RIGHTS AND COMMUNICATE THEIR VIEWS. PROVIDING SHAREHOLDERS WITH BALANCED AND UNDERSTANDABLE ASSESSMENT OF THE COMPANY'S PERFORMANCE, POSITION AND PROSPECTS

Provision 11.1

Providing opportunity for shareholders to participate and vote at general meetings

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

Shareholders are informed of annual general meetings at least twenty-eight days in advance through reports/circulars/letters or notices published in the newspapers, Company announcements via SGXNet and the Company's website. General meetings are usually held at venues within the central business district and which are easily accessible by shareholders. Resolutions tabled at general meetings are passed through a process of voting by poll, through which procedures are clearly explained by the scrutineers at the beginning of the voting in such general meetings.

An AGM presentation on the performance, position and prospects of the Group are given to shareholders at the start of the AGM. In addition, a presentation deck accompanies each financial results announcement to give shareholders and investors a better understanding of the Group's performance. The presentation documents are also announced via SGXNet and available on the Company's corporate website.

In an attempt to facilitate shareholders' effective participation at AGMs, the Company has done the following:

i. posted under the "Investor Relations" section of the Company's website, two documents prepared by SGX, titled "An Investor's Guide to Preparing for Annual General Meetings" and "An Investor's Guide to Reading Annual Reports" so as to assist shareholders in gaining a more comprehensive understanding of the annual reports read and framing pertinent questions at the AGMs;

ii. ensured that shareholders are given notice of AGMs twenty-eight days in advance.

Pursuant to the provisions in the Company's Constitution, shareholders who are not "relevant intermediaries" may appoint up to two proxies to attend, speak, and vote on his/her behalf at general meetings. Shareholders who are "relevant intermediaries" such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board ("**CPF**"), are allowed to appoint more than two proxies. This is to facilitate the participation of indirect shareholders, including CPF investors, in general meetings. Such indirect shareholders where so appointed as proxies will have the same rights as direct shareholders to attend, speak and vote at general meetings.

In order to have a valid registration of a proxy, an instrument appointing a proxy must be deposited at a place or places specified in the notice convening the general meetings at least 72 hours before the time appointed for the general meeting.

The Company has been using electronic poll voting for a number of years so as to promote greater transparency in the voting process. In the Company's last AGM held on 24 April 2019, the following was conducted to the satisfaction of shareholders:

- Registering electronically shareholders and proxies who attended the meeting, and issuing an electronic token to each of them.
- Reviewing the robustness of the system by the appointed scrutineer who is an independent external party prior to the commencement of the meeting.
- Verifying proxies and poll voting information by the appointed scrutineer, ensuring that the polling process is properly carried out.
- Giving instructions on the use of the electronic token for polling.
- Putting each and every resolution to electronic polling.
- Flashing the results of the voting on the screen including the number and the percentage of votes cast for and against.
- Releasing voting results to SGX-ST on the same day as after the conclusion of such meeting via SGXNet.

Provision 11.2

Separate resolutions at general meetings

The Board ensures that separate resolutions are proposed for approval on each issue at general meetings. There is no bundling of the resolutions as they are not interdependent nor linked to each other. Detailed explanatory notes on each item of the agenda are also provided in the Notice of AGM.

Provision 11.3

Attendees at general meetings

In FY2019, the Chairman of the Board and the Chairman of each Board Committee, the KMP and HOD attended all the general meetings to address issues raised by shareholders.

The Company's external auditors and legal advisers were also present at the meetings to address relevant queries from shareholders. The attendance of the Directors attending the general meetings is set out under Provision 1.5 of this Report.

CORPORATE GOVERNANCE

Provision 11.4
Absentia voting at general meetings

Provision has been made under Article 76 of the Constitution, allowing for shareholders to vote in absentia. Examples of absentia voting are voting via mail, electronic mail or facsimile at the general meetings. However, such methods may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web is not compromised. Therefore, at this point in time, the Company does not allow a shareholder to vote in absentia at general meetings, except through the appointment of a proxy, attorney or in the case of a corporation, a corporate representative, to cast their vote in their stead.

Provision 11.5
Minutes of general meetings

The Company prepares minutes of general meetings with details of the proceedings, questions raised by shareholders, and answers given by the Board and Management and the voting results of each resolution. Minutes of the AGM will be published via the Company's website.

Provision 11.6
Dividend Policy

The Company has established a dividend policy which attempts to balance on one hand, the need to conserve cash for working capital and investment for the future, and on the other hand, shareholders' desire to receive dividends arising from their investments in the Company. The dividend policy is presented in the "Corporate Governance in Action" section of this Annual Report.

ENGAGEMENT WITH SHAREHOLDERS

PRINCIPLE 12: REGULAR COMMUNICATION WITH SHAREHOLDERS AND FACILITATION OF SHAREHOLDERS' PARTICIPATION AT GENERAL MEETINGS

Provisions 12.1, 12.2 and 12.3
Communication with shareholders

Since November 2015, an Investor Relations Policy ("**IR Policy**") has been established, setting out the principles to provide shareholders and prospective investors with information necessary to make well-informed investment decisions. This IR Policy is published on the Company's website at www.tuansing.com.

The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. The Company's announcements are as descriptive, detailed and forthcoming as possible. Hence, the Company's quarterly results announcements contain much useful information and analysis. In addition, press releases and PowerPoint slides are provided and posted in the Company's website.

An investor relations contact has been provided in the Company's website which stakeholders can use to voice their concerns or feedbacks. In the event that shareholders make any enquiries to the Company, Management endeavours to respond within two working days.

Avenues of communication

The Company communicates with shareholders and the investment community on a non-selective basis through timely release of announcements to SGX-ST via SGXNet and the Company's corporate website. Should an inadvertent disclosure be made to a selected group, the Company will make the same disclosure publicly as soon as is practicable. The Company's website also allows the public to have access to its past years' announcements.

The Company believes in providing forthcoming disclosures, if deemed beneficial to its shareholders and the general public. In this respect, the Company has been disclosing the Company's broad strategy, business developments and financial performance through appropriate media. For developments that could have a material impact on the share price, the information is announced as soon as it is available. The Company has been utilising news releases, annual reports, shareholder circulars, shareholders' meetings, announcements through SGXNet and the Company's website for the purpose of communication.

The planned dates of release of quarterly financial results was previously disclosed twelve months ahead in the annual report of the preceding year. Such dates were confirmed approximately two weeks prior to the actual dates of announcement via SGXNet. Following the lifting of quarterly financial reporting by the SGX-ST, the Company will be adopting half-yearly reporting for the financial year ending FY2020.

For FY2019, quarterly results were announced within the prescribed timeline; and full-year unaudited results were released on 23 January 2020. Each results announcement is accompanied by a press release and a PowerPoint presentation. The 2019 Annual Report will be distributed to shareholders twenty-eight days before the AGM which is scheduled to be held on 22 April 2020.

General meetings have been and are still the principal forum for dialogue with shareholders. At AGMs, shareholders are given a PowerPoint presentation by the CFO on the Group's past performance and outlook. Shareholders are then invited to raise questions, express any concerns or to give suggestions. Before the voting of each resolution, shareholders are again given opportunities to raise queries.

The Company has stated in the "Investor Relations" section of the Annual Reports, steps it has taken to solicit and understand the views of shareholders. During the year, Management also attended to analysts and fund managers' requests for dialogue.

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

CORPORATE GOVERNANCE

V. MANAGING STAKEHOLDERS RELATIONSHIPS

The Board believes in adopting an inclusive approach by considering and balancing the needs and interests of material stakeholders as part of its overall responsibility to ensure that the best interests of the Company are served.

ENGAGEMENT WITH STAKEHOLDERS
PRINCIPLE 13: MANAGING STAKEHOLDER RELATIONSHIPS, BALANCING THE NEEDS AND INTERESTS OF MATERIAL STAKEHOLDERS FOR THE COMPANY'S BEST INTERESTS
Provisions 13.1, 13.2 and 13.3
Managing stakeholder relationships

The Company has appropriate channels in place to identify and engage with its material stakeholders groups. It recognises the importance of having intimate knowledge of its business and regular interactions with its stakeholders to determine material issues for its business.

The Company's approach to stakeholders' engagement and materiality assessment can be found under the "Sustainability Report" section of this Annual Report.

The Company has a corporate website to communicate and engage with all stakeholders.

CORPORATE GOVERNANCE IN ACTION

To maintain a high standard of corporate governance, the Company has in place various policies and practices to be observed by its Directors and employees.

INTERESTED PERSON TRANSACTIONS
Listing Manual Rule 907

The Company has obtained a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual ("**IPT Mandate**") at an extraordinary general meeting held on 24 April 2019. Interested Person Transactions ("**IPTs**") are executed on fair terms and at arm's length regardless of their nature and size. When a potential conflict of interest arises, the Director concerned neither take part in the discussions nor exercise any influence over other members of the Board. The Board last revised the IPTs policy and procedures in 2019. A Review Committee has been tasked by the Board to assist the ARC in reviewing and approving IPTs exceeding S$100,000 but below 3% of the Group's latest audited net tangible assets. For clarity, a separate register of IPTs carried out pursuant to the IPT Mandate is maintained for such purpose. Minutes of the Review Committee meetings are also circulated to the ARC and Board for their information.

For IPTs outside the ambit of the IPT Mandate, a list of IPTs including those less than S$100,000 and their aggregate is submitted quarterly to the ARC for its review. Any IPT exceeding S$100,000 must get the ARC's recommendation and the Board's approval before it is entered into. Where an IPT or its aggregate exceeded 3% of the Group's latest audited net tangible assets, an immediate announcement is made after the Board's approval. Where an IPT or its aggregate exceeded 5% of the Group's latest audited net tangible assets, shareholders' approval will be sought through a general meeting, while the interested shareholder will abstain from voting. In FY2019, the aforesaid 3% threshold was about S$32.7 million using the audited 31 December 2018 balance sheet.

Details of IPTs for FY2019 and FY2018 are presented in the "SGX-ST Listing Manual Requirements" section of this Annual Report.

DEALINGS IN SECURITIES
Listing Manual Rule 1207(19)

The Company has a formal insider trading policy whereby all Directors and employees of the Group are prohibited from dealing in the securities of the Company and its listed subsidiary (i.e. SP Corporation Limited) (collectively the "**listed entities**") while in possession of price-sensitive information and during the period commencing one month before the announcement of the listed entities' full-year results, and two weeks before the announcement of the first three quarters financial results till the day of such announcements. In line with the discontinuation of quarterly reporting, a window closing period of one month before the Company's half year and full year financial result announcements will apply. This policy discourages all Directors and employees of the Group from dealing in the listed entities' securities for short-term considerations and reminds them of their obligations under insider trading laws.

CODE OF CONDUCT AND PRACTICES

The Group recognises the importance of maintaining a high level of integrity and professionalism by its Directors and officers in the conduct of the Group's business. Hence, the Company's code of conduct and practices is entailed in the Employees' Handbook. The Handbook is stored electronically in the Company's Intranet and is introduced to all new employees during their induction.

This code enumerates, at the employee level, the standard of acceptable and unacceptable behaviour as well as issues of workplace harassment. On the business front, the code addresses the standard of business behaviour pertaining to the offering and receiving of business courtesies as well as issues of conflicts of interest.

The code of conduct has been strengthened since FY2016 with the implementation of the following: Information Security Policy, Personal Data Protection Policy as well as the Anti-bribery and Anti-corruption Policy.

WHISTLE-BLOWING POLICY

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

CORPORATE GOVERNANCE

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

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

A mechanism for the submission of issues/concerns has been established. This includes a dedicated email address allowing whistle-blowers to contact the WBC and the ARC Chairman directly, and in confidence so that his/her identity will be protected from reprisals within the limits of the law.

Assisted by the WBC, the ARC addresses issues/concerns raised and arranges for investigation and/or follow-up of appropriate action and reports to the Board accordingly. Should the ARC or WBC receive reports relating to serious offences, and/or criminal activities in the Group, they and the Board have access to appropriate external professional advice. Where appropriate or required, a report will be made to the relevant governmental authorities for further investigation.

➢ *Whistle-blowing Committee*

The WBC consists of:

- CEO;
- CFO; and
- Group Company Secretary.

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

During FY2019, there was no incident reported to the WBC.

DIVIDEND POLICY

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

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

The actual dividend payout shall be recommended by the Board at the end of each year, and tabled at the AGM of the Company for shareholders' approval. The Board may, at its absolute discretion, consider recommending a special dividend to commemorate the Company having achieved exceptional operational performance in a particular year or in a major investment sale.

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

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

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

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

ADDITIONAL INFORMATION
REQUIRED UNDER SGX-ST LISTING RULE 720(6)

The following table sets out the additional information on Directors seeking re-appointment at the 50th Annual General Meeting pursuant to SGX Listing Rule 720(6).

	MICHELLE LIEM MEI FUNG **Non-Independent &** **Non-Executive Director**	**RICHARD EU YEE MING** **Independent &** **Non-Executive Director**
Date of appointment	5 April 2001	19 August 2019
Date of last re-appointment	26 April 2017	Not applicable
Age	53	72
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board concurred with the NC's recommendation for the re-appointment of Ms Michelle Liem Mei Fung.	The Board concurred with the NC's recommendation for the re-appointment of Mr Richard Eu Yee Ming.
Working experience and occupation(s) during the past 10 years	Refer to Director's Profile on page 19.	Refer to Director's Profile on page 18.
Shareholding interest in the listed issuer and its subsidiaries	Deemed interests in 628,814,529 ordinary shares in the Company and 28,146,319 ordinary shares in SP Corporation Limited by virtue of her interest in Nuri Holdings (S) Pte Ltd.	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ms Liem is deemed to be a substantial shareholder of the Company by virtue of her interests in Nuri Holdings (S) Pte Ltd. She is the spouse of Mr David Lee Kay Tuan, a Non-Executive Director of the Company and a sister of Mr William Nursalim alias William Liem, the Chief Executive Officer and Executive Director of the Company.	Nil
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer.	Yes	Yes
Other Principal Commitments including directorships • Past (for the last 5 years)	Not applicable.	There is no change to the disclosure by Mr Richard Eu in Annex B of Appendix 7.4.1 of the SGX-ST Listing Manual announced on 19 August 2019.
Other Principal Commitments including directorships • Present	Refer to "Director's Profile" on page 19.	Refer to "Director's Profile" on page 18.
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	Ms Liem's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".	Mr Eu's responses under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual are all "No".