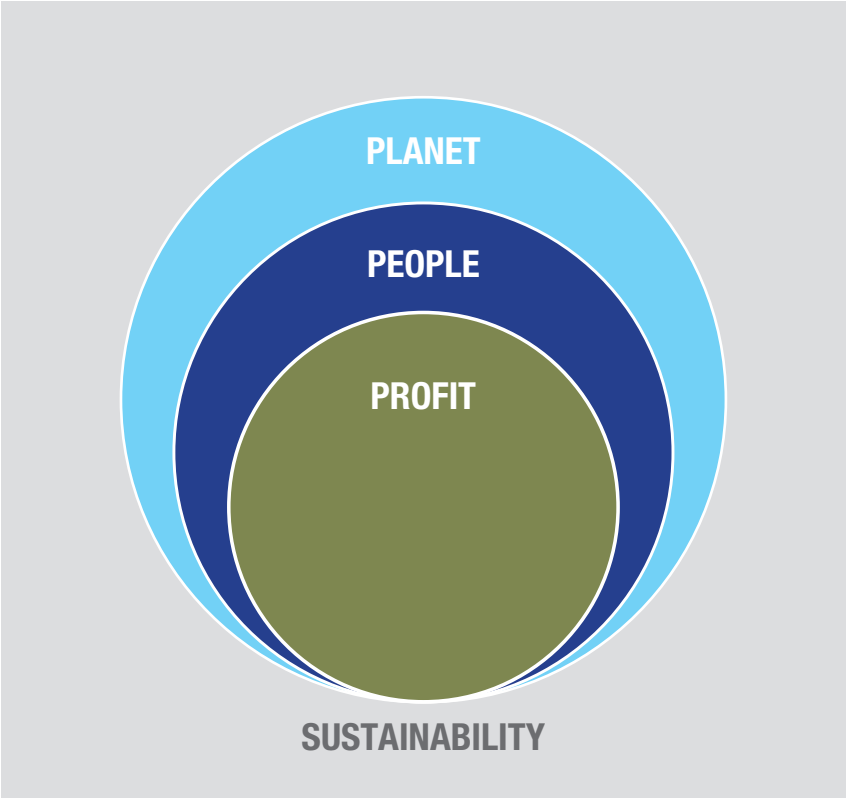
SUSTAINABILITY AT TUAN SING

"Sustainability is core to Tuan Sing's strategy and operations, as it creates enduring value for our stakeholders"

MANAGING SUSTAINABILITY

Since 2016, Tuan Sing has codified its sustainability practices into the Sustainability Policy. This epitomises our belief in integrating sustainability into our decision making so that we could: nurture our PLANET; care for our PEOPLE and grow sustainable PROFIT. The policy, approved by the Board has been uploaded onto the Company's website.



NURTURING OUR PLANET

Through cultivating a spirit of green awareness among our employees and encouraging them to volunteer for charitable cause, we are privileged to give back to the community and the society.

CARING FOR OUR PEOPLE

Through continuous training and development, we nurture and develop our employees.

GROWING SUSTAINABLE PROFIT

Through maintaining a high standard of corporate governance and strengthening risk-centric culture, we secure sustainable growth and performance.

SCOPE OF THIS SUSTAINABILITY REPORT

We present this year's report based on the Global Reporting Initiative (GRI) – G4 Sustainability Reporting Guidelines, issued by the Global Sustainability Standards Board. We are also guided by the Practice Note 7.6 of the Sustainability Reporting Guide issued by SGX-ST, in particular, paragraph 4 within.

The report covers environmental, social and governance (ESG) factors that are deemed material by the Tuan Sing Board. The Board has overseen the management and monitored the material ESG factors over this report year which is from 1 January 2017 to 31 December 2017. It has not been audited by an external entity.

BOARD STATEMENT

In compliance with SGX-ST listing rule 711, the Board acknowledges that its members are collectively responsible for the long term strategic direction of the Company and states that it has specifically considered sustainability issues as part of its strategic formulation. This sustainability report, containing the primary components as set out in Rule 711B, is issued with the approval of the Board.

SUSTAINABILITY AT TUAN SING

IDENTIFICATION OF MATERIAL ESG FACTORS

We have identified the following ESG factors that have a material impact to our operations:

PRIMARY FACTORS	MATERIAL FACTORS	PERFORMANCE MEASURES
Environment	(1) Water consumption	Water consumption (m^3)
	(2) Electricity consumption	Electricity consumption (kWh)
	(3) Paper consumption	Paper consumption (Tonnes)
	(4) Food waste reduction	Reduction rate of food waste via composting (%)
Social and Governance	(5) Employees retention	Staff turnover rate
	(6) Training and education of employees	Training hours and training costs
	(7) Diversity i.e. embedded diversity in the company's culture, creating a more flexible environment	Percentage comparison of male and female employees
	(8) Community Services	Total donation and sponsorship spent

CARING FOR OUR ENVIRONMENT

At Tuan Sing, we are fully committed to reducing our environmental footprints in areas where we operate. Monitoring environmental impacts is integral to our business operations, as efficient use of environmental resources such as energy and water contributes to the long-term sustainability of the company. Below are our key environmental performance indicators:

WATER CONSUMPTION

There was an increase in water consumption from 269,656 m^3 in 2016 to 304,134 m^3 in 2017 due mainly to its higher usage for the redevelopment of 18 Robinson and new acquisition of building at 896 Dunearn Road in 2017. Had we not counting these two factors, water consumption in 2017 would have been 263,623 m^3.

ELECTRICITY CONSUMPTION

Similarly, with the acquisition of property along 896 Dunearn Road and the on-going redevelopment of 18 Robinson, electricity consumption increased 7.7% to 25,241,965 kWh in 2017. Had we not counting these two factors, electricity consumption in 2017 would have been 22,292,518 kWh.

PAPER CONSUMPTION

Paper consumption increased by 1.3 tonnes from 2016 mainly due to i) an increase in drawings for the redevelopment of 18 Robinson; ii) the preparatory work required for the soft-launch and initial developmental phase of Kandis Residence; and iii) the printing of new product labels and brochures incorporating the Flame-Retardant ("FR") qualifications and specifications for the newly certified FR Radiant Barrier by Hypak. Had we not counting these three factors, paper consumption in 2017 would have been 13.8 tonnes.

WATER CONSUMPTION (M^3)

2017	304,134
2016	269,656

ELECTRICITY CONSUMPTION (KWH)

2017	25,241,965
2016	23,442,797

PAPER CONSUMPTION (TONNES)

2017	15.7
2016	14.4

SUSTAINABILITY AT TUAN SING

FOOD WASTE REDUCED

Food wastage is an unavoidable key concern when it comes to running hotel businesses. Food waste, which usually ends up in landfills, produces a large amount of carbon dioxide and this escalates the threat of global warming and climate change. As part of our environmental conservation initiatives, GHM had installed a Closed Loop Organics unit in February 2016 to convert food waste into high quality composted organic fertiliser, revolutionising the hotel's sustainable practices, and making it the first five-star hotel in Victoria, Australia to implement this sustainable recycling program. Ever since its implementation in 2016, average food waste has been reduced by more than 60% in both 2016 and 2017.

REDUCTION RATE OF FOOD WASTE VIA COMPOSTING (%)

Food waste reduction = (Total food waste – total compost unloaded)/Total food waste.
Data collection began in May 2016.

GREEN BUILDING

18 Robinson, the building currently under construction, has in 2017 received from the Building and Construction Authority ("BCA"), the Green Mark Gold^{plus} rating. This is in recognition, *inter alia*, with our using PUB WELS water efficient fittings, efficient LED lighting completed with motion sensors in staircases and toilets, and efficient air-conditioning units that will result in an estimated water and energy savings of approximately 9,715 m^3 and 2,359,318 kWh per year respectively.

CARING FOR OUR PEOPLE

At Tuan Sing, we acknowledge our people as our greatest assets and they play an important role in steering the Group towards our business goals. We advocate lifelong learning and seek to develop our employees' capabilities to their potential so that they can grow together with the Company.

We have invested substantially in our human capital. Employees have been encouraged to sign up for relevant training courses to hone and sharpen their skills, knowledge and competencies. Correspondingly, training costs had increased significantly from 2016 to continuously equip our employees with key competencies and skills to perform their job functions efficiently. In particular, to prepare our accounting employees for the implementation in 2018 of the Singapore Financial Reporting Standards (International) ("SFRS(I)"), we organised a 26-hour workshop tailor-made by Deloitte Business Advisory Singapore.

We have fairly good gender diversity. The percentage has remained around 54% of male employees and 46% of females for both years.

	2017	2016
Training Hours (hours)	7,349	6,107
Training Costs ($)	71,545[1]	9,942
Staff turnover rate[2] (%)	32.7	33.7
Employees by gender (%)		
– Male	54	54
– Female	46	46

1. *Training costs include an one-off SFRS(I) workshop*
2. *Staff turnover rate = Total number of voluntary & involuntary termination during the year/average number of employees during the year*

CARING FOR OUR COMMUNITY

For six years running, Tuan Sing has been an active participant of volunteerism and community work. Besides our employees committing hours towards helping the community, Tuan Sing has also provided financial assistance in the form of donations and sponsorships to those in need. Below are our key social performance indicators:

	2017	2016	INCREASE
Donation and Sponsorship ($)	52,366	44,694	17%
Volunteer Hours (hours)	2,916	1,936	51%

SUSTAINABILITY CONTACT

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

INVESTOR RELATIONS

"Building stakeholders' confidence through timely and accurate disclosure and regular communication is the key focus of Tuan Sing's Investor Relations function"

The Group has an Investor Relations Policy to ensure that we engage stakeholders in an open and transparent manner using various communication platforms. The policy is periodically reviewed and updated and is available on the Company's website at www.tuansing.com.

Under this policy, Tuan Sing remains committed to delivering high standards of corporate disclosure and transparency for the benefit of our shareholders, the investment community and other key stakeholders. Following communication tools have been used by the Company:

COMMUNICATION TOOLS

SGXNET ANNOUNCEMENTS

Tuan Sing provides timely, regular and relevant information regarding the Group's performance and prospects to aid shareholders and investors in their investment decision. Tuan Sing also makes timely disclosure on any new material information to the SGX on any corporate development or decision which may move its share price or of interest to the stakeholders. In making such disclosure, observing the spirit of any rules or regulations takes precedence to the letter of the relevant rules or regulations. Hence, additional information is disclosed voluntarily beyond a mere compliance with regulatory requirements so as to enhance readers' understanding of the subject matters.

COMPANY'S WEBSITE

Announcements in the SGXNet are posted on the Tuan Sing Investor Relations ("IR") website, (www.tuansing.com) so as to allow investors keeping abreast of strategic and operational developments. Our website is updated in the same evening of any such announcements, be they financial results, press releases (English and Chinese), investor presentations, webcasts, downloadable annual reports, or shareholders' circulars or presentation slides. Group policies and marketing information on our development projects, minutes of past general meetings, terms of reference of Board Committees and other information are also available in the website. Further, financial information therein are downloadable in Excel format to facilitate readers' performing their own analysis.

Contact details are also provided to help readers in making enquiries or submitting feedback to the Company. We are committed to replying to enquiries received by the second working day, seventy percent of the time.

ROADSHOWS

In the past year, the Management participated in a number of roadshows organised by some stockbrokers specifically to introduce the Company to the investment community. The response was warm as we observed higher share price and transaction volume thereafter.

During the year, the Management together with its bankers also organised a number of roadshows to gauge the response from the bonds investment community to the Company issuing additional notes under the Company's Medium Term Note Programme. As the response was positive, the Company issued S$150 million of the notes on 5 June 2017 as Series II of the said Programme.

QUARTERLY RESULTS & WEBCASTS

All quarterly results, the relevant press releases in English and in Chinese, and PowerPoint slides are released within 30 days of the period-end. If the quarter falls on the financial year-end, audited full year statutory financial statements together with notes to accounts are also released on the same day. Webcasts by the Group CFO analyzing the results and highlighting the outlook of the Company are posted in the same evening of a year-end results announcement.

ANNUAL REPORTS

Annual Reports are compiled, written and edited entirely in-house with non-finance-trained readers in mind, covering the Company's profile, philosophy, strategy and an analysis of all business segments of the Company. Key sections are bi-lingual. A bi-lingual "Glossary" explaining certain technical terms and financial ratios definitions has been included. We have improved the contents of the Annual Report over the years so that each report currently contains more than 200 pages of useful information including a revamped Sustainability Reporting.

SHAREHOLDERS' MEETINGS

Tuan Sing encourages and supports shareholder participation at its general meetings in the following ways. Tuan Sing delivers the Notice of general meetings and related information one month ahead of the meeting so as to allow sufficient time for shareholders to plan ahead of their schedule, to review the Notice of meetings, the proposed resolutions and to appoint and give instruction to proxies to attend on their behalf if they so wish. The Notice of the meetings was also advertised in The Business Times and announced in the Company website. For the convenience of shareholders, Tuan Sing holds its meetings over the years, mainly at a specific location in the Central Business District with easy access to the Raffles Place MRT Station.

INVESTOR RELATIONS

The last AGM held on 26 April 2017 included both the ordinary business and some special businesses, like the adoption of the new constitution, renewal of Share Purchase Mandate, authority to the Directors to allot and issue shares up to ten per centum of the issued shares, and authority to allot and issue shares under the Company's Scrip Dividend Scheme.

The meeting was well attended by shareholders and as practiced in the past years, the Group CFO made a PowerPoint presentation to update the meeting on Tuan Sing's performance over the past year and the Group's future development plans and investment strategies. Tuan Sing's external auditors and counsels were on standing-by at the meeting so as to help address shareholders' queries, if any, relating to the conduct of the audit and the preparation and content of the auditor's reports. During the meeting, Mr. Ong Beng Kheong, the Chairman, played a pivotal role in fostering constructive dialogue between shareholders, the Directors and the management.

As practiced in the past and to promote shareholder participation, all resolutions, whether of ordinary or special business, were put to vote by electronic poll and the results were displayed on-line real-time including the number of votes casted for and against and the respective percentage. We also maintained an audit trail of all votes casted at the general meetings.

Full minutes of the last AGM were announced in the SGXNet on 5 May 2017 and posted on Tuan Sing's website in the same evening. The minutes include the PowerPoint Presentation made by the Group CFO at the beginning of the meeting, attendance information of the Directors, senior executives and the shareholders, details of the proceedings, questions raised by shareholders and the response from the Directors/Management.

SINGAPORE CORPORATE AWARDS

Singapore Corporate Awards was a yearly event organised by the Institute of Singapore Chartered Accountants ("ISCA"), Singapore Institute of Directors ("SID") and The Business Times to recognise exemplary corporate practices for listed companies in Singapore. This year, Tuan Sing was privileged to have received two awards in the mid-capped category – Best Annual Report (Gold) and Best Investor Relations (Silver).

The Singapore Corporate Awards consists of five main awards. Since 2010, Tuan Sing was honored to having received a number of them, and last year in 2016, Tuan Sing was conferred with the "Best Investor Relations (Silver) award and our Mr. William Liem, "the Best CEO" of the year.

CORPORATE GOVERNANCE AND TRANSPARENCY

Tuan Sing's core objectives in having good governance have been to:

a. Future-prove the business and its performance through an ingrained culture of observing good corporate governance and processes;
b. Strengthen stakeholder confidence – transparency in disclosure ensures that all stakeholders, be they investors, employees, customers or suppliers of the Company can have confidence in the decision-making and management processes and the eventual products of the Company;
c. Further corporate accountability – the Board has the fiduciary duty to give shareholders an explanation for the Company's actions, inactions and conduct;
d. Attain a suitable balance of power among shareholders, directors, and management to enhance shareholder value and protect the interests of other stakeholders.

Shareholders are seen having a friendly discussion with the Group CEO after the AGM on 26 April 2017.

INVESTOR RELATIONS

We believe making good governance practices an ingrained corporate culture would ease the Management's effort in keep on "casting its eyes on the corporate governance ball" and instead focus on achieving the financial goals of the Company. This is because best practices in governance would then have been an integral part of our business strategy and decision-making process at all levels and there is no necessity to keep on looking at the governance ball. Having good governance would therefore reduce the risk of the Company and minimize the chance of a failure. Together with transparency, it could also enhance the image and standing of the Company in the eyes of the suppliers, customers and financiers who are either more willing to do business with the Company or offer better terms in terms of lower cost or willingness to pay higher price for the products. Consequently, with better performance, the value of the Company will increase and with more potential investors.

Tuan Sing's effort in this area has been recognised in recent years in the form of a great improvement in its ranking in the Singapore Governance and Transparency Index ("SGTI"), a leading index for assessing corporate governance practices of Singapore-listed companies.

The latest ranking, published on 2 August 2017, showed that Tuan Sing retained its 7th position in 2017, amongst 606 listed companies in Singapore, as in 2016. It is noteworthy that for four consecutive years, Tuan Sing has been the only non-big-market-capitalisation company to have achieved the top 10 position – the other nine companies are all counters with multi-billion-dollar capitalisation.

Financial publications

Annual Report in PDF format may be downloaded at www.tuansing.com while printed annual reports may be requested via email to ir@tuansing.com.

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

Shareholder services

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

The Central Depository (Pte) Limited
11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589
Tel. (65) 6535 7511

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

Queries

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

SINGAPORE GOVERNANCE AND TRANSPARENCY INDEX

YEAR	POSITION
2017	7th
2016	7th
2015	10th
2014	10th

INVESTORS' CHOICE AWARDS

The investors' choice Awards are organised by Securities Investors Association Singapore to recognise excellence in companies adopting good corporate governance practices. In 2017, Tuan Sing was honoured to have won two awards: Winner of the Mid-Capitalisation Category for Singapore Corporate Governance and Runner-up for the Real Estate Category for Singapore Corporate Governance.

MAXIMISE LONG-TERM VALUE FOR SHAREHOLDERS

For the past five years, the Company has delivered cumulative profit attributable to shareholders of $278.3 million. Our average earnings per share was 4.7 cents per annum for the five-year period. In tandem, net asset value per share grew from 63.9 cents in 2013 to 83.0 cents in 2017. Please refer to the "Five-Year Performance" section in this Annual Report.

The Group has also declared dividends yearly since 2009. The Board of Directors has recommended 0.6 cent per share dividend totaling $7.1 million for the financial year ended 31 December 2017. Total gross pay out for the years from 2009 to 2017 inclusive would have amounted to $50.3 million.

ENVIRONMENT INITIATIVES

"We are guided by our philosophy to care for and contribute to the economic, environmental, and social development of the communities"

At Tuan Sing, we view our role as a developer of living spaces, lives, and communities. We endeavour to create an inclusive built-environment that serves the need of all age groups and people with different abilities, allowing for independent and equitable access and use. We are guided by our philosophy to care for and contribute to the economic, environmental, and social development of the communities.

In conceptualising our developments, we create value by balancing economic objectives with the needs for environmental sustainability, continual improvements on health and safe practices and universal design considerations. We apply the universal design principles throughout the stages of architectural planning, construction, building operations and maintenance to achieve:

1) seamless connectivity within the development and the external premises/infrastructure;
2) simple and intuitive facilities for equitable use by everyone; and
3) integration of inclusive design principles with the overall architecture and space planning.

GREEN BUILDINGS FOR SUSTAINABLE DEVELOPMENT

We have been developing high quality homes known for its design excellence, lush greenery and modernity over the last two decades. As a result, we have received a number of awards for being "green".

As examples, our Robinson Point is recognised by the Building and Construction Authority of Singapore ("BCA") as a Green Mark (Gold) building. The building has many green features such as energy efficient air conditioned plant, naturally well ventilated car park, sub-meters that track energy and water consumption by tenants, and recycling waste management system. Yet another example, the 18 Robinson building, under construction, has in 2017 obtained a higher award than that for Robinson Point: the BCA Green Mark GoldPlus rating. Its green features include energy-efficient air-conditioning system, lifts and escalators, an excellent building envelope system using high performance glazing to minimise heat gain into the building, and efficient water fittings, all of which will be fitted in the new building.

Lush Greenery

Design Excellence

Modernity

Tuan Sing prides itself as a developer of high quality premium homes known for its design excellence, lush greenery and modernity.

ENVIRONMENT INITIATIVES

SUSTAINABILITY PRACTICES AT OUR HOTELS

Hotel operations have been the biggest generators of waste and have high energy consumption within our Group operation. In this respect, we have for a number of years been setting targets for their energy, water consumption and waste generation with the aim of reducing resource depletion, greenhouse gas emission and waste generation.

GRAND HYATT MELBOURNE ("GHM") – It has a number of fairly large food and beverage outlets and therefore generates sizeable quantum of food waste. To divert food waste from landfill, GHM installed in 2016 an appropriately sized Closed Loop Organics Unit using composting technology to process all food waste onsite. The Unit is capable of reducing the volume of food waste by up to 90% in 24 hours. The resulting material is a nutrient-rich soil conditioner which is used as fertiliser for gardens and grounds.

The introduction of the Unit enabled improved waste management across the board. Removing food waste from the general waste stream resulted in:

- The volume of general waste to landfill decreased by 23%.
- Better signage and education decreased contamination rates.
- The volume of comingled (i.e., mixed, dry recyclable) materials recycled increased by 41%.
- Reduction in general waste volume enabled replacement of the large general waste compactor with smaller 1100 litre bins.
- Review of waste contractor, infrastructure and pick up requirements enabled negotiation of a more financially beneficial arrangement.

Quantitatively, for the full year 2017, 74,234 kgs of food waste were processed by the Unit resulting in 27,353 kgs of compost being produced. The average reduction rate by weight was 63.19%, and the Unit also avoided 76.01 tonnes of CO_2e net emissions annually.

GHM is the first five-star hotel in Victoria, Australia to have implemented this organics recycling program. As an industry leader, GHM is keen to promote knowledge sharing and help raise awareness of food waste recycling solutions. Therefore, GHM recently hosted a Building Engineering Managers meeting with tours to demonstrate our food recycling operation. Also, as Supporting Partner of the iconic event "The World's 50 Best Restaurants Awards" in 2017, GHM invited all delegates to tour the Closed Loop Organics Unit and view the sustainability practices being implemented. GHM was also proud to be a finalist in the Premiers Sustainability awards 2017 under the category of Large Business, being recognised for its composting initiative and sustainability efforts towards the community. Samples of compost were also distributed to demonstrate the positive outcomes of the initiative.

We tabulate below GHM's waste management results in 2017 and targets for 2018:

	FY2017 (KG)	FY2018 TARGET (KG)	
Paper	33,566	34,573	3% increase over 2017
Commingled	121,405	124,440	2% increase over 2017
Food waste*	85,548	89,825	5% increase over 2017

* The difference between the quantity generated of 85,548 kgs and 74,234 kgs processed by the Closed Loop Organics Unit indicated earlier represents food waste disposed of through authorised agents during the maintenance period of the Unit.

Other green initiatives of GHM included a total of 615 kgs of recycled soap products donated to Soap Aid in 2017. This brings a total of 1,939 kgs being donated since we started monitoring the practice.

HYATT REGENCY PERTH ("HRP") – HRP continues to focus on implementing strategies and innovation to reduce the impact of its operations on the environment. HRP has rolled out Light-Emitting Diode lightings throughout the hotel as part of their power saving initiatives. It has also actively driven reductions in land-fill by sending wet waste to a recycling plant for conversion into compost. HRP has engaged the services of City of Perth and Cleartech as agents to undertake total waste service.

ENVIRONMENT INITIATIVES

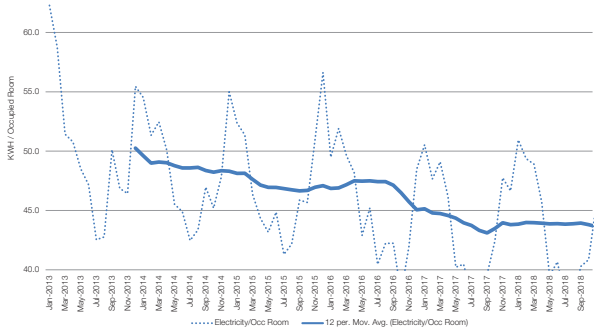
We tabulate below HRP's waste management results in 2017 and targets for 2018:

	FY2017 (KG)	FY2018 TARGET (KG)	
Landfill	181,100	171,100	6% decrease over 2017
Commingled	71,940	73,400	2% increase over 2017
Food waste	224,390	228,850	2% increase over 2017

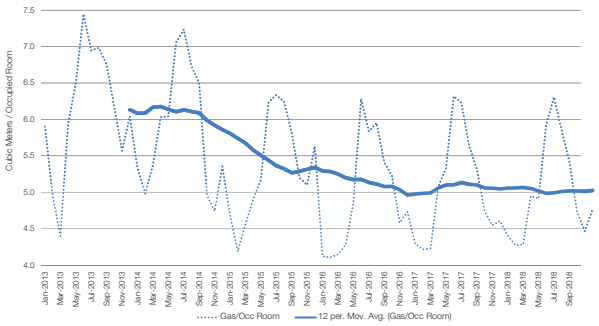
HOTEL ENERGY CONSUMPTION TREND

GRAND HYATT MELBOURNE

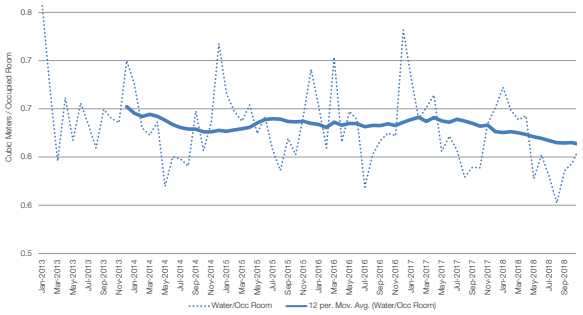
Electricity/Occupied Room



Gas/Occupied Room

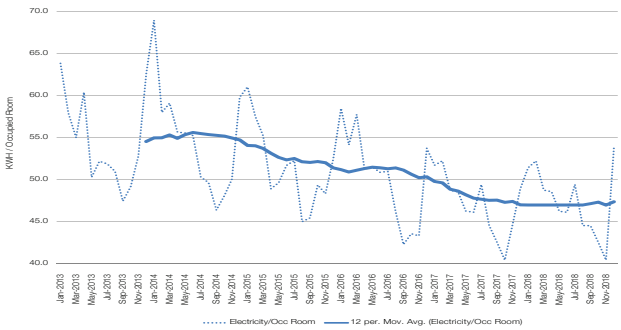


Water/Occupied Room

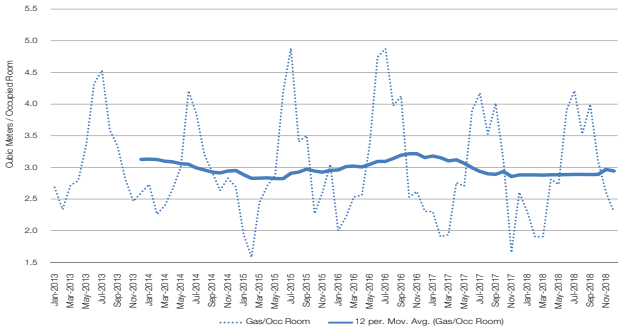


HYATT REGENCY PERTH

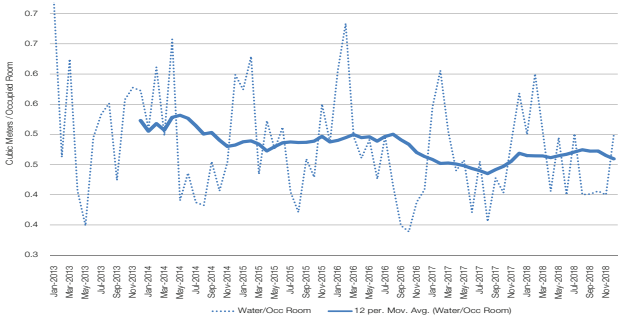
Electricity/Occupied Room



Gas/Occupied Room



Water/Occupied Room



LABOUR PRACTICE & CONDUCIVE WORKPLACE

We recognise that employees are the Group's most important asset. We believe that an engaged workforce contributes positively and would motivate one another to bring the Company into new height. As such, we endeavour to provide our employees with a safe working environment, and let them have adequate learning and career advancement opportunities.

A SAFE WORKING ENVIRONMENT

At Tuan Sing, safety takes priority over all work rules and duties. In this respect, we promote and nurture mental health and wellbeing. We also take measures to prevent discrimination (including bullying and harassment) of any spectrum. During the year, a workshop was conducted in Melbourne, providing information and tips on how to build a mentally healthy workplace; one that protects and promotes mental health and empowers employees to seek help for depression and anxiety. As a standard modus operandi, all new employees are briefed on the Company's policy and practices during the orientation programme.

The safety and health committees in our two hotels and in GulTech have been active for many years and have regularly reviewed safety and health issues and sought ways to making work environment safer. Every year, we have allocated an appropriate sum of budget to improve work safety. A pandemic preparedness plan had also been in place that can be activated with short notice in Singapore, Australia and China. In addition, because of the nature of the operations, our two hotels in Australia have specific pandemic preparedness plans for each potentially high risk pandemic such as Ebola, tuberculosis, measles and Zika.

We also have an Automatic External Defibrillator ("AED") in all buildings owned by Tuan Sing in Singapore and the two hotels in Australia. We train our employees regularly on Cardiac Pulmonary Resuscitation and the use of AED to ensure that they are competent and confident enough to render help when it is necessary.

FAIR AND MERIT-BASED EMPLOYMENT

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

Ms Cora McDiarmid (centre), Laundry Attendant celebrated her 30th year with Grand Hyatt Melbourne. Eight of her other colleagues who have also spent more than 30 years with the hotel are seen posing with her.

The Company adopts an open performance appraisal approach and review appraisal criteria regularly to reflect more closely the changing expectations of different category and nature of employees. The last review was in year 2016.

The Company's remuneration package comprises both fixed and variable components. The variable component is performance-based and is determined based on the Company's performance, business unit's performance as well as each individual's performance. The variable portion of remuneration of an employee increases as the employee moves up in the corporate ladder.

EMPLOYEE RELATIONS

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

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

Committed to having a team of happy employees, employee grievances are dealt with promptly. Whistle-blowing policy has been in place for years and made known to all employees. A Whistle-blowing Committee ("WBC") had been tasked to look into any feedback from our employees on unfair practices, corruption and misconduct. Our last survey on Singapore-based employees' satisfaction was conducted in May 2016; some of the feedback obtained had been taken into consideration in rolling out new HR initiatives, practices and activities.

EMPLOYEE DEVELOPMENT

As we continue to grow and expand our business, it is important to ensure that our employees have the knowledge and skills to stay relevant amid changing workplace demands. Tuan Sing strives to develop employees to reach their potential through training, job rotation and internal promotion opportunities. Opportunities were given to employees to explore jobs beyond their existing scope of work both locally and regionally. Training needs for each employee are identified annually and mutually agreed with for implementation in the ensuing years. We encourage employees to equip themselves with relevant job-related skills and to share with their fellow colleagues, knowledge and skills that they gain from trainings. Training materials are also made available to all employees who are interested. Eligible employees are also granted sponsorship for higher studies and examination leaves.

LABOUR PRACTICE & CONDUCIVE WORKPLACE

SUCCESSION PLANNING

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

EMPLOYEES' CODE OF CONDUCT

Tuan Sing upholds integrity and professionalism in conducting its business activities and expects its employees to embrace, practice and adopt these values. To ensure employees understand the Company's philosophy in this aspect, an Employee Handbook that provides guidelines on Code of Conducts is available to all employees through intranet. As a reminder to employees that they should act in the best interest of the Company and avoid situations that may create conflict of interest, employees are required at each year-end to make a declaration on whether they had been involved in any situation of conflict of interest and if they had complied with the Code of Conducts. A formal "Anti-bribery and anti-corruption Policy" is also made available to all employees through intranet.

EMPLOYEE WELLNESS AND WORK-LIFE BALANCE

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

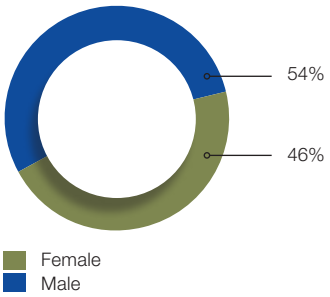
Employees are also free to use the swimming pool and jacuzzi facility available at the corporate head office's premises. Complimentary health screenings are made available for employees and their family members annually. Comprehensive health screening packages, dental services and telecommunication services were also offered at preferential corporate rates.

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

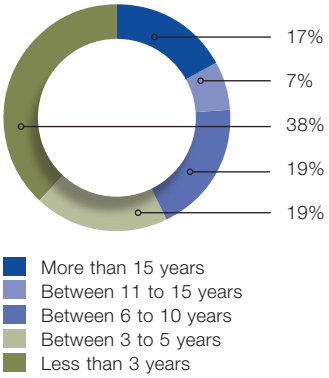
EMPLOYEE PROFILE 2017

HEADQUARTER AND SUBSIDIARIES

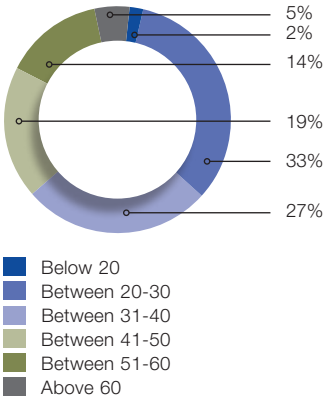
EMPLOYEES BY GENDER



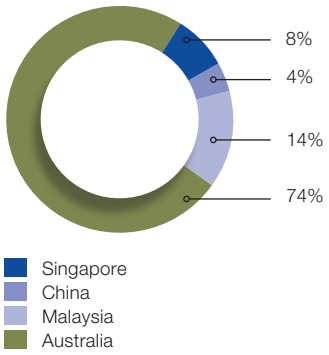
YEARS OF SERVICE



EMPLOYEES BY AGE BAND



EMPLOYEES BY COUNTRY



Mr Tan Kee Ling, Production Executive – Maintenance, retired on 30 September 2017 after 36 years of contribution to Hypak.

SUPPLY CHAIN MANAGEMENT

"As a conscientious corporate citizen, we prefer suppliers with green, sustainable practices who could minimise our carbon footprint"

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

We choose the right supply chain in order to meet and comply with our sustainability strategy. We have in place sustainability practices for our development projects. These practices have taken into account requirements under i) the Building and Construction Authority of Singapore's ("BCA") Green Mark certification standard, ii) ISO 26000: 2010 Guidance on Social Responsibility, iii) ISO 14001 Certificate of Developers, Main Builder, M&E Consultant and Architect, iv) ISO 14064-1 Greenhouse Gas (GHG) Emission and v) SS 557: 2010 Code of Practice for Demolition.

We required our main contractors for Sennett Residence and Cluny Park Residence projects to subject their work for BCA Construction Quality Assessment System ("CONQUAS"), an industry benchmark for quality and workmanship standards for construction projects in Singapore. CONQUAS consists of 3 components, namely structural works, architectural works and mechanical & electrical (M&E) works. These assessments help to safeguard the interest of building occupants in relation to safety, comfort and aesthetic defects. Assessment for Sennett Residence was performed in 2016 while Cluny Park Residence was performed in 2017. Out of 915 private housing developments that have been assessed by CONQUAS to date, both our Sennett and Cluny Park Residences have performed well, achieving scores of 93.1 and 90.7 respectively, outperforming 2016's industry average of 88.7. Details of the respective project's CONQUAS scores are shown below:

PROJECT	CONQUAS SCORE	INDUSTRY AVERAGE[1]
Sennett Residence	93.1	88.7
Cluny Park Residence	90.7	88.7

[1] Based on 2016's average CONQUAS score of 88.7; average score for 2017 has not been made publicly available as on the date of this report.

Teaming up contractors with good CONQUAS scores further provides quality assurance to our customers and strengthens the marketability of our new projects going forward.

SUSTAINABLE INVESTMENT AND DEVELOPMENT PROJECTS

Over the years, Tuan Sing made it a priority to deliver not only aesthetically pleasing, good workmanship development projects but to ensure that they are also "green". As an example, the 18 Robinson (formerly known as Robinson Towers) which is under construction has been certified Green Mark Gold^{plus} by BCA in January 2017. Some of the significant features of 18 Robinson include energy-efficient variable speed drives in air-conditioning system, lift and escalators systems and extensive use of light emitting diode ("LED") lightings in all areas within the building. Passive energy-saving design features include locating lift/staircase and services core spaces at the western façade to mitigate solar penetration through the western elevation into the building, excellent curtain wall facade system using high performance low-e glazing to minimize heat gain into the building.

As another example, Kandis Residence development project has energy-saving features such as motion detection sensors for staircase lighting, energy-efficient air-conditioning systems and LED lighting. Passive sun-shading features are also detailed into the external facade treatment of the condominium blocks. During its construction, there have been and will be extensive use of eco-friendly and sustainable materials complying with the Singapore Green Label Certification.

CUSTOMER SATISFACTION AND SERVICE EXCELLENCE

In selecting for suppliers, we are not averse to trying new but promising ones. In 2017, Grand Hyatt Melbourne collaborated with "Burn City Smokers" for the first time to offer hotel guests a brand new menu entitled "Burn City Pop-Up" in its restaurant, Collins Kitchen. "Burn City Pop -Up" is a relatively small but renowned set-up in Melbourne which taps into the love of smoke-grilling involving

Kandis Residence is nestled in an idyllic location within walking distance to the Sembawang Park – Showroom.

SUPPLY CHAIN MANAGEMENT

smoking meat for a long time in a "pit" barbecue, with no direct contact with a flame. The food is intended to be a representation of Melbourne – its produce, people and food culture, hence its name 'Burn City Smokers'.

This collaboration, initially intended for three months from June to August, was extended till November 2017 because of popular demand. With such warm reception, gastronome may not have to wait for too long before we invite the "Burn City Smokers" back to our Collins Kitchen. You may view a video clip of "Burn City Pop-Up" through this link: http://www.tuansing.com/hotelsinvestment/burncity.mp4.

Top: Working closely with Executive Chef Jason Camillo (middle), the Burn City team has created a succulent menu in line with Hyatt's food philosophy of "Food. Thoughtfully Sourced. Carefully Served".

Right: The American style barbeque brisket burger, one of the signature dishes offered in the "Burn City Pop-Up" menu.

COMMUNITY INVOLVEMENT

"Generosity and care from our employees made a day to our beneficiaries"

For the past few years, Tuan Sing has sponsored and facilitated volunteerism for our employees to give back to the society.

Since 2012, in collaboration with RSVP Singapore, we have been involved in the following: doing an artwork or farm-tour with seniors, educational tour for the students, outdoor games and outings for the mentally disadvantaged, etc. RSVP is a non-profit organisation of senior volunteers. Registered under the Society Act, RSVP's mission is to provide opportunities for seniors to serve the community with their talent and experience through purpose-driven volunteerism.

Tuan Sing staff volunteered at the two social events organised for the beneficiaries.

CARING FOR THE COMMUNITY

In 2017, we sponsored RSVP Singapore's Mentally Disadvantaged Outreach Programme ("MDOP") at Bethesda Care Centre FAME Club 574. The objective of the MDOP is to motivate and encourage the rehabilitating mental persons to socialise and develop skills and interests through structured and group activities so as to enable them to regain confidence and self-esteem. This is achieved through sessions run by volunteers in the centre including physical and relaxation exercises, story-telling and discussion, guided sharing of the past, group games and skills development activities.

In addition, we supported RSVP Flag Day and organised two events for the MDOP beneficiaries from three different centres.

On 23 May 2017, the MDOP beneficiaries from the combined FAME Club 574 and Club 242 of Bethesda Care Centre were treated to a lunch at Eighteen Chef Restaurant where the beneficiaries had a great chat with Tuan Sing employees before proceeding to enjoy a movie screening. Many of the beneficiaries have not visited a cinema for years. We chose to lunch at Eighteen Chef with another purpose: to show our support to the restaurant which provides a safe and non-judgmental working environment for troubled youths and people with conviction backgrounds to find positive ways to reintegrate back into the society.

On 22 September 2017, some of our employees were at Pappamia Restaurant to serve lunch to the MDOP beneficiaries from Hougang Care Centre. After the hearty meal, Tuan Sing employees accompanied them to Sentosa Resort where they were treated to a magnificent view of the biggest aquarium in this part of the world.

COMMUNITY INVOLVEMENT

Mr. David Lee (extreme right), our Director, presenting the Charity Golf cheque to Singapore Cord Blood Bank. Next to him was the Guest of Honour, Mr. Wong Kan Seng, former Deputy Prime Minister, Singapore.

This year, Tuan Sing and three of our Directors were sponsors to the Singapore Cord Blood Bank (SCBB)'s Charity Golf 2017. SCBB is a non-profit organisation whose mission is to provide high safety and quality cord blood units, through accredited techniques of collection, processing and banking, to support cord blood transplantation in Singapore and around the world.

Ms. Michelle Liem and Mr. David Lee, and Tuan Sing were the main (Gold) sponsors whilst Mr. Neo Ban Chuan was a Bronze sponsor. Mr. Lee also chaired the event's Organising Committee. Amongst members of the Committee were Mr. Neo and Mr. Chong, Tuan Sing's CFO. The event raised more than $365,000 for the benefit of SCBB.

During the year, Tuan Sing also sponsored, amongst others, Singapore Management University on Lee Kuan Yew Global Business Plan.

HOTELS PHILANTHROPY

Our hotel employees are passionate about contributing to the communities they call home, as when our people, communities and planet thrive, so does our business.

Since November 2015, Grand Hyatt Melbourne ("GHM") has been supporting local charities through its "Casual for a Cause program" and raised funds to support these charities. It is built on the understanding that through actions large and small we can have a big impact on the lives of the people and the communities we touch. Some of the charities supported by us under this program include Lighthouse Foundation, Beyond Blue and Salvation Army. Under this program, we have also organised talk events to raise the awareness of our employees on youth homelessness and on elements of a mentally healthy workplace that protects and promotes mental health.

GHM employees also showed their generosity and care through taking part in various events in 2017. To name but a few: i) the "Annual Month of Giving" held in April, organised by Salvation

COMMUNITY INVOLVEMENT

Our Melbourne employees took part in a "Christmas in July" event.

Army in which employees donated time, clothing and food to 120 less-privileged people; ii) the annual "Christmas in July" lunch serving more than 400 people in need at the Salvation Army's facility; and iii) Christmas gifts to The Royal Children's Hospital.

Hyatt Regency Perth and employees also have a long history of contributing back to the community. During 2017, these include: i) provided job opportunities in the hotel to people with disability, in association with Edge; ii) participated in the biggest "Morning Tea fundraising event" for Australian Cancer Council; iii) supported various events organised by charities such as People Who Care, Foodbank, Share the Dignity and St Bartholomew; iv) working with Share the Dignity, provided essential toiletries for homeless women and women at risk; v) donated blood to support a blood donating appeal which saved equivalent of 18 lives in October 2017.

Under the "Casual for a Cause program", our Melbourne employees were dressed in their casual clothing to raise funds for the nominated charities.

Our Melbourne employees were heavily involved in an event during the Annual Month of Giving organised by the Salvation Army.