
REGULATORY OVERVIEW

REGULATIONS AND SUPERVISION OF OUR BUSINESS IN SINGAPORE

Save as disclosed below, as at the Latest Practicable Date, our business operations are not subject to any special legislation or regulatory controls other than those generally applicable to companies and businesses incorporated and/or operating in Singapore.

Contractors Registration System

The construction industry in Singapore is regulated by the BCA, whose primary role is to develop and regulate Singapore's building and construction industry. Although business entities which are not registered with the BCA are not precluded from conducting business as contractors or suppliers outside the Singapore public sector, registration in the Contractors Registration System maintained by the BCA is a pre-requisite to tendering for projects in the Singapore public sector. At present, there are seven major categories of registration which may be further sub-classified into six to seven grades, depending on the category of registration. The differences in BCA gradings relate to the tendering limits for Singapore public sector projects.

Registration of a contractor with the BCA is dependent on the contractor fulfilling certain requirements such as personnel qualification and the value of previously completed projects. The grade assigned to each contractor is dependent on, amongst others, its minimum net worth and paid-up capital. The validity for a first time registration is for a period of three years. Registration will thereafter lapse automatically unless a renewal (for a period of three years) is filed and approved by BCA.

Strike Singapore is currently registered with the BCA under the following workheads:

Workheads	Title	Scope of Work	Grade ⁽¹⁾	Expiry Date
CR07	Cable/Pipe Laying & Road Reinstatement	Installation of underground cables/pipes and the subsequent reinstatement of roads and other surfaces including detection of underground services.	L1	1 August 2016
ME01	Air-Conditioning, Refrigeration & Ventilation Works	The installation, commissioning, maintenance and repairs of air-conditioning, refrigeration, cold rooms, and ventilation systems.	L2	1 August 2016
ME04	Communication & Security Systems	(a) Installation and maintenance of communications system (e.g. intercom & wireless radio) and security systems (e.g. CCTV, security alarm, car park security control and card access system). (b) Installation and maintenance of Central Antenna Television (CATV) systems.	L3	1 August 2016

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Workheads	Title	Scope of Work	Grade ⁽¹⁾	Expiry Date
ME05	Electrical Engineering	The installation, testing, commissioning, maintenance and repair of electrical based systems such as switchgears, transformers and large generators. It also includes the electrical installations in building and marine vessels.	L6	1 August 2016
ME06	Fire Prevention & Protection Systems	Installation and maintenance of fire alarm, prevention and protection systems. This head may include the supply of fire extinguishers and fire hoses if these items are part and parcel of the system installation or maintenance contract.	L3	1 August 2016
ME08	Internal Telephone Wiring for Telecommunications	Wiring work within a building for telecommunications purposes.	L1	1 August 2016
ME15 ⁽²⁾	Integrated Building Services ⁽²⁾	The installation, commissioning, maintenance and repairs of building services.	L4	1 August 2016

Notes:

- (1) The differences in BCA gradings relate to the tendering limits for Singapore public sector projects. L6 refers to unlimited tender values, L5 to S\$13 million, L4 to S\$6.5 million, L3 to S\$4 million, L2 to S\$1.3 million, and L1 to S\$650,000; and
- (2) To be registered under this workhead, firms must already be registered at L2 & above under ME01, ME05 and at least one other ME workhead registered in ME02, ME04, ME06, ME08, ME11 or ME12. Registration grade will be pegged at the higher grade of the compulsory M&E workheads (that is, ME01 & ME05) subject to a maximum of 2 grades higher than that of the lower workhead. The lowest registration grade shall be L2. Firms must also possess the following licences: a. A full-time employee who has a valid EMA electrical licence; and b. A valid IDA telecommunication wiring contractor's licence.

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To maintain the existing BCA gradings of Strike Singapore, there are certain requirements to be complied with, including but not limited to the following:

Workhead/Title/Grade	Requirements	
CR07 Cable/Pipe Laying & Road Reinstatement Grade L1	Minimum Paid-Up Capital & Minimum Net Worth	S\$10,000
	Management	To employ at least one technical personnel with a polytechnic diploma in Architecture, Building, Civil/Structural Engineering or a National Certificate in Construction Supervision (NCCS) or equivalent qualifications approved by BCA
	Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S\$100,000
ME01 Air-Conditioning, Refrigeration & Ventilation Works Grade L2	Minimum Paid-Up Capital & Minimum Net Worth	S\$50,000
	Management	To employ at least one technical personnel with 3 years of relevant experience and having a recognised diploma in Electrical/ Electronics or Mechanical Engineering or equivalent, or Advance National Building Qualification (NBQ)/Specialist Diplomas in M&E Coordination, with Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy. SMC (Safety Management Certification issued by BCA) or OHSAS18000
	Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S\$1.0 million

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Workhead/Title/Grade	Requirements	
ME04 Communication & Security Systems Grade L3	Minimum Paid-Up Capital & Minimum Net Worth	S\$150,000
	Management	To employ at least two technical personnel with recognised diplomas in Electrical/ Electronics or Mechanical Engineering or equivalent, or Advance National Building Qualification (NBQ)/Specialist Diplomas in M&E Coordination. At least one of the technical personnel shall have a Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy
	Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S\$3.0 million

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Workhead/Title/Grade	Requirements
ME05 Electrical Engineering Grade L6	<p>Minimum Paid-Up Capital & Minimum Net Worth</p> <p>Management</p>
	<p>S\$1.5 million</p> <p>To employ at least 2 professional personnel, both with at least 5 years of relevant experience and having at least the following qualifications:</p> <ul style="list-style-type: none"> • a minimum Professional qualification with a degree in Electrical/Electronics or Mechanical Engineering recognised by Professional Engineers Board (PEB) or equivalent qualifications approved by BCA (for Resident Engineer); or • a Professional qualification with a recognised degree in Electrical/Electronics or Mechanical Engineering or equivalent <p>SMC (Safety Management Certification issued by BCA) or OHSAS18000</p> <p>At least one of the professional personnel shall have a certificate course in Construction Productivity Management conducted by BCA Academy</p>
	<p>Track Record (over a three-year period)</p>
	<p>To secure projects with an aggregate contract value of at least S\$30.0 million of which S\$7.5 million shall be in respect of projects executed in Singapore; S\$3.0 million shall be in respect of main contracts (nominated sub-contracts may be included); and S\$3.0 million shall be in respect of a minimum size single project (main/sub-contract) executed entirely by the applicant</p>
	<p>Licence Requirements</p>
	<p>Applicants must employ a full-time employee who has a valid electrical licence</p>

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Workhead/Title/Grade	Requirements	
ME06 Fire Prevention & Protection Systems Grade L3	Minimum Paid-Up Capital & Minimum Net Worth	S\$150,000
	Management	To employ at least two technical personnel with recognised diplomas in Electrical/ Electronics or Mechanical Engineering or equivalent, or Advance National Building Qualification (NBQ)/Specialist Diplomas in M&E Coordination. SMC (Safety Management Certification issued by BCA) or OHSAS18000. At least one of the technical personnel shall have a Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy
	Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S\$3.0 million
ME08 Internal Telephone Wiring for Telecommunications Grade L1	Minimum Paid-Up Capital & Minimum Net Worth	S\$10,000
	Management	To employ at least one technical personnel with a Technical qualification with a recognised diploma in Electrical/Electronics or Mechanical Engineering or equivalent, or a NTC2 in electrical trade, with Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy
	Track Record (over a three-year period)	To secure projects with an aggregate contract value of at least S\$100,000
	Licence Requirements	Applicants must possess a valid IDA telecommunication wiring contractor's licence

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Workhead/Title/Grade	Requirements
ME15 Integrated Building Services Grade L4	<p>Workhead</p> <p>ME01 greater than or equal to L4, ME05 greater than or equal to L2 and one other ME workhead greater than or equal to L2 OR ME01 greater than or equal to L2, ME05 greater than or equal to L4 and one other ME workhead greater than or equal to L2</p>
	<p>Minimum Paid-Up Capital & Minimum Net Worth</p> <p>S\$250,000</p>
	<p>Management</p> <p>To employ at least two technical personnel with Polytechnic Diplomas either in Electrical/Electronics, Mechanical Engineering, Building Service, or equivalent, with one personnel having at least 5 years of relevant experience and either one personnel being a full-time M&E coordination (MEC) personnel. Only the following MEC qualifications are acceptable:</p> <ul style="list-style-type: none"> • Advance National Building Qualification (NBQ) awarded by BCA Academy or Certificate/Specialist Diploma in M&E Coordination awarded by CITI; • Diploma in Building Services Engineering awarded by Ngee Ann Polytechnic and • Diploma in Intelligent Building Technology awarded by Temasek Polytechnic <p>At least one of the technical personnel shall have a Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy</p>
	<p>Track Record (over a three-year period)</p> <p>To secure projects with an aggregate contract value of at least S\$5.0 million with a minimum size single project (main/sub-contract) of at least S\$500,000 executed entirely by the applicant</p>
	<p>Licence Requirements</p> <p>Applicant must possess a valid IDA telecommunication wiring contractor's licence and employ a full-time employee who has a valid EMA electrical licence</p>

Telecommunication Wiring

Any party which intends to provide installation, maintenance or repair of any internal telecommunication wiring work connected to the Public Switch Telephone Network would be required to have (if a business, limited liability partnership or company) a Telecommunication Wiring Contractor's (Class) Licence; or (if any individual) a Telecommunication Wiring Installer's Licence. These licences are required to perform internal telecommunication wiring work.

A business, limited liability partnership or company shall be deemed to have been granted a Telecommunication Wiring Contractor's (Class) licence if it has (a) registered with the IDA; (b) submitted to the IDA upon registration the required information as detailed in the online registration form; and (c) paid to IDA the requisite onetime payment. To register for a Telecommunication Wiring Contractor's (Class) licence, business, limited liability partnership or company must be registered with the ACRA and must employ at least one licensed telecommunication wiring installer.

Building and Construction Industry Security of Payments

Under the Building and Construction Industry Security of Payment Act, Chapter 30B of Singapore ("BCISPA"), any person who has carried out any construction work or supplied any goods or services under a contract is entitled to a progress payment. The BCISPA also contains provisions relating to, amongst others, the amount of the progress payment to which a person is entitled under a contract, the valuation of the construction work carried out under a contract and the date on which a progress payment becomes due and payable. In addition, the BCISPA, amongst others, endorses the following rights:

- (i) the right of a claimant (being the person who is or claims to be entitled to a progress payment) who, in relation to a construction contract, fails to receive payment by the due date of an amount that is proposed to be paid by the respondent (being the person who is or may be liable to make a progress payment under a contract to a claimant) and accepted by the claimant, to make an adjudication application in relation to the payment claim. The BCISPA has established an adjudication process by which a person may claim payments due under a contract and enforce payment of the adjudicated amount;

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- (ii) the right of a claimant to suspend the carrying out of construction work or supply of goods or services, and to exercise a lien over goods supplied by the claimant to the respondent that are unfixed and which have not been paid for, or to enforce the adjudication determination as if it were a judgment debt, if, amongst others, such claimant is not paid after the adjudicator has determined that the respondent shall pay an adjudicated amount to the claimant; and
- (iii) where the respondent fails to pay the whole or any part of the adjudicated amount to a claimant, the right of a principal of the respondent (being the person who is liable to make payment to the respondent for or in relation to the whole or part of the construction work that is the subject of the contract between the respondent and the claimant) to make direct payment of the outstanding amount of the adjudicated amount to the claimant, together with the right for such principal to recover such payment from the respondent.

Employment of Foreign Workers in Singapore

The employment of foreign workers in Singapore is governed by the Employment of Foreign Manpower Act, Chapter 91A of Singapore (the “EFMA”) and regulated by the MOM.

In Singapore, under Section 5(1) of the EFMA, no person shall employ a foreign employee unless he has obtained in respect of the foreign employee a valid work pass from the MOM, which allows the foreign employee to work for him. Any person who fails to comply with or contravenes Section 5(1) of the EFMA shall be guilty of an offence and shall:

- be liable on conviction to a fine of not less than S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and
- on a second or subsequent conviction:
 - in the case of an individual, be punished with a fine of not less than S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one month and not more than 12 months; or
 - in any other case, be punished with a fine not less than S\$20,000 and not more than S\$60,000.

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The availability of the foreign workers to the construction industry is also regulated by the MOM through the following policy instruments:

- approved source countries;
- the imposition of security bonds and levies;
- dependency ceilings based on the ratio of local to foreign workers; and
- quotas based on the man year entitlements (“MYE”) in respect of workers from Non-Traditional Sources (“NTS”) and the PRC.

Approved source countries

The approved source countries for construction workers are Malaysia, the PRC, NTS and North Asian Sources (“NAS”). NTS countries include countries such as India, Sri Lanka, Thailand, Bangladesh, Myanmar and the Philippines. NAS countries include Hong Kong, Macau, South Korea and Taiwan.

Construction companies must have Prior Approval (“PA”) from the MOM to employ foreign workers from NTS countries and the PRC. The PA indicates the number of foreign workers a company is allowed to bring in from NTS countries and the PRC. It also determines the number of workers who can have their work permits renewed, or who can be transferred from another company in Singapore. PAs are given based on: (i) the duration of the work permits applied for; (ii) the number of full-time local workers employed by the company over the past three months as reflected in the company’s CPF contribution statements; (iii) the number of man-years allocated to the company (for main contractors) or the man-years directly allocated from the company’s main contractor (for subcontractors); and (iv) the remaining number of company’s quota available.

The MOM requires all new workers in the construction sector from NTS countries and the PRC recruited under the PA scheme to possess either the Skills Evaluation Certificate (“SEC”) or the Skills Evaluation Certificate (Knowledge) (“SEC(K)”) before they are allowed to work in Singapore. The SEC and SEC(K) schemes are initiated by the BCA to raise the skill levels and productivity of the construction workforce, and enhance safety in the construction sector. All workers from NAS countries must possess either the SEC or SEC(K) and all Malaysian workers must possess either Secondary Four education or its equivalent, the SEC or the SEC(K) before they are allowed to work in Singapore. All SEC and SEC(K) must be issued or accepted by the BCA.

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From 1 July 2012, with respect to NTS and PRC construction workers, basic skilled workers would be allowed to work up to a maximum of 10 years, while higher skilled workers would be allowed to work up to 18 years. As a transitional measure for existing basic skilled workers, MOM will grant an extension to the period of employment of all affected workers. Generally, employers will have at least two years to upgrade their workers from basic skilled to higher skilled. NAS and Malaysian work permit workers may work in Singapore up to 60 years of age.

In addition, for each individual's work permit, in-principle approvals have to be sought. Upon receipt of approval, the foreign construction worker is required to undergo a medical examination by a doctor registered in Singapore and must pass such medical examination before a work permit can be issued to him.

All foreign workers in the construction sector must attend the Construction Safety Orientation Course ("CSOC"), a full-day course conducted by various training centres accredited by MOM and obtain a valid CSOC Pass. The CSOC is to (i) ensure that construction workers are familiar with common safety requirements and health hazards in the industry; (ii) educate them on the required measures to prevent accidents and diseases; and (iii) ensure that they are aware of their rights and responsibilities under employment law. Employers must ensure that the foreign workers attend the course within two weeks of their arrival in Singapore before their work permits can be issued. At the end of the course, the workers will receive a safety orientation pass if they pass its requirement/assessment. Foreign workers who have failed the CSOC must retake the CSOC as soon as possible. Employers who fail to ensure that their workers take and pass the CSOC will be barred from applying for any new work permits for three months, while the affected workers will have their work permits revoked.

Security bonds and levies

For each NAS, NTS or PRC construction worker whom we were successfully granted with a work permit, a security bond of S\$5,000 in the form of a banker's guarantee or insurance guarantee is required to be furnished to the Controller of Work Passes. The security bond must be furnished prior to the foreign worker's arrival in Singapore, failing which entry into Singapore will not be allowed.

The employment of foreign workers is also subject to the payment of monthly levies. The levy is a pricing mechanism to regulate the number of foreign manpower in Singapore. For the construction sector, employers pay the requisite levy according to the qualification of the foreign workers employed.

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Dependency ceilings

The dependency ceiling for the construction industry is currently set at a ratio of one full-time local worker to seven foreign workers. This means that for every full-time Singaporean or Singapore Permanent Resident employed by a company in the construction sector with regular full month CPF contributions made by the employer, the company can employ seven foreign workers.

MYE

The MYE allocation system is a work permit quota system relating to the employment of construction workers from NTS and the PRC. MYEs represent the total number of such workers that each main contractor is allocated for a specific construction project based on the value of the project or contract awarded by the developer or owner. The allocation of MYE is in the form of the number of “man-years” required to complete a project and only main contractors may apply for MYE. One man-year is equivalent to one year’s employment under a work permit. All levels of subcontractors are required to obtain their MYE allocation from their main contractors. A main contractor’s MYE will expire on the completion date of the relevant project. NTS or PRC construction workers who have worked with any employer for a cumulative period of two or more years in the construction industry, may be hired by main contractors without the need for MYE.

Employers are required to comply with the conditions of the work permits, such as the requirement to provide acceptable accommodation for their foreign workers. Other conditions of the work permits which employers of foreign construction workers are also required to comply with include the following:

- that the foreign worker performs only those construction activities specified in the conditions;
- ensuring that the foreign worker is not sent to work for any other person, except as provided for in the conditions;

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- providing safe working conditions for their foreign workers; and
- purchasing and maintaining medical insurance with coverage of at least S\$15,000 per 12-month period of the foreign worker's employment (or for such shorter period where the worker's period of employment is less than 12 months) for the foreign worker's in-patient care and day surgery except as the Controller of Work Passes may otherwise provide by notification in writing. Where the employer purchases group medical insurance policy for its foreign workers, the employer shall not be considered to have satisfied the obligation under this condition unless the terms of the employer's group medical insurance policy are such that each and every individual foreign worker is concurrently covered to the extent as required aforesaid.

Apart from the EFMA, an employer of foreign workers is also subject to, amongst others, the provisions set out in:

- the Employment Act, Chapter 91 of Singapore (the "Employment Act"). The Employment Act sets out requirements with respect to, amongst others, the terms of contracts of service, the payment of salary, rest days, hours of work and other conditions of service (including overtime limits) which are applicable to an employer of foreign and local workers; and
- the Immigration Act, Chapter 133 of Singapore ("Immigration Act") and the regulations issued pursuant to the Immigration Act.

Workplace Safety and Health Safety Measures

Under the Workplace Safety and Health Act, Chapter 354A of Singapore ("WSHA"), every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining for the employees a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer, developing and implementing procedures for dealing with emergencies that may arise while those persons are at work and ensuring that the person at work has adequate instruction, information, training and supervision as is necessary for that person to perform his work.

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The Workplace Safety and Health (Construction) Regulations 2007 sets out additional specific duties on employers which include, *inter alia*, appointing a workplace safety and health co-ordinator in respect of every worksite to assist and identify any unsafe condition in the worksite or unsafe work practice which is carried out in the worksite and recommend and assist in the implementation of reasonably practicable measures to remedy the unsafe condition or unsafe work practice.

More specific duties imposed on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations (“WSHR”). Some of these duties include taking effective measures to protect persons at work from the harmful effects of any exposure to any bio-hazardous material which may constitute a risk to their health.

Pursuant to the WSHR, the following equipment are required to, amongst others, be tested and examined by an authorised examiner (“Authorised Examiner”) before they can be used and thereafter, at specified intervals:

- hoists or lifts
- lifting gears
- lifting appliances and lifting machines

Upon examination, the Authorised Examiner will issue and sign a certificate of test and examination, specifying the safe working load of the equipment. Such certificate of test and examination shall be kept available for inspection. Under the WSHR, it is the duty of the occupier of a workspace in which the equipment is used to comply with the foregoing provisions of the WSHR, and to keep a register containing the requisite particulars with respect to the lifting gears, lifting appliances and lifting machines.

In addition to the above, under the WSHA, inspectors appointed by the Commissioner for Workplace Safety and Health (“CWSH”) may, among others, enter, inspect and examine any workplace, to inspect and examine any machinery, equipment, plant, installation or article at any workplace, to make such examination and inquiry as may be necessary to ascertain whether the provisions of the WSHA are complied with, to take samples of any material or substance found in a workplace or being discharged from any workplace for the purpose of analysis or test, to assess the levels of noise, illumination, heat or harmful or hazardous substances in any workplace and the exposure levels of persons at work therein and to take into custody any article in the workplace which is relevant to an investigation or inquiry under the WSHA.

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Under the WSHA, the CWSH may issue a stop-work order in respect of a workplace if he is satisfied that (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work; (ii) any person has contravened any duty imposed by the WSHA; or (iii) any person has done any act, or has refrained from doing any act which, in the opinion of the CWSH, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The stop-work order shall, amongst others, direct the person served with the order to immediately cease to carry on any work indefinitely or until such measures as are required by the CWSH have been taken, to the satisfaction of the CWSH, to remedy any danger so as to enable the work in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

The MOM has also implemented a demerit points system for the construction sector. All main contractors and subcontractors in the construction sector will be issued with demerit points for breaches under the WSHA and relevant subsidiary legislation. The number of demerit points awarded depends on the severity of the infringement. A contractor that has received more than 18 demerit points within a 12-month period will receive a formal warning from the MOM, while the continued accumulation of demerit points will result in more stringent corrective actions. If a contractor continues to commit workplace safety and health offences, applications from the company for new and renewal of all types of work passes for all foreign employees will be rejected by MOM. MOM escalates warnings and penalties to main contractors as they commit repeated offences and accumulate demerit points, as follows:

First Stage: A warning letter will be issued to the main contractor if the total points accumulated by the company exceed 18 demerit points within a 12-month rolling period.

Second Stage: The following will apply to an individual worksite if the total points accumulated by the worksite exceed 18 demerit points:

- Six-month MYE freeze for first occurrence;
- 12-month MYE freeze for second occurrence (within 12 months of the first occurrence); and
- 24-month MYE freeze for third or subsequent occurrences (within 12 months of the previous occurrence).

A main contractor will have its records cleared when all its worksites do not accumulate any demerit points for a rolling period of 12 months.

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Third Stage: A 24-month MYE freeze will be extended to all worksites under the company if three of its worksites have each accumulated more than 18 demerit points within any 12-month period i.e. the company's MYE has been frozen three times within a year.

Applications from the company for new and renewal of all types of work passes for all foreign employees will also be rejected.

Workmen's Compensation

The Work Injury Compensation Act, Chapter 354 of Singapore ("WICA"), regulated by the MOM, applies to employees in respect of injury suffered by them in the course of their employment and sets out, amongst others, the amount of compensation they are entitled to and the method(s) of calculating such compensation. The WICA provides that if in any employment, personal injury by accident arising out of and in the course of the employment is caused to an employee, the employer shall be liable to pay compensation in accordance with the provisions of the WICA.

The WICA provides, amongst others, that, where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the employer) for the execution by the employer of the whole or any part of any work, or for the supply of labour to carry out any work, undertaken by the principal, the principal shall be liable to pay to any employee employed in the execution of the work any compensation which he would have been liable to pay if that employee had been immediately employed by the principal.

Environmental laws and regulations

The Environmental Public Health Act, Chapter 95 of Singapore ("EPHA") requires, among others, a person, during the erection, alteration, construction or demolition of any building or at any time, to take reasonable precautions to prevent danger to the life, health or well-being of persons using any public places from flying dust or falling fragments or from any other material, thing or substance.

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The EPHA also regulates, among others, the disposal and treatment of industrial waste and public nuisances. Under the EPHA, the Director-General of Public Health may, on receipt of any information respecting the existence of a nuisance liable to be dealt with summarily under the EPHA and if satisfied of the existence of a nuisance, serve a nuisance order on the person by whose act, default or sufferance the nuisance arises or continues, or if the person cannot be found, on the owner or occupier of the premises on which the nuisance arises. Some of the nuisances which are liable to be dealt with summarily under the EPHA include any factory or workplace which is not kept in a clean state, any place where there exists or is likely to exist any condition giving rise, or capable of giving rise to the breeding of flies or mosquitoes, any place where there occurs, or from which there emanates noise or vibration as to amount to a nuisance and any machinery, plant or any method or process used in any premises which causes a nuisance or is dangerous to public health and safety.

The Environmental Protection and Management Act, Chapter 94A of Singapore seeks to provide for the protection and management of the environment and resources conservation and regulates, amongst others, air pollution, water pollution, land pollution and noise control. Under the Environmental Protection and Management (Control of Noise at Construction Sites) Regulations, the owner or occupier of any construction site shall ensure that the level of noise emitted from his construction site shall not exceed the maximum permissible noise levels prescribed in such regulations.

TAXATION**Corporate Tax**

The prevailing corporate tax rate in Singapore is 17% with effect from Year of Assessment 2010. In addition, 75% of up to the first S\$10,000 of a company's normal chargeable income, and 50% of up to the next S\$290,000 is exempt from corporate tax. The remaining chargeable income (after the partial tax exemption) will be taxed at 17%. For newly-incorporated entities, subject to meeting certain conditions, the first S\$100,000 and one-half of up to the next S\$200,000 of their normal chargeable income, excluding Singapore dividends, will be eligible for tax exemption. Further, it was announced during the Singapore Budget 2013 that companies will receive a 30% corporate income tax rebate for the Years of Assessment 2013, 2014 and 2015, subject to a cap of S\$30,000 per year of assessment.

Dividend Distributions*(i) One Tier Corporate Taxation System*

All Singapore tax resident companies are under the One-Tier Corporate Taxation System ("One-Tier System"). Under the One-Tier System, one-tier dividends are tax-exempt in the hands of the shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

(ii) Withholding Taxes

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders. Foreign shareholders are advised to consult their own tax advisers to take into account the tax laws of their respective home countries/countries of residence and the applicability of any double taxation agreement which their country of residence may have with Singapore.

Goods and Services Tax ("GST")

GST in Singapore is a consumption tax that is levied on import of goods into Singapore, as well as nearly all supplies of goods and services in Singapore at a prevailing rate of 7%.