LOW KENG HUAT
(SINGAPORE) LIMITED

Leveraging Our
STRENGTHS

Annual Report 2015/2016

CONTENTS

Westgate Tower

CORPORATE PROFILE

Low Keng Huat (Singapore) Limited (“LKHS) is a builder established since 1969. Today, its business has grown to encompass building construction, property development, hotels and investments. In addition, LKHS owns and operates deluxe hotels in Perth (Australia) and Ho Chi Minh City (Vietnam) under the in-house brand Duxton Hotel. Its other hospitality related business is food and beverage business under our brand name of Carnivore in Singapore. Among its investment portfolio are investment properties in Singapore, Malaysia and China.

CHAIRMAN'S STATEMENT

"The Group achieved net profit attributable to shareholders of $55.7 million, a decrease of 65% compared to the previous financial year due to lower profits generated from development and investment segments."

Tan Sri Dato' Low Keng Huat

2015 REVIEW

The Singapore economy grew by 2.0% in 2015, the slowest rate of growth since 2009. It is forecasted to grow at a modest pace of 1.0% to 3.0% in 2016. The property market remains ever challenging with prices of private residential properties decreased by 0.5% in Q42015 which is the tenth consecutive quarter of decline. The decrease is 9.1% lower from its peak in Q32013. The authorities have continued to maintain that it is too premature to lift any cooling measures.

REVIEW OF FINANCIAL PERFORMANCE

For the financial year ended 31 January 2016, the Group achieved net profit attributable to shareholders of $55.7 million, a decrease of 65% compared to the previous financial year. The decrease was mainly due to lower profits from development and investment segments as two development projects, Paya Lebar Square and Parkland Residences obtained TOP in previous year. Two other development projects, Kismis Residences and Balestier Tower, have just started construction and are expected to complete by 2019/2020.

The Group's shareholders' funds increased by $7.7 million to $627.6 million as at 31 January 2016 from $619.9 million as at 31 January 2015. The net tangible asset per ordinary share of the Group was $0.85 as at 31 January 2016 when compared to $0.84 as at 31 January 2015. Cash and cash equivalents and fixed deposits decreased by $61.8 million to $219.0 million as at 31 January 2016 from $280.8 million as at 31 January 2015. At the same time the Group's bank borrowings decreased by $0.9 million to $341.1 million as at 31 January 2016 from $342.0 million as at 31 January 2015. Gearing was 0.19 as at 31 January 2016 when compared to 0.10 as at 31 January 2015.

The Group continues its transformation from its main business of construction to property development and investment.

Revenue for construction projects decreased by approximately 77% to $19.7 million during current year, compared to $85.2 million during previous year due to decrease in construction projects for third party customers. Genting Jurong Hotel obtained TOP in March 2015 and there is currently no third party construction project in the pipeline. Profit before tax for construction segment was $60.0 million during current year compared to a loss of $10.3 million during previous year due to write back of project costs in Paya Lebar Square and Parkland Residences upon project finalisation.

Revenue for investment segment increased by $17.5 million to $19.7 million in current year compared to $2.2 million in previous year due to commencement of operation in Paya Lebar Square retail mall on 16 December 2014. Net loss before tax for investment segment was $1.5 million in current year compared to $1.8 million in previous year due to share of loss in associated companies, Westgate Tower Pte Ltd and Westgate Commercial Pte Ltd, as major tenants commenced operation only in Q4 current year.

Hospitality business remains relatively challenging where revenue decreased by 10% to $39.1 million during current year compared to $43.4 million previous year. However profit before tax for hotel segment increased by 50% during current year to $7.1 million compared to $4.7 million previous year due to better cost control at hotels and improved performance by F&B business.

CORPORATE DEVELOPMENT & PROSPECTS

On 23 March 2016 one of the Group subsidiary entered into a capital assignment agreement to sell the entire charter capital of another subsidiary Vinametric Limited ("Vinametric") to a third party New Life Real Estate Business Company Limited ("New Life") for an aggregate consideration of US$49.0 million. Vinametric owns and operates Duxton Hotel Saigon while New Life is a Vietnamese incorporated company and its principal activities are in real estate business. New Life will pay all Vietnamese specific taxes to the Vietnamese tax authorities in respect of the proposed disposal. The estimated net proceeds over net book value from the proposed disposal, including shareholder loan, of approximately $65.0 million shall be used for general working capital and investment purposes. The proposed disposal is consistent with the Group's commitment to optimise profitability and operations and enable the Group to unlock cash in non-strategic assets for investment in higher yielding assets.

DIVIDEND

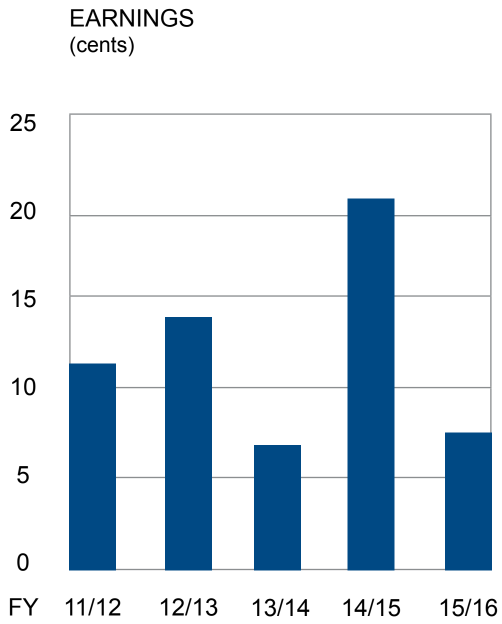
The Board is pleased to recommend a first and final dividend of 3.0 cents per share and special dividend of 1.0 cents per share. The dividend is tax exempt (one-tier) and total dividend payment will amount to $29.6 million. The proposed dividend represents 53.0% of our earnings per share of 7.55 cents. This dividend recommendation is subject to the approval of shareholders at the Annual General Meeting to be held on 31 May 2016. The proposed dividend, if approved by shareholders will be paid on 22 June 2016.

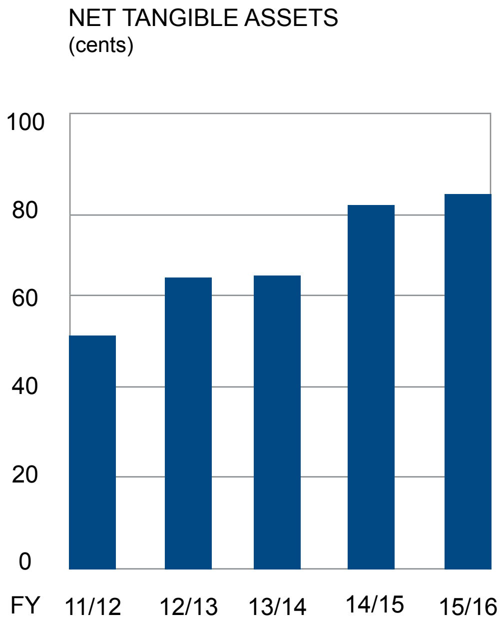
APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to our stakeholders, including our shareholders, customers and business associates, for their continued support of the Group and to the management and staff of the Group for their hard work, dedication and commitment in the past year.

TAN SRI DATO' LOW KENG HUAT
Non-Executive Chairman
April 2016

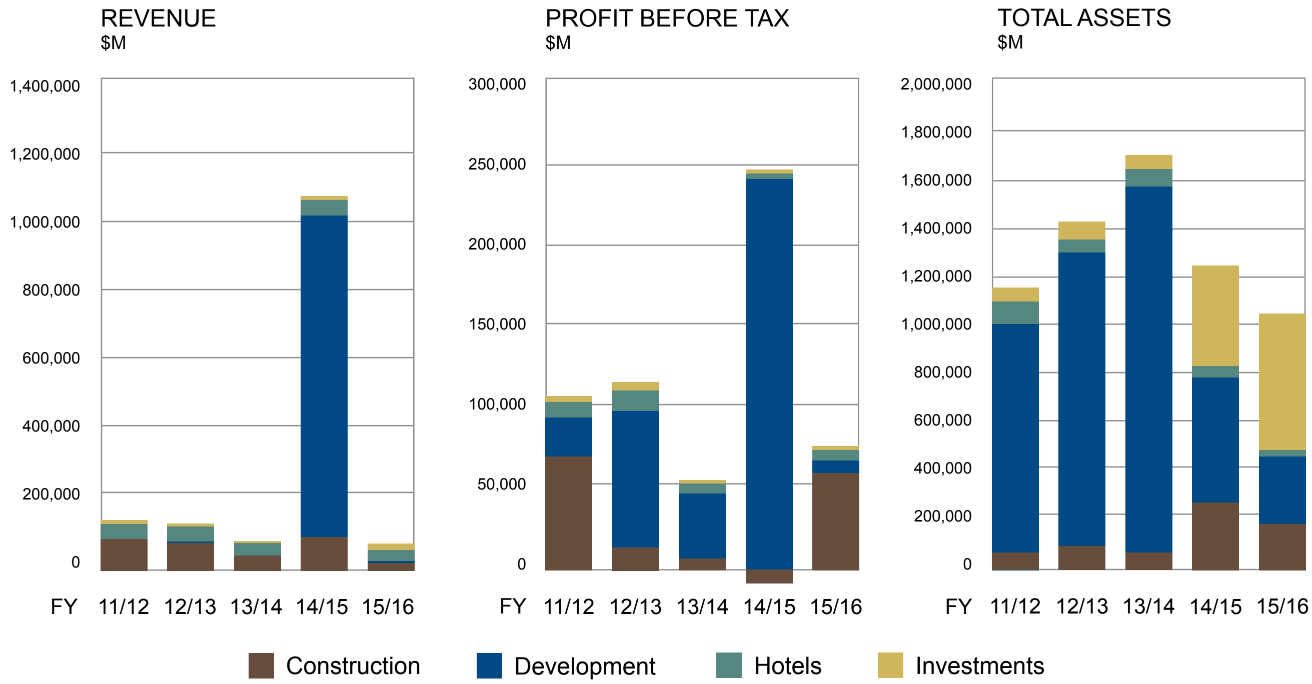
5 YEARS FINANCIAL HIGHLIGHTS





FINANCIAL YEAR	2011/12	2012/13	2013/14	2014/15	2015/16
OPERATING RESULTS					
Revenue ($'000)	136,398	126,364	79,700	1,258,928	86,624
EBITDA ($'000)	108,756	121,776	61,890	247,277	55,225
Pretax profit ($'000)	102,633	115,441	53,863	236,674	70,225
Net Profit ($'000)	88,349	109,575	49,378	189,426	57,829
EBITDA margin (%)	79.7	96.4	77.7	19.6	63.8
Pretax margin (%)	75.2	91.4	67.6	18.8	81.1
Net margin (%)	64.8	86.7	62.0	15.0	66.8
FINANCIAL POSITION					
Total assets ($'000)	1,155,717	1,422,580	1,724,846	1,275,550	1,150,350
Total borrowings ($'000)	556,750	513,750	497,289	342,024	341,075
Shareholders' equity ($'000)	390,529	476,131	478,786	619,940	627,558
Net debt : equity (times)	1.34	0.65	0.63	0.11	0.19
PER SHARE DATA					
Earnings (cents)	11.6	14.9	6.5	21.7	7.5
Dividends (cents)	4.0	4.5	3.0	5.0	4.0
Net tangible assets (cents)	53.0	65.0	65.0	84.0	85.0
Year end share price (cents)	34.5	68.0	68.5	74.0	62.5
SHAREHOLAERS' RETURN					
Return on equity (%)	22.6	23.0	10.3	30.6	9.2
Return on asset (%)	7.7	7.7	2.9	14.9	5.0
Dividend yield (%)	11.6	6.6	4.4	6.8	6.4
Dividend payout ratio (%)	34.4	30.2	46.2	23.0	53.0

5 YEARS FINANCIAL HIGHLIGHTS



FINANCIAL YEAR	2011/12 ($'000)	2012/13 ($'000)	2013/14 ($'000)	2014/15 ($'000)	2015/16 ($'000)
REVENUE					
Construction	82,505	67,437	29,648	85,207	19,669
Development	-	580	-	1,128,163	8,201
Hotels	51,627	56,948	49,546	43,392	39,069
Investments	2,266	1,399	506	2,166	19,685
Total	**136,398**	**126,364**	**79,700**	**1,258,928**	**86,624**
PROFIT BEFORE TAX					
Construction	69,878	15,830	6,411	(10,257)	59,991
Development	24,146	79,952	38,596	243,944	4,669
Hotels	6,755	12,922	6,402	4,753	7,114
Investments	1,854	6,737	2,454	(1,766)	(1,549)
Total	**102,633**	**115,441**	**53,863**	**236,674**	**70,225**
TOTAL ASSETS *					
Construction	60,288	102,285	77,522	263,413	177,338
Development	952,939	1,173,387	1,512,674	527,156	427,410
Hotels	72,412	71,114	71,388	59,543	61,943
Investments	70,078	72,203	59,893	424,676	482,878
Total	**1,155,717**	**1,418,989**	**1,721,477**	**1,274,788**	**1,149,569**

** Excluding tax*

OPERATING & FINANCIAL REVIEW

"The Group's shareholders' funds increased by $7.7 million to $627.6 million as at 31 January 2016 from $619.9 million as at 31 January 2015."

OVERALL

The Group's four business segments are construction, property development, hotel and investments. In recent years, the Group has shifted its core business to property development and investment from construction. Net profit attributable to shareholders decreased by $104.7M to $55.7M during current year from $160.4M during previous year. The decrease was mainly due to lower profits from development segment.

Group revenue decreased by $1,172.3M to $86.6M during current year from $1,258.9M during previous year. The decrease in revenue was mainly due to decrease in revenue from development and construction segments offset by increase in revenue from investment segment. Revenue in construction and development segments was recognised last year as Parkland Residences, Paya Lebar Square and Genting Hotel at Jurong obtained TOP on 29 October 2014, 3 November 2014 and 13 March 2015 respectively. Revenue in investment segment is recognised in current year as Paya Lebar Square (Retail Mall) commenced operations on 16 December 2014.

Cost of sales decreased by $970.1M to $3.5M during current year from $973.6M during previous year. The decrease in cost of sales was mainly due to the recognition of cost of sales during previous year for Parkland Residences, Paya Lebar Square and Genting Hotel upon their TOP and the write back of project cost for completed projects upon finalisation of accounts in construction segment.

Other income increased by $17.8M to $29.8M during current year from $12.0M during previous year. The increase was mainly due to the gain of $7.3M on the sale of warehouse at Sungei Kadut Loop and imputed interest income of $3.3M on shareholder loan provided by LKHS for Westgate Tower.

Administrative costs decreased by $17.8M to $14.8M during current year from $32.6M during previous year. The decrease was mainly due to lower directors profit sharing and lower expenses from development segments.

	DEVELOPMENT PROJECTS ON HAND	LOCATION	LKH'S SHARE (%)	TYPE	NO. OF UNITS	STATUS
1	Parkland Residences	Upper Serangoon Road	100	DBSS flats	680	Launched in January 2012 5 units unsold Obtained TOP in October 2014
2	Paya Lebar Square	60 Paya Lebar Road	80	Office units	556	Office units launched in December 2011 4 office units unsold Obtained TOP in November 2014 Obtained CSC on 24 December 2015
3	Kismis Residences	Eng Kong Terrace	70	Landed terraces Strata landed terraces	31 7	Planning Stage Expected TOP in 2018/2019
4	Balestier Tower	207 Balestier Road	100	Commercial retail Commercial service apartments	2,547 sqm 7,640 sqm	Planning Stage Expected TOP in 2019/2020
5	Bina Park	Bandar Seri Alam Johor	49	3 Storey Twin/ Link Villas	124	Launched in January 2012 100% sold
				3 Storey Shops	31	19 units sold 2 units held for own use 10 units unsold
6	Taman Rinting	Taman Rinting	49	Bungalows and apartments	-	Planning Stage

	LAND BANK	LOCATION	LKH'S SHARE (%)	AREA (SQF)	USE
7	Unamed	Bandar Seri Alam Johor	49	3,298,458	Proposed Bungalow Lots
8	Tiram Park	Jalan Kota Tinggi Johor	49	6,622,184	Proposed Industrial Development
9	Unamed	Bandar Seri Alam Johor	49	616,461	Proposed Mixed Development

	KEY INVESTMENT PROPERTIES	LOCATION	LKH'S SHARE (%)	TYPE	NO. OF UNITS	STATUS
1	Paya Lebar Square	60 Paya Lebar Road	55	Retail	159	99% leased Obtained TOP on 3 November 2014
2	Westgate Tower	3 Gateway Drive	40	Office units	295	97% leased Obtained TOP on 9 October 2014
3	AXA Tower	8 Shenton Way	20	Office units	674,000 sq. feet	Acquisition completed on 24 April 2015 83% leased

OPERATING & FINANCIAL REVIEW

Paya Lebar Square

Other operating expenses decreased by $29.7M to $3.0M during current year from $32.7M during previous year. The decrease was mainly due to provision for impairment loss on development projects Balestier Tower and Vung Tau project in Vietnam expensed in prior year.

Finance costs increased by $2.4M to $6.2M during current year from $3.8M during previous year. The increase was due to increased financing for Paya Lebar Square (Retail Mall) as it obtained TOP on 3 November 2014 offset by the repayment of loans for Parkland Residences upon its TOP on 29 October 2015.

Share of results of associated companies and joint ventures decreased to a loss of $16.7M during current year from a profit of $11.0M during previous year. The decrease was mainly due to the recognition of $14.3M gain on disposal of land at Jalan Conlay, Kuala Lumpur by our joint venture Suasana Simfoni Sdn Bhd in previous year and the recognition of the loss of $4.9M of OSC-Duxton (Vietnam) Joint Venture Company Limited. Our share of loss at Westgate Tower increased by $5.2M to $8.7M during current year from $3.5M during previous year as the major tenants commenced operations only in November 2015. Westgate Tower achieved an occupancy of 97% as at 23 March 2016. Our share of loss at AXA Tower is $2.5M during current year after adjusting its net profit before tax for fair value gain and depreciation. Perennial Group adopted the fair value model as accounting policy for AXA Tower. Our Group adapted the cost model as our accounting policy.

Income tax decreased by $34.8M to $12.4M during current year from $47.2M during previous year. The decrease was mainly due to lower tax provision in development segment.

Construction

Construction revenue decreased by $65.5M to $19.7M during current year from $85.2M during previous year. The decrease was mainly due to decrease in construction activity as Genting Hotel at Jurong obtained its TOP on 13 March 2015.

Duxton Hotel Perth

Net profit before tax and non-controlling interests for construction segment increased to $60.0M during current year from a loss of $10.3M during previous year. The increase was mainly due to write back of project costs for completed projects Parkland Residences, Paya Lebar Square and China Town Point upon finalisation of accounts.

Hotel and F&B business

Revenue for hotel & F&B businesses decreased by $4.3M to $39.1M during current year from $43.4M during previous year. The decrease was mainly due to lower rates in Duxton Perth and lower occupancy in Duxton Saigon. The main road at the entrance to Duxton Saigon which was closed by the Vietnamese authorities since October 2014 has re-opened in Q2 current year. The occupancy of Duxton Saigon has improved gradually.

Net profit before tax and non-controlling interests for hotel segment increased by $2.3M to $7.1M during current year from $4.8M during previous year. The increase was mainly due to better cost control at the hotels and higher profit generated by F&B business in current year.

On 23 March 2016 one of the Group subsidiary entered into a capital assignment agreement to sell the entire charter capital of another subsidiary Vinametric Limited ("Vinametric") to a third party New Life Real Estate Business Company Limited ("New Life") for an aggregate consideration of US$49.0 million. Vinametric owns and operates Duxton Hotel Saigon while New Life is a Vietnamese incorporated company and its principal activities are in real estate business. New Life will pay all Vietnamese specific taxes to the Vietnamese tax authorities in respect of the proposed disposal. The estimated net proceeds over net book value from the proposed disposal, including shareholder loan, of approximately $65.0 million shall be used for general working capital and investment purposes. The aggregate consideration has been deposited by New Life into the escrow bank account of Vinametric at Saigon Commercial Bank on 23 March 2016. It shall be paid to Group subsidiary after all conditions precedent have been satisfied. Key conditions precedent include approvals


Duxton Hotel Perth

from governmental authorities, Vinametric adopting a new charter, Vinametric obtaining an enterprise registration certificate and investment registration certificate and Vinametric obtaining approval from State Bank Of Vietnam to repay shareholder loan. The proposed disposal is consistent with the Group's commitment to optimise profitability and operations and enable the Group to unlock cash in non-strategic assets for investment in higher yielding assets.

Development

Revenue for development segment decreased by $1,120.0M to $8.2M during current year from $1,128.2M during previous year. The decrease was mainly due to the recognition of revenue in previous year for Parkland Residences and Paya Lebar Square which obtained TOP on 29 October 2014 and 3 November 2014 respectively.

Net profit before tax and non-controlling interests for development segment decreased by $239.2M to $4.7M during current year from $243.9M during previous year. The decrease was mainly due to lower contribution from development projects as both Parkland Residences and Paya Lebar Square obtained TOP on 29 October 2014 and 3 November 2014 respectively. Kismis Residences is in planning stage and has not yet been launched.

Investments

Investment revenue increased by $17.5M to $19.7M during current year from $2.2M during previous year. The increase was due to the commencement of operations at Paya Lebar Square (Retail Mall) on 16 December 2014. Paya Lebar Square (Retail Mall) obtained TOP on 3 November 2014 and it is 99% leased as of 23 March 2016.

Carnivore Chijmes

Net loss before tax and non-controlling interests for investment segment decreased to $1.5M during current year from $1.8M during previous year. The decrease was mainly due to the increase in profits of $8.2M at Paya Lebar Square offsetted by increase in loss of $5.1M and $2.5M at Westgate Tower and AXA Tower respectively. Westgate Tower achieved 97% occupancy as at 23 March 2015.

On 2 February 2015, our wholly-owned subsidiary, Huatland Development Pte. Ltd. executed a letter of participation for the acquisition of 20% equity interest for the acquisition of AXA Tower located at 8 Shenton Way, Singapore 068811. Our 20% investment amount of $73.0M is paid in cash and is invested in the form of equity of $41.0M and junior bonds of $32.0M. The total purchase consideration of AXA Tower is approximately $1,170,000,000, translating to $1,735 per square foot based on the existing net lettable area of 674,000 square feet. AXA Tower is on a site with balance lease term of about 66.5 years and its current occupancy is about 83%. The acquisition is undertaken by a consortium of investors led by Perennial Real Estate Holdings Limited and was completed on 24 April 2015.

Balance Sheet

Group shareholders' funds increased by $7.7M to $627.6M as at 31 January 2016 from $619.9M as at 31 January 2015. Cash and cash equivalents and fixed deposit decreased by $61.8M to $219.0M as at 31 January 2016 from $280.8M as at 31 January 2015. The Group's bank borrowings decreased by $0.9M to $341.1M as at 31 January 2016 from $342.0M as at 31 January 2015 due to repayments of bank borrowings during the year. Gearing was 0.19 as at 31 January 2016 compared to 0.10 as at 31 January 2015. The higher gearing is due to the decrease in cash and cash equivalents and fixed deposits.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Low Keng Huat
(Non-Executive Chairman)

Low Keng Boon
(Joint Managing Director)

Dato' Marco Low Peng Kiat
(Joint Managing Director)

Low Poh Kuan
(Executive Director)

Lee Han Yang
(Lead Independent,
Non-Executive Director)

Lucas Liew Kim Voon
(Independent,
Non-Executive Director)

Wey Kim Long
(Independent,
Non-Executive Director)

Jimmy Yim Wing Kuen
(Independent,
Non-Executive Director)

AUDIT COMMITTEE

Lucas Liew Kim Voon
(Chairman)

Lee Han Yang

Wey Kim Long

NOMINATING COMMITTEE

Lucas Liew Kim Voon
(Chairman)

Lee Han Yang

Low Keng Boon

REMUNERATION COMMITTEE

Lee Han Yang
(Chairman)

Lucas Liew Kim Voon

Wey Kim Long

Jimmy Yim Wing Kuen

COMPANY SECRETARY

Chin Yeok Yuen, FCPA

SOLICITORS

TSMP Law Corporation
6 Battery Road
Level 41
Singapore 049909

AUDITORS

Foo Kon Tan LLP
47 Hill Street #05-01 Singapore
Chinese Chamber of
Commerce & Industry Building
Singapore 179365
Parther-in-charge: Yeo Boon Chye
(Year of appointment: FYE 31
January 2012)

BANKERS

United Overseas Bank Limited

DBS Bank Limited

Oversea-Chinese Banking
Corporation Limited

Malayan Banking Berhad

The Bank of East Asia, Limited

Hong Leong Bank

Standard Chartered Bank

SHARE REGISTRARS & SHARE TRANSFER OFFICE

KCK CorpServe Pte. Ltd.
333 North Bridge Road
#08-00 KH KEA Building
Singapore 188721

REGISTERED OFFICE

80 Marine Parade Road
#18-05/09 Parkway Parade
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Tel: +65 6344 2333
Fax: +65 6345 7841

LISTING

The Company's ordinary shares are listed and traded on the Main Board of the Singapore Exchange Securities Trading Limited.

FINANCIAL REPORTS

Copies of the Company's Annual Report and announcement of quarterly, half-year and full-year financial results are available on request without charge.

WORLD WIDE WEB HOME PAGE

Visit us at www.lkhs.com.sg

TAN SRI DATO' LOW KENG HUAT

Non-Executive Chairman

Tan Sri Dato' Low Keng Huat is a co-founder of the Company and its Chairman since its incorporation on 14 April 1969, He was last re-elected on 22 May 2015. He is a director of Consistent Record Sdn. Bhd., our substantial shareholder. A builder by profession, Tan Sri Dato' Low is a former President of the Master Builders Association, Malaysia and is now its Honorary President. He has wide experience in business, property construction and development in a career spanning more than 50 years.

LOW KENG BOON @ LAU BOON SEN

Joint Managing Director

Mr Low Keng Boon is a co-founder and the Managing Director of the Company since its incorporation on 14 April 1969 till 31 October 2011. He was appointed as Joint Managing Director on 1 November 2011 and was last re-elected as director on 22 May 2015. His wide experience in building and construction is evidenced by the successful handling of prestigious projects like the OCBC Centre, UOB Plaza, Singapore Press Holdings headquarters, Novena Square and SIA Engineering Hangar. He was a member of the Singapore Construction Industry Development Board between March 1984 and March 1988. Mr Low was also instrumental in the Company's successful diversification into the hotel business.

DATO' MARCO LOW PENG KIAT

Joint Managing Director

Dato' Marco Low Peng Kiat was appointed as a Non-Executive Director of the Company on 7 November 2006. He was appointed as Joint Managing Director on 1 November 2011 and last re-elected as director on 22 May 2015. He is a director of Consistent Record Sdn. Bhd., our substantial shareholder. He holds a Bachelor of Science in Management & Systems from City University, England. He spent about two years in the corporate finance unit of one of the big four international accounting firms before joining Fung Keong Rubber Manufactory (Malaya) Sdn Bhd as Executive Director on 29 January 1997.

BOARD OF DIRECTORS

LOW POH KUAN

Executive Director

Mr Low Poh Kuan joined the Company in March 1998 as its Purchasing Manager for construction projects. He was appointed to the Board on 5 April 2004 and was last re-elected on 22 May 2015. In addition to his purchasing function, Mr Low is involved in the Company's property development projects. Mr Low co-managed the overall operations of the Chijmes entertainment complex before it was sold in 2006. He is also the QEHS (Quality, Environmental, Occupational Health and Safety) System Manager under the Company's ISO system. Prior to joining the Company, he had extensive experience in sales and marketing in the contract furnishing industry. Mr Low has a Diploma in Mechanical Engineering from Ngee Ann Polytechnic and a Bachelor of Science in Marketing and Economics from the University of Indiana, Bloomington, USA.

LEE HAN YANG

Independent Director

Mr Lee Han Yang was appointed as an independent director of the Company on 28 January 1992. He was last re-elected on 22 May 2015. He is also serving on the Company's Audit, Nominating and Remuneration Committees. Mr Lee is a BA (Singapore) and Barrister-at-Law of Lincoln's Inn, London. He is an Advocate and Solicitor of the Supreme Court of Singapore. Mr Lee currently sits on the Board of Tan Chong International Ltd, a company listed on the Stock Exchange of Hong Kong. Mr Lee is an active member of the Law Society of Singapore and has served on several committees of the Law Society. He also serves on the Board of the Society for the Physically Disabled and until recently he was on the board of National Council of Social Service. In August 2006, he was awarded the Public Service Star (BBM) by the President of Singapore.

LUCAS LIEW KIM VOON

Independent Director

Mr Lucas Lew was appointed as an independent director of the Company on 28 January 1992. He was last re-elected on 22 May 2015. He is an accountant by profession and was formerly the finance director of Singapore Airlines Limited until his retirement in 1992. He has extensive expertise and experience in finance and accounting. Mr Liew, a Certified Public Accountant, obtained his Bachelor of Commerce (Accountancy) degree from the University of New South Wales, Australia.

WEY KIM LONG

Independent Director

Mr Wey Kim Long was appointed as a Non-Executive Director of the Company on 5 April 2004 and was re-designated an Independent Director on 12 September 2006. He was last re-elected on 22 May 2015. Mr Wey had worked with UOL for 30 years until his retirement in January 2004 as Deputy President (Property). During his tenure at UOL, Mr Wey was involved in all aspects of property development and marketing, property investment and management of all properties in the UOL Group. Mr Wey holds a Bachelor of Science (Estate Management) degree from the then University of Singapore. He is also a Fellow of the Singapore Institute Surveyors & Valuers and the Royal Institution of Chartered Surveyors.

JIMMY YIM WING KUEN

Independent Director

Mr Jimmy Yim has been independent director of the Company since 1 March 2009 and he was last re-elected on 22 May 2015. Mr Yim is the Managing Director of the Dispute Resolution Department of Drew & Napier LLC, a leading all-service legal practice in Singapore established since 1889. He was admitted to the Singapore Bar in 1983 and is part of the 2nd batch of Senior Counsel appointed, by the Supreme Court, in January 1998. His practice covers an extensive range of civil, commercial law and corporate law dispute and international commercial arbitrations. Amongst his several appointments include Fellow of the Singapore Institute of Arbitrators and Regional Arbitrator with the Singapore International Arbitration Centre (SIAC), Apart from the Company's board, Mr Yim also sits on the boards of some other public listed companies. He is recommended by name in leading and professional ranking agencies and publications such as Asia Pacific Legal 500, Asia Law Profiles and Chambers Global for his professional work.

KEY MANAGEMENT

LEE YOON MOI
Chief Operating Officer

Mr Lee Yoon Moi is responsible for all construction and development activities undertaken by the Group. He is also appointed as the Management Representative overseeing the development, implementation and maintenance of the Company's ISO Quality Assurance Programme. Prior to joining LKHS in 1990, Mr Lee was the General Manager of Construction Technology Pte Ltd (Contech), a wholly government owned construction company set up to spearhead modernization and mechanization in the construction industry. Mr Lee has a Bachelor of Civil Engineering degree (First Class Honours) from the then University of Singapore and a Masters of Engineering degree from McGill University, Montreal, Canada. He is also a member of the Institution of Civil Engineers, MICE (Chartered Civil Engineer) as well as a registered Professional Engineer (Civil & Structural).

CHIN YEOK YUEN
Chief Financial Officer

Ms Chin joined the Company in Oct 2007 as its Chief Financial Officer and is responsible for the financial, accounting and corporate matters of the Group. Immediately prior to joining the Company, Ms Chin was the Group Financial Controller of MediaRing Ltd. From 1997 to 2002, she was the Finance Director of Kemin Asia Pte Ltd. Before Kemin, she spent her earlier years working with one of the big four accounting firms and MNCs like Tandem Computers and Glaxo Pharmaceuticals. Ms Chin is a fellow member of the Institute of Certified Public Accountants of Singapore (ICPAS). She graduated with a Bachelor of Accountancy from the National University of Singapore.

LOW POH KOK
Manager, Property Development

Mr Low Poh Kok joined the Company in July 2004. He is currently the Company's Property Development Manager and is involved in all overseas property development projects. Prior to that, he had worked in the United States of America for 8 years as a project manager for an IT company. He brings to the Company his overseas experiences and project management skills. Mr Low has a Diploma in Business Studies from Ngee Ann Polytechnic and a Bachelor of Science in Computer Information System from Indiana University at Bloomington, USA.

LOW CHIN HAN
Director – Hospitality

Mr Low Chin Han graduated with a Bachelor of Business Management majoring in finance in 2003 from Singapore Management University. Mr Low has worked as a consultant for Duxton Hotels since 2009 and was promoted to General Director of Duxton Hotels in July 2011. Prior to working for Duxton Hotels, Mr Low Chin Han was working with several investment banks in Singapore and Hong Kong in both equity capital markets and debt capital markets.

BRUCE DOIG
General Manager
Duxton Hotel Perth

Mr Doig joined Duxton Perth Hotel as Deputy General Manager in April 2008 and was subsequently promoted to General Manager in July 2008. He has more than 34 years of hotel experience in Australia and worked for well known hotel brands including Sheraton, Hyatt, Broadwater Hotel & Resorts, Merlin Hotels and Radisson. Mr Doig graduated from Wesley College before obtaining a Diploma in Hotel Management and Catering from Bentley Technical College.

The Board of Directors of Low Keng Huat (Singapore) Limited (the "Company") is committed to complying with effective Corporate Governance to ensure transparency and protection of shareholders' value. It has adopted a framework of corporate governance policies and practices in line with the principles and guidelines set out in the 2012 Code of Corporate Governance ("Code").

BOARD MATTERS

Principle 1 – Board's Conduct of its Affairs

The primary role of the Board, apart from its statutory responsibilities, comprises: -

- Establishes a framework of prudent and effective controls which enable risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets
- Overseeing and monitoring the management and affairs of the Group;
- Approving the Group's corporate policies;
- Reviewing the financial performance including approval of the annual and interim financial reports;
- Approving the nomination of Directors and appointments to the various Board Committees;
- Reviewing the integrity and adequacy of internal control, risk management, financial reporting and compliance; and
- Assuming responsibility for corporate governance of the Group and considers sustainability issues of policies and procedures.

The Board conducts regular scheduled meetings and as warranted by circumstances. In addition, all relevant information on material events and transactions are circulated to Directors as and when they arise. The Company's Articles of Association provide for the Board to convene meetings via teleconferencing and/or similar means provided the requisite quorum of majority of the directors is present.

All Directors are updated on a regular basis by way of Board meetings or by way of circulars on matters material to the Company.

To assist in the execution of its responsibilities, the Board has established the following specialized Board Committees: -

- The Nominating Committee;
- The Remuneration Committee; and
- The Audit Committee

Each of the above committees has its respective written mandates and operating procedures, which will be reviewed on a regular basis.

The Directors' attendance at the Board meetings (including committee meetings) held and the number of meetings attended by each member at the respective meetings during the financial year under review are as follows:

		No. of Meetings Attended in FY2015/2016		
Directors	Board	Audit Committee	Nominating Committee	Remuneration Committee
Tan Sri Dato' Low Keng Huat	2	1	–	–
Low Keng Boon @ Lau Boon Sen	4	4	1	2
Dato' Marco Low Peng Kiat	4	4	1	–
Low Poh Kuan	4	4	0	2
Lee Han Yang	4	4	1	2
Lucas Liew Kim Voon	4	4	1	2
Wey Kim Long	4	4	1	2
Jimmy Yim Wing Kuen	2	1	1	2
No. of meetings held in 2015/2016	**4**	**4**	**1**	**2**

Matters reserved for Board's Approval

Matters specifically reserved to the Board for its approval are: -

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

(b) material acquisitions and disposal of assets;

(c) corporate or financial restructuring;

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

(e) any material investments or expenditures not in the ordinary course of the Group's businesses.

Orientation, briefings, updates and trainings for Directors

New Directors will be briefed on the Group's business and the Company's governance policies, disclosure of interest in securities, disclosure of any conflict in a transaction involving the Company, prohibitions on dealing in the Company's securities and restrictions on disclosure of price-sensitive information.

During the financial year reported on, the Directors had received updates on regulatory changes to the Listing Rules and the accounting standards and the amendments to the Companies Act. The Chairman updates the Board at each Board meeting on business and strategic developments. The management highlights the salient issues as well as the risk management considerations for the industries the Group is in.

Principle 2 – Board Composition and Balance

The Board comprises eight Directors of whom four are non-executive and four are executive. All four non-executive directors are independent. The number of independent directors thus represents more than one third of the Board and majority of the Board comprises non-executive Directors.

The criteria of independence are based on the definition given in the Code. The Code has defined an "independent" director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the company.

The Board members bring with them invaluable experience and collective core competencies such as accounting, finance, law, business and management experiences as well as industry expertise. The Board has reviewed its composition and is satisfied that such composition is appropriate. The Board will constantly review its size and composition to determine its appropriateness and effectiveness.

The profiles of the Directors are set out on (Page 13 and page 14 of Annual Report).

Where appropriate, developments in legislation, government policies and regulations affecting the Group's businesses and operations are provided to all Directors on a timely basis. The Directors have access to the advice of the Company Secretary and Management. They may also seek independent professional advice concerning the Company's affairs when necessary.

Annual Review of Directors' Independence in 2016

Mr Lucas Liew Kim Voon, Mr Lee Han Yang and Mr Wey Kim Loong have served on the Board of Directors for more than nine years. All three Directors were re-appointed Directors to hold office from the date of the last Annual General Meeting ("AGM") (held on 22 May 2015) until the forthcoming AGM pursuant to Section 153(6) of the Companies Act. Section 153(6) of the Companies Act was repealed when the Companies (Amendment) Act 2014 came into effect on 3 January 2016. As their appointment will lapse at the forthcoming AGM, Mr Liew Kim Voon, Mr Lee Han Yang and Mr Wey Kim Loong will have to be re-appointed to continue in office. Upon their re-appointment at the conclusion of the forthcoming AGM, going forward, they will then be subject to retirement by rotation under the Company's Constitution.

All three Directors have confirmed their independence and they do not have any relationship with the Company, its related corporation, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgement. The Board was of the view that they have engaged the Board in constructive discussion; their contributions are relevant and reasoned, and they have exercised independent judgement. The Board recognises that the Independent Directors have over time developed significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole. Presently, the Board considers Mr Lucas Liew Kim Voon, Mr Lee Han Yang and Mr Wey Kim Loong independent even though each of the Independent Directors has served on the Board for more than nine years from the respective dates of their first appointment.

Principle 3 – Chairman and Managing Director

The clear division of responsibilities between the non-executive Chairman and the Joint Managing Directors ensures proper balance of power and authority at the top Management of the Group. The posts of the non-executive Chairman and Joint Managing Directors are kept separate and are held by Tan Sri Dato' Low Keng Huat, Mr Low Keng Boon @ Lau Boon Sen and Dato' Marco Low Peng Kiat respectively.

The Chairman ensures that the business of the Board and Board Committees are well managed, and that harmonious relationships are maintained with shareholders.

The Joint Managing Directors make key decisions on the management and operations of the Group and are responsible for the conduct of the business and affairs of the Group.

Tan Sri Dato' Low Keng Huat is the brother of Mr Low Keng Boon @ Lau Boon Sen. Dato' Marco Low Peng Kiat is the son of Tan Sri Dato' Low Keng Huat and appointed as Joint Managing Director on 1 November 2011. Under the Code, which recommends that where the Chairman and CEO are immediate family members, the Company may appoint an independent non-executive director to be the Lead Independent Director of the Company. Such appointment would further strengthen the independence of the Board and provide an additional channel of communication to shareholders.

Mr Lee Han Yang was appointed by the Board on 12 September 2006 as the Lead Independent Director. The key responsibilities of the Lead Independent Director are:

- Providing an additional and independent channel of contact to shareholders
- Leading the non-executive/independent directors in providing and facilitating non-executive perspective and contributing a balance of viewpoints on the Board
- Co-ordinating the activities and meetings of non-executive/independent directors
- Advising the Chairman as to board and board committees meetings; and
- promoting high standards of corporate governance

Under Guideline 2.2 of the Code, the independent Directors should make up half the Board. Pursuant to the statement by the Monetary Authority of Singapore ("MAS") on 2 May 2013, a longer transition period will be provided for board composition changes needed to comply with such requirement. These changes should be made at the annual general meetings following the end of financial years commencing on or after 1 May 2016.

Principle 4 – Board Membership

The Nominating Committee ("NC") comprises three Directors, the majority of whom (including the Chairman) are independent Directors.

Mr Lucas Liew	Independent Director (Chairman)
Mr Lee Han Yang	Independent Director
Mr Low Keng Boon @ Lau Boon Sen	Joint Managing Director

The NC's principal functions are: -

- review board succession plans for directors;
- develop the process for evaluation of the performance of the Board, its board committees and directors and conduct a formal assessment of the effectiveness of the Board, Board Committees and contribution by each director;
- review training and professional development programs for the Board;
- determine the criteria for identifying candidates for directorship;
- review nominations and make recommendations to the Board on all Board appointments;
- make recommendations to the Board on the re-nomination of retiring Directors standing for re-election at the Company's Annual General Meeting;
- determine annually whether or not a director is independent;
- determine whether a Director is able to and has been adequately carrying out his duties as a Director of the Company;
- decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval; and
- ensure disclosure of key information of Directors in the Annual Reports as required by the Code.

All Directors are required to submit themselves for re-nomination and re-election at least once in every three years. Article 88 of the Company requires one third of the Board to retire by rotation at every Annual General Meeting. A newly appointed Director, according to Article 87 of the Company, will submit himself for retirement and re-election at the Annual General Meeting following his appointment.

The NC has recommended to the Board, the re-election of Mr Jimmy Yim Wing Kuen who retire by rotation, and the re-appointment of Tan Sri Dato' Low Keng Huat, Mr Lee Han Yang, Mr Lucas Liew Kim Voon, Mr Low Keng Boon @ Lau Boon Sen and Mr Wey Kim Long who retire pursuant to Section 153(6) of the Companies Act, Cap. 50, which was in force at the forthcoming annual general meeting. Section 153 of the Companies Act was repealed when the Companies (Amendment) Act 2014 came into effect on 3 January 2016.

In making recommendation for the purpose of re-nomination of these Directors, the NC has taken into consideration these Directors' contribution and performance. The Board has accepted the NC's recommendation. Each of them has abstained from making any recommendation and/or participating in any deliberation of the NC and the Board in respect of the assessment of his own performance or re-election/ re-appointment as a director.

Multiple Board Representations

The NC has considered and took the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because directors have different capabilities, the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities, and accordingly, each Director would personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively.

Selection, Appointment and Re-appointment of Directors

The NC will conduct an annual review of the composition of the Board in terms of the size and mix of skills and qualifications of Board members. It may, if it deems appropriate, recommend the appointment of additional directors to strengthen the composition of the Board or as part of ongoing Board renewal process. The NC will review and identify the desired competencies for a new appointment.

Where there is a resignation or retirement of an existing director, the NC will re-evaluate the Board composition to assess the competencies for the replacement.

Once the NC has determined the desired competencies for an additional or replacement director to complement the skills and competencies of the existing directors, it will submit its recommendations to the Board for approval.

Candidates are first sourced through a network of contacts and identified based on the established criteria. Recommendations from directors and management are the usual source for potential candidates. Where applicable, search through external search consultants can be considered.

The NC will shortlist candidates and conduct formal interviews with each of them to assess their suitability and to verify that the candidates are aware of the expectations and the level of commitment required. Finally, the NC will make recommendations on the appointment(s) to the Board for approval.

Principle 5 – Board Performance

The Nominating Committee's evaluation of each Director and the Board's performance as a whole will be conducted on an annual basis.

The general assessment parameters of a Director are experience in being a company director, competence and knowledge. The specific assessment parameters of a Director include level and quality of involvement during the course of the year, attendance record at meetings of the Board and Board Committees, intensity of participation at meetings, the quality of interventions and special contributions.

The Nominating Committee also assesses the effectiveness of the Board as a whole in both quantitative and qualitative terms. Quantitative performance measurement is principally based on shareholder value creation such as share price performance and earnings per share. Qualitative performance indicators include compliance with the Code, transparency in terms of disclosure and feedback from authorities and investors.

Principle 6 – Access to information

The Board is furnished with Board papers prior to any Board meeting. These Board papers include management reports, financial reports and other relevant information meant to provide complete, adequate, timely and reliable information so as to ensure Directors' informed participation at such meetings and hence the effective discharge of their duties.

When decisions to be taken by the Board require specialized knowledge or expert opinions, the Board is able to seek independent professional advice, if necessary. Such cost for professional advice will be borne by the Company.

The Directors may communicate directly with the Management, the Company Secretary, the internal auditor and the external auditors on all matters whenever they deem necessary.

The Company Secretary attends all Board meetings and is responsible to ensure that board procedures, applicable rules and regulations are followed.

REMUNERATION MATTERS

Principle 7 – Procedures for Developing Remuneration Policies

The Code recommends that the Remuneration Committee should comprise entirely non-executive directors, the majority of whom, including the chairman, should be independent.

The Remuneration Committee comprises four Directors, all of whom are non-executive and independent Directors:

Mr Lee Han Yang	Independent Director and Chairman of Remuneration Committee
Mr Lucas Liew	Independent Director
Mr Wey Kim Long	Independent Director
Mr Jimmy Yim	Independent Director

The Remuneration Committee's principal responsibilities are to:

- recommend to the Board base pay levels, benefits and incentive opportunities;

- approve the structure of the compensation programme for Directors and Senior Management to ensure that the programme is competitive and sufficient to attract, retain and motivate Senior Management of the required quality to run the Company successfully; and

- review Directors' and Senior Management's compensation annually and determine appropriate adjustments; and review and recommend the Managing Director's pay adjustments.

When necessary, the Remuneration Committee is able to seek independent professional advice on remuneration matters. Such cost will be borne by the Company.

The overriding principle is that no Director should be involved in deciding his own remuneration.

Principle 8 – Level and Mix of Remuneration

The Company's remuneration policy is to provide compensation packages at market rates which will reward successful performance and attract, retain and motivate Directors and managers.

Directors' fees are set in accordance with a remuneration framework comprising basic fees and committee fees. The Company will submit the quantum of directors' fee of each year to the shareholders for approval at each Annual General Meeting ("AGM") and they are paid upon the conclusion of the AGM.

The executive Directors' remuneration comprises salary, bonus, allowances and benefits which are governed by service agreements entered into with the Company. The bonus, which makes up a significant portion of total remuneration, is linked to the performance of the Group.

Principle 9 – Disclosure on Remuneration

The breakdown of the level and mix of remuneration of each Director and the top five key executives for the financial year ended 31 January 2016 are set out below. A significant portion of key executives' remuneration is linked to corporate and individual performance.

	Directors' Fee (1)	Salary (annual)	Profit Sharing/ Bonus (2) (annual)	CPF/ Super-annuation	Allowances/ Benefits (annual)	Total
<u>**Directors**</u>						
$2,500,000 to $2,749,999						
Low Keng Boon @ Lau Boon Sen	–	720,000	1,793,213	6,450	58,228	2,577,891
$2,000,000 to $2,249,999						
Dato' Marco Low Peng Kiat	–	360,000	1,793,213	–	39,937	2,193,150
$250,000 to $499,999						
Low Poh Kuan	–	240,000	60,000	15,470	53,476	368,946
Below $250,000						
Tan Sri Dato' Low Keng Huat	55,000	–	–	–	–	55,000
Lee Han Yang	50,000	–	–	–	–	50,000
Lucas Liew	50,000	–	–	–	–	50,000
Wey Kim Long	45,000	–	–	–	–	45,000
Jimmy Yim Wing Kuen	45,000	–	–	–	–	45,000
<u>**Key Executives**</u>						
$250,000 to $499,999						
Lee Yoon Moi	–	77%	19%	2%	2%	100%
Chin Yeok Yuen	–	75%	19%	3%	3%	100%
Low Poh Kok	–	74%	19%	–	7%	100%
Low Chin Han	–	70%	18%	–	12%	100%
Below $250,000						
Bruce Doig	–	91%	–	9%	–	100%

(1) Directors' fee proposed for 2015/2016

(2) Profit Share for 2015/2016 for Messrs Low Keng Boon and Dato' Marco Low Peng Kiat, amounts are in accordance with service agreements

The directors' fees are subject to shareholders' approval at the Annual General Meeting.

The aggregate total remuneration paid to the top five key management personnel (who are not directors or the CEO) is $1,517,095.00.

Dato' Marco Low Peng Kiat is the son of Tan Sri Dato' Low Keng Huat. Mr Low Chin Han is the son of Mr Low Keng Boon @ Lau Boon Sen. Messrs Low Poh Kuan and Low Poh Kok are the nephews of Tan Sri Dato' Low Keng Huat and Mr Low Keng Boon @ Lau Boon Sen.

Remuneration of Immediate Family Members of Directors or Substantial Shareholders

The Remuneration of employees who are immediate family members of a director or CEO are as follows:-

	Relationship to Directors/CEO	Designation in the Company
$250,000 to $499,999		
Low Poh Kok	Brother of Low Poh Kuan. Nephew of Tan Sri Dato' Low Keng Huat & Low Keng Boon @ Lau Boon Sen. Cousin of Dato' Marco Low Peng Kiat.	Manager, Property Development
Low Chin Han	Son of Low Keng Boon @ Lau Boon Sen. Nephew of Tan Sri Dato' Low Keng Huat. Cousin of Dato' Marco Low Peng Kiat and Low Poh Kuan.	General Director of Duxton Hotel Saigon Director of Duxton Hotel Perth
$150,0001 to $200,000		
Steven Low Chee Leong	Son of Low Keng Boon @ Lau Boon Sen. Nephew of Tan Sri Dato' Low Keng Huat. Cousin of Dato' Marco Low Peng Kiat and Low Poh Kuan.	Head, Safety Department
$100,001 to $150,000		
Chong Chee Kui	Nephew of Tan Sri Dato' Low Keng Huat and Low Keng Boon @ Lau Boon Sen. Cousin of Dato' Marco Low Peng Kiat and Low Poh Kuan .	Senior Site Supervisor
$50,001 to $100,000		
Carol Low Seok Peng	Daughter of Low Keng Boon @ Lau Boon Sen. Niece of Tan Sri Dato' Low Keng Huat. Cousin of Dato' Marco Low Peng Kiat and Low Poh Kuan.	Operations Manager of Carnivore Brazilian Churrascaria Pte Ltd with effect from 01/01/2016
Low Poh Hon	Nephew of Tan Sri Dato' Low Keng Huat and Low Keng Boon @ Lau Boon Sen. Brother of Low Poh Kuan. Cousin of Dato' Marco Low Peng Kiat.	Office Administrator
Paullyn Tay Chiu Gee	Sister-in-law of Low Poh Kuan. Niece-in-law of Tan Sri Dato' Low Keng Huat and Low Keng Boon @ Lau Boon Sen. Cousin-in-law of Dato' Marco Low Peng Kiat.	Project Co-ordinator

Save as disclosed, no employee of the Group is an immediate family member of a Director or CEO and whose remuneration is in excess of $50,000 in the year under review.

ACCOUNTABILITY AND AUDIT

Principle 10 – Accountability

The Board is accountable to the shareholders and is committed to ensure compliance with the Listing Rules of the Singapore Exchange Trading Limited ("SGX-ST"). The Board ensures that the financial results are released to Shareholders in a timely manner to provide Shareholders with an overview of the Company's performance and financial position.

Principle 11 – Risk Management and Internal Controls

Internal Controls

The Group has a system of internal controls designed to provide reasonable assurance that proper accounting records are maintained, the Group's assets are safeguarded and that financial information used for financial reporting is reliable.

The Audit Committee has reviewed the effectiveness of the Group's internal control system in the light of key business and financial risks affecting its business.

Risk Management Policies and Processes

The main risks arising from the Group's business and financial instruments are operational and financial risks.

Operational risk is inherent in all business activities. To minimize such a risk, the Group has put in place a QEHS (Quality, Environmental, Occupational Health and Safety) system for the construction business and an operating manual for the hotel business. Senior management adopts a proactive and "hands-on" approach in managing and supervising the Group's business. In addition, the Group has taken comprehensive insurance policies to cover unexpected events and losses. Where necessary, the Group engages external consultants and experts to assist in the operations.

Pursuant to Rule 1207(10) of the Listing Manual, the Board, with the concurrence of the Audit Committee, is satisfied that the present internal controls and risk management are adequate to address financial, operational and compliance risks in the light of the nature and size of the Group's business and operations.

For the financial year ended 31 January 2016, the Board has received assurance from the Joint Managing Directors and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and regarding the effectiveness of the company's risk management and internal controls system.

Principle 12 – The Audit Committee

The Audit Committee comprises three Directors, all of whom (including the Chairman) are independent:

Mr Lucas Liew	Independent Director (Chairman of the Committee)
Mr Lee Han Yang	Independent Director
Mr Wey Kim Long	Independent Director

These Audit Committee members have had many years of experience in senior management positions in the financial, accounting and industrial sectors. They have sufficient financial management expertise and experience to discharge the Audit Committee's functions.

The Audit Committee assists the Board in fulfilling its responsibilities in financial reporting, management of financial and control risks, and monitoring of the internal control systems.

The Audit Committee meets periodically to perform the following functions:

- Review with the external auditor, the audit plan, and their evaluation of the accounting, operational and compliance controls, risk management and audit report;
- Review the annual and interim financial statements including the announcements to SGX-ST prior to submission to the Board;
- Review the assistance given by Management and the staff of the Company to the external auditor;
- Review the independence of the external auditor;
- Nomination of the external auditor;
- Oversee internal audit; and
- Review of interested person transactions between the Group and interested persons.

The Audit Committee has full access to and co-operation of the Management, internal auditor and external auditor. It also has the discretion to invite any Director and executive officer to attend its meetings. The Audit Committee has the discretion to meet the external auditor without the presence of the Management.

The Company has set up a Whistle Blowing Policy. The Board believes that effective whistle-blowing arrangements will act as a deterrent to malpractice and wrongdoing, encourage openness, promote transparency, underpin the risk management systems of the Group and enhance its reputation. The policy had been circulated to all employees for implementation.

For the year under review, the Audit Committee has considered the matters set out in the Directors' Report, including the scope of non-audit services provided by the external auditor and are satisfied that the nature and extent of such services will not prejudice the independence of the external auditor.

The AC noted that the aggregate amount of audit fees paid and payable by the Group to the external auditors for FY2015/2016 was approximately \$260,032, of which audit fees amounted to approximately \$226,647 and non-audit fees amounted to approximately \$33,385.

In appointing the audit firms for the Group, the Audit Committee is satisfied that the Company has complied with Listing Rules 712 and 716.

The Company records and reports interested person transactions which are subject to review by the Audit Committee to ensure that they were conducted on normal commercial terms. Details of interested person transactions during the year under review pursuant to the SGX-ST Listing Manual are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Consistent Record Sdn Bhd	Bina Meganmas Sdn Bhd		N/A
	Loan	$1,278,987.70	
	Total	$1,278,987.70	

Pursuant to Chapter 9 of the SGX-ST Listing Manual, the above interested person transactions are either below the relevant materiality threshold or exempted from shareholders' approval.

Principle 13 – Internal Audit

The Company has a group internal auditor to carry out internal audits. The group internal auditor reports directly to the Audit Committee on internal audit matters and to the Joint Managing Directors for administrative matters.

To ensure the adequacy of the internal audit function, the Audit Committee sets and reviews the scope, methodology and observations of the internal audit.

COMMUNICATION WITH SHAREHOLDERS

Principle 14 – Shareholder Rights
Principle 15 – Communication with Shareholders
Principle 16 – Conduct of shareholder meetings

The Company endeavours to communicate regularly, effectively and fairly with its shareholders.

Financial results and material information are communicated to shareholders on a timely basis. Communication is made through:

- Annual reports that are prepared and issued to all shareholders;
- Announcements via SGXNET;
- Press releases on major developments;
- The Company's website at www.lkhs.com.sg from which shareholders can access information about the Group; and
- Notices of and explanatory memoranda for Annual General Meetings and Extraordinary General Meetings.

Shareholders are encouraged to attend the Annual General Meeting and other general meetings of the Company to ensure a high level of accountability and to stay informed of the Group's development. The general meetings are the principal forum for dialogue with shareholders. Shareholders can vote in person or by way of proxy at the general meetings.

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

The notices of the general meetings are dispatched to shareholders, together with explanatory notes at least 14 clear days before each meeting. The notice is also advertised in a national newspaper. The Board welcomes questions from shareholders who have an opportunity to raise issues either formally or informally during, before or after the general meeting.

The Board will set separate resolutions at general meetings on each distinct issue. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed separate resolution relating to the said item.

The Chairman of the audit, nominating and remuneration committees would be present and available to address questions at general meetings. The external auditor would be present at the said meetings to assist the Directors in addressing any relevant queries raised by shareholders.

SECURITIES TRANSACTIONS

The Company has adopted and implemented a policy on dealings in the securities that is in accordance with Rule 1207(19) of the Listing Manual. Under this policy, Directors, Management and accounting staff are prohibited from dealing in the Company's Shares during the period commencing two weeks before the announcement of the financial statements for each of the first three quarters of its financial year and one month before the announcement of the company's full year financial statements and at any time while in possession of any unpublished material price-sensitive information.

Directors and officers are required to comply with and observe the laws on insider trading even if they trade in the Company's Securities outside the prohibited periods. They are discouraged from dealing in the Company's Securities on short-term considerations and should be mindful of the laws on insider trading.

Material Contracts

There was no material contracts entered into by the Company or any of its subsidiary companies involving the interest of the Executive Chairman, any Director, or controlling shareholder

The directors present their statement to the shareholders together with the audited consolidated financial statements of the Group for the financial year ended 31 January 2016 and the statement of financial position of the Company as at 31 January 2016.

In the opinion of the directors,

(a) the accompanying statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 January 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Names of Directors

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

Tan Sri Dato' Low Keng Huat
Low Keng Boon
Dato' Marco Low Peng Kiat
Low Poh Kuan
Lee Han Yang
Lucas Liew Kim Voon
Wey Kim Long
Jimmy Yim Wing Kuen

Mr Lee Han Yang, Mr Lucas Liew Kim Voon, Mr Wey Kim Long and Mr Jimmy Yim Wing Kuen are independent and non-executive directors.

Arrangements to enable directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body.

DIRECTORS' STATEMENT

For the financial year ended 31 January 2016

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial year was interested in shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
Name of director	As at 1 February 2015	**As at 31 January 2016 and 21 February 2016**	As at 1 February 2015	**As at 31 January 2016 and 21 February 2016**
		Number of shares		
Low Keng Huat (Singapore) Limited				
Tan Sri Dato' Low Keng Huat	–	**–**	395,194,345	**395,194,345**
Low Keng Boon	54,341,450	**54,341,450**	28,000,000	**27,848,000**
Dato' Marco Low Peng Kiat	1,500,000	**300,000**	396,745,345	**397,945,345**
Low Poh Kuan	1,998,000	**1,998,000**	–	**–**
Lee Han Yang	480,000	**480,000**	–	**–**
Lucas Liew Kim Voon	456,000	**456,000**	–	**–**
Wey Kim Long	400,000	**400,000**	–	**–**
Jimmy Yim Wing Kuen	200,000	**200,000**	200,000	**120,000**
		Number of shares of RM1.00 each		
Ultimate holding company - Consistent Record Sdn. Bhd.				
Tan Sri Dato' Low Keng Huat	1	**1**	–	**–**
Dato' Marco Low Peng Kiat	1	**1**	–	**–**

By virtue of the provisions of Section 7 of the Singapore Companies Act, Cap. 50, Tan Sri Dato' Low Keng Huat and Dato' Marco Low Peng Kiat are deemed to have an interest in all the subsidiaries of the Company and all the joint ventures and associated companies in which the Company has 20% or more equity interest.

Share options

No options to take up unissued shares of the Company or any subsidiaries have been granted during the financial year.

No shares were issued during the financial year to which this report relates by virtue of the exercise of the options to take up unissued shares of the Company or any subsidiaries.

There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

Audit committee

The Audit Committee at the end of the financial year comprises the following members:

Lucas Liew Kim Voon (Chairman)
Lee Han Yang
Wey Kim Long

The Audit Committee performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50, the Listing Manual of the Singapore Exchange and the Code of Corporate Governance. In performing these functions, the Audit Committee reviewed the following:

(i) audit plans of the internal auditor and external auditor, assistance given by the Company's officers to the internal auditor and external auditor and the results of the internal and external auditors' audit procedures;

(ii) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 January 2016 as well as the auditor's report thereon;

(iii) effectiveness of the Company's material internal controls, including financial, operational, compliance and information technology controls, and risk management systems via reviews carried out by the internal auditors;

(iv) met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

(v) legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(vi) the cost effectiveness and the independence and objectivity of the external auditor;

(vii) the nature and extent of non-audit services provided by the external auditor;

(viii) recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(ix) reported actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considered appropriate; and

(x) the interested person transactions as defined in Chapter 9 of the Listing Manual of the Singapore Exchange ("SGX-ST").

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

In appointing the auditors for the Company and its subsidiaries, the directors have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

For the financial year ended 31 January 2016

Independent auditor

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

Other information required by the SGX-ST

<u>Material information</u>

Apart from the Service Agreements between certain executive directors and the Company, there is no material contract to which the Company or any of its subsidiaries, is a party which involve directors' interests subsisted or have been entered into during the financial year ended 31 January 2016.

<u>Interested person transactions</u>

There was no interested person transaction as defined in Chapter 9 of the SGX-ST Listing Manual conducted during the financial year except as disclosed in the "Corporate Governance" section of the Annual Report.

On behalf of the Directors

....
LOW KENG BOON

....
DATO' MARCO LOW PENG KIAT

Dated: 29 April 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Low Keng Huat (Singapore) Limited

Report on the financial statements

We have audited the accompanying financial statements of Low Keng Huat (Singapore) Limited ("the Company") and its subsidiaries ("the Group"), which comprise the statements of financial position of the Group and the Company as at 31 January 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

<u>Management's responsibility for the financial statements</u>

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

<u>Auditor's responsibility</u>

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

<u>Opinion</u>

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2016 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

INDEPENDENT AUDITOR'S REPORT

To the Members of Low Keng Huat (Singapore) Limited

Report on other legal and regulatory requirements

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

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 29 April 2016

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2016

	Note	The Group 31 January 2016 $'000	The Group 31 January 2015 $'000	The Company 31 January 2016 $'000	The Company 31 January 2015 $'000
ASSETS					
Current assets					
Cash and cash equivalents	4	**213,877**	276,026	**147,634**	210,085
Fixed deposits	5	**5,123**	4,766	**–**	–
Investments	6(a)	**4,764**	5,441	**–**	–
Amounts owing by non-controlling shareholders of subsidiaries (non-trade)	7(a)	**350**	4,357	**–**	–
Trade and other receivables	8	**132,404**	170,844	**17,476**	44,405
Construction work-in-progress	9	**–**	–	**114**	–
Inventories	10	**487**	440	**–**	–
Completed development properties for sale	11(a)	**8,791**	14,417	**–**	–
Development properties	11(b)	**96,605**	231,215	**–**	–
		462,401	707,506	**165,224**	254,490
Non-current assets					
Investments	6(b)	**34,767**	43,449	**1,395**	2,104
Other investments	6(c)	**32,000**	–	**–**	–
Joint ventures	12	**92,019**	167,201	**89,458**	97,423
Associated companies	13	**50,124**	13,408	**56**	–
Subsidiaries	14	**–**	–	**280,257**	205,432
Investment properties	15	**315,915**	283,826	**18,812**	20,665
Property, plant and equipment	16	**162,463**	59,780	**5,155**	5,072
Other receivables	8	**72**	67	**–**	–
Deferred tax assets	17	**589**	313	**–**	–
		687,949	568,044	**395,133**	330,696
Total assets		**1,150,350**	1,275,550	**560,357**	585,186
LIABILITIES					
Current liabilities					
Trade and other payables	18	**63,282**	161,219	**40,899**	129,593
Amounts owing to subsidiaries (non-trade)	19	**–**	–	**14,478**	55,672
Amounts owing to joint ventures (non-trade)	20	**871**	447	**597**	196
Amount owing to a non-controlling shareholder of a subsidiary (non-trade)	7(b)	**415**	431	**–**	–
Provision for directors' fee		**245**	245	**245**	245
Derivative financial instrument	21	**–**	304	**–**	304
Provisions	22	**193**	2,812	**–**	1,800
Current tax payable		**11,619**	44,366	**8,417**	1,055
Bank borrowings	23	**9,360**	9,000	**–**	–
		85,985	218,824	**64,636**	188,865

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2016

		The Group		The Company	
		31 January 2016	31 January 2015	**31 January 2016**	31 January 2015
	Note	**$'000**	$'000	**$'000**	$'000
Non-current liabilities					
Bank borrowings	23	**331,715**	333,024	**–**	–
Amounts owing to non-controlling shareholders of subsidiaries (non-trade)	7(b)	**56,479**	63,550	**–**	–
Provisions	22	**256**	659	**–**	–
Deferred tax liabilities	17	**991**	14	**–**	–
		389,441	397,247	**–**	–
Total liabilities		**475,426**	616,071	**64,636**	188,865
NET ASSETS		**674,924**	659,479	**495,721**	396,321
EQUITY					
Capital and Reserves					
Share capital	24	**161,863**	161,863	**161,863**	161,863
Capital reserve	25	**(2,005)**	(2,005)	**–**	–
Fair value reserve	26	**2,569**	11,348	**622**	1,272
Retained profits	27	**467,606**	448,802	**333,236**	233,186
Currency translation reserve	28	**(2,475)**	(68)	**–**	–
		627,558	619,940	**495,721**	396,321
Non-controlling interests		**47,366**	39,539	**–**	–
Total equity		**674,924**	659,479	**495,721**	396,321

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 January 2016

	Note	**Year ended 31 January 2016 $'000**	Year ended 31 January 2015 $'000
Revenue	3, 36	**86,624**	1,258,928
Cost of sales	30	**(3,491)**	(973,568)
Gross profit		**83,133**	285,360
Other operating income	29(a)	**29,762**	12,000
Distribution costs		**(2,079)**	(2,604)
Administrative costs	29(b)	**(14,752)**	(32,550)
Other operating expenses	29(c)	**(3,002)**	(32,671)
Finance costs	29(d)	**(6,179)**	(3,843)
Share of results of joint ventures and associated companies		**(16,658)**	10,982
Profit before taxation	30	**70,225**	236,674
Taxation	31	**(12,396)**	(47,248)
Profit after taxation for the year		**57,829**	189,426
Other comprehensive (expense)/income after tax:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		**(2,827)**	(494)
Financial assets, available-for-sale			
- fair value (losses)/gains	6(b), 26	**(8,623)**	5,585
- fair value gains reclassified to profit or loss on derecognition	26, 29(a)	**–**	(274)
Other comprehensive (expense)/income for the year, net of tax		**(11,450)**	4,817
Total comprehensive income for the year		**46,379**	194,243
Profit attributable to:			
Owners of the parent		**55,745**	160,446
Non-controlling interests		**2,084**	28,980
		57,829	189,426
Total comprehensive income attributable to:			
Owners of the parent		**44,559**	165,323
Non-controlling interests		**1,820**	28,920
		46,379	194,243
Earnings per share (cents)			
- basic	32	**7.55**	21.72
- diluted	32	**7.55**	21.72

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 January 2016

	Share capital $'000	Capital reserve $'000	Fair value reserve $'000	Retained profits $'000	Currency translation reserve $'000	Total attributable to owners of the parent $'000	Non-controlling interests $'000	Total $'000
Balance at 1 February 2014	161,863	–	6,229	310,385	309	478,786	13,296	492,082
Profit for the year	–	–	–	160,446	–	160,446	28,980	189,426
Other comprehensive income for the year	–	–	5,254	–	(377)	4,877	(60)	4,817
Total comprehensive income for the year	–	–	5,254	160,446	(377)	165,323	28,920	194,243
Dividends paid in respect of financial year ended 31 January 2014 (Note 34)	–	–	–	(22,164)	–	(22,164)	(2,682)	(24,846)
Acquisition of non-controlling interest without a change in control (Note 14)	–	(2,005)	–	–	–	(2,005)	5	(2,000)
Transfer of impairment loss previously provided for available-for-sale investments to retained profits upon disposal [Note 6(b)]	–	–	(135)	135	–	–	–	–
Balance at 31 January 2015	**161,863**	**(2,005)**	**11,348**	**448,802**	**(68)**	**619,940**	**39,539**	**659,479**
Profit for the year	**–**	**–**	**–**	**55,745**	**–**	**55,745**	**2,084**	**57,829**
Other comprehensive expense for the year	**–**	**–**	**(8,779)**	**–**	**(2,407)**	**(11,186)**	**(264)**	**(11,450)**
Total comprehensive income for the year	**–**	**–**	**(8,779)**	**55,745**	**(2,407)**	**44,559**	**1,820**	**46,379**
Dividends paid in respect of financial year ended 31 January 2015 (Note 34)	**–**	**–**	**–**	**(36,941)**	**–**	**(36,941)**	**(4,000)**	**(40,941)**
Reserves arising from non-interest bearing loans from non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**10,007**	**10,007**
Balance at 31 January 2016	**161,863**	**(2,005)**	**2,569**	**467,606**	**(2,475)**	**627,558**	**47,366**	**674,924**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 January 2016

	Note	**Year ended 31 January 2016 $'000**	Year ended 31 January 2015 $'000
Cash Flows from Operating Activities			
Profit before taxation		**70,225**	236,674
Adjustments for:			
Share of results of joint ventures and associated companies		**16,658**	(10,982)
Depreciation of:			
- investment properties	15	**3,358**	1,469
- property, plant and equipment	16	**4,564**	5,291
Gain on disposal of:			
- investment properties	29(a)	**(4,024)**	–
- property, plant and equipment	29(a)	**(3,827)**	(8)
Impairment loss on:			
- completed development properties for sale	11(a),29(c)	**–**	885
- development properties for development	11(b),29(c)	**–**	23,200
- property, plant and equipment	16,29(c)	**16**	251
- unquoted equity investment in a joint venture	29(c)	**–**	4,968
Bad debts written off	29(c)	**43**	26
Gain on liquidation of joint ventures	29(a)	**–**	(9)
Property, plant and equipment written off	29(c)	**–**	1,036
Fair value gains reclassified from fair value reserve to consolidated income statement on derecognition of available-for-sale financial assets	29(a)	**–**	(274)
Fair value loss/(gain) on financial assets at fair value through profit or loss	29(a),29(c)	**677**	(1,099)
Change in fair value of derivative financial instrument	21,29(a)	**(304)**	(1,291)
Impairment loss on unquoted equity investment in a joint venture no longer required	30	**(4,968)**	–
Provisions			
- for the year	30	**22**	1,268
- no longer required	30	**(2,297)**	(201)
Interest expense		**6,179**	3,843
Interest income	29(a)	**(7,836)**	(3,719)
Operating profit before working capital changes		**78,486**	261,328
Inventories and construction work-in-progress		**63**	390
Development properties		**(2,437)**	650,288
Receivables		**40,620**	(123,856)
Payables		**(98,780)**	(440,403)
Cash generated from operations		**17,952**	347,747
Interest paid		**(5,777)**	(3,858)
Income tax paid		**(44,411)**	(6,506)
Net cash (used in)/generated from operating activities		**(32,236)**	337,383
Balance carried forward		**(32,236)**	337,383

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 January 2016

	Note	**Year ended 31 January 2016 $'000**	Year ended 31 January 2015 $'000
Balance brought forward		**(32,236)**	337,383
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	16	**(2,264)**	(4,752)
Acquisition of investment properties	15	**–**	(1,832)
Acquisition of quoted equity investments	6(b)	**(199)**	(270)
Acquisition of non-controlling interest	14	**–**	(2,000)
Interest received		**5,870**	3,719
Increase in fixed deposit with maturity more than three months		**(343)**	(28)
Capital contribution made to joint ventures		**–**	(800)
Capital contribution made to an associated company		**(40,960)**	–
Junior bonds subscription in an associated company		**(32,000)**	–
Advances and loans made to joint ventures and associated companies		**(4,404)**	(76,344)
Capital return from joint ventures in liquidation		**–**	800
Proceeds from redemption of redeemable preference shares from a joint venture		**–**	7,726
Dividends from joint ventures		**70,446**	55,563
Loans from/(repayment to) joint ventures		**265**	(18,397)
Proceeds from disposal of quoted equity investments		**–**	3,748
Proceeds from disposal of property, plant and equipment		**3,927**	41
Proceeds from disposal of investment properties		**5,275**	–
Net cash generated from/(used in) investing activities		**5,613**	(32,826)
Cash Flows from Financing Activities			
Dividends paid to shareholders of the Company	34	**(36,941)**	(22,164)
Dividend paid to a non-controlling shareholder of a subsidiary		**–**	(2,682)
Loans from non-controlling shareholders of a subsidiary		**2,935**	7,296
Proceeds from bank borrowings		**8,051**	314,889
Repayment of bank borrowings		**(9,000)**	(470,154)
Repayment of loan to non-controlling shareholders of a subsidiary		**–**	(46,403)
Fixed deposit pledged		**(14)**	(3,006)
Net cash used in financing activities		**(34,969)**	(222,224)
Net (decrease)/increase in cash and cash equivalents		**(61,592)**	82,333
Cash and cash equivalents at beginning of year		**276,026**	194,050
Exchange differences on translations of cash and cash equivalents at beginning of year		**(557)**	(357)
Cash and cash equivalents at end of year	4	**213,877**	276,026

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The financial statements of the Group and of the Company for the financial year ended 31 January 2016 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company was incorporated and domiciled in Singapore and is listed on the Singapore Exchange.

The registered office of the Company is located at 80 Marine Parade Road #18-05/09, Parkway Parade, Singapore 449269.

The principal activities of the Company are those of general building contractors and investment holding. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

The immediate and ultimate holding company of the Company is Consistent Record Sdn. Bhd., a company incorporated in Malaysia.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations to FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are prepared in Singapore dollar (SGD or $) which is the Company's functional currency. All financial information is presented in Singapore dollar, rounded to the nearest thousand ($'000), unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below:

Significant judgements in applying accounting policies

<u>Impairment of available-for-sale equity instruments [Note 6(b)]</u>

At the balance sheet date, the fair values of certain quoted equity investments classified as available-for-sale financial assets with a carrying amount of $17,409,000 have declined below cost by $1,840,000. The Group has made a judgement that this decline is not significant or prolonged. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

The carrying amount of available-for-sale equity investments as at 31 January 2016 is $34,767,000 (2015 - $43,449,000). If a decline in fair value below cost was considered significant or prolonged, the Group would have recognised an additional loss of $1,840,000 (2015 - $Nil).

2(a) Basis of preparation (Cont'd)

Significant judgements in applying accounting policies (Cont'd)

Significant influence over Perennial Shenton Investors Pte. Ltd. and its subsidiaries (Note 13)

Management has assessed the level of influence that the Group has on Perennial Shenton Investors Pte. Ltd. and its subsidiaries and determined that it has significant influence because of its representation on the board of directors and at shareholders' meetings, contractual terms and its provision of essential technical information. Consequently, these investments have been classified as associated companies.

Classification of properties (Notes 11 and 15)

The Group determines whether a property is classified as investment property or development property:

- Investment properties comprise land and buildings (principally offices, retail units and commercial warehouse) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

- Development properties comprise completed properties for sale, properties for development and properties in the course of development in the ordinary course of business. Principally, these are residential, offices and retail properties that the Group develops and intends to sell before or on completion of construction.

Classification of OSC-Duxton (Vietnam) Joint Venture Company Limited as a joint venture (Note 12)

A wholly-owned subsidiary of the Company holds 75% of the voting rights of its joint arrangement, OSC-Duxton (Vietnam) Joint Venture Company Limited. The subsidiary has joint control over this arrangement as under the contractual agreement, unanimous consent is required from all parties to the agreements for all relevant activities. The subsidiary's joint arrangement is structured as a limited company and provides the subsidiary and the parties to the agreement with rights to the net assets of the limited company under the arrangement. Therefore, this arrangement is classified as a joint venture. The Group accounts for this joint venture using the equity method.

Income tax (Notes 17 and 31)

The Group has exposures to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies

Impairment of loans and receivables (Note 8)

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

The Company has assessed individually the interest receivables and found to be impaired and has not been included in the Group's loans and receivables that are collectively assessed for impairment.

The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 8 to the financial statements. If the present value of estimated future cash flows decrease by 10% from management's estimates for all past due loans and receivables, the Group's allowance for impairment will increase by $165,000 (2015 - increase by $741,000).

Construction contracts (Note 9)

The Group recognises profits from construction contracts using the percentage of completion method based on the stage of completion. The stage of completion is measured by reference to the architect's certification of value of work done to-date to the estimated total revenue for the contract.

Significant assumptions are used to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and architect's certificate of value of work done to-date.

If the revenue on uncompleted contracts at the end of reporting date increase/decrease by 10% from management's estimates, the Group's revenue will increase/decrease by $1,363,000 (2015 - $8,280,000).

If the contract costs of uncompleted contracts to be incurred increase/decrease by 10% from management's estimates, the Group's profit will decrease/increase by $1,290,000 (2015 - $7,890,000).

Significant judgement is also required to assess allowance made for foreseeable losses, if any, where the contract cost incurred for any project exceeds its contract sum. In estimating the total costs for construction contracts, management makes reference to information such as:

(a) current offers from contractors and suppliers;

(b) recent offers agreed with contractors and suppliers; and

(c) professional estimation on construction and material costs.

The carrying amount of the construction work-in-progress is disclosed in Note 9 to the financial statements.

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

Impairment of investment in subsidiaries (Note 14)

Determining whether investment in subsidiaries is impaired requires an estimation to the recoverable amounts of the investments in subsidiaries. The recoverable amounts of the investments in subsidiaries are estimated using the "fair value less costs of disposal" approach. Fair value is based on the revalued net assets of subsidiaries. In deriving the revalued net assets of these subsidiaries, the fair values of the underlying assets are estimated based on their expected selling prices and the fair values of the underlying liabilities are based on the estimated cash outflows to settle the obligations. Management has evaluated the recoverability of the investment based on such estimates.

The carrying value for completed development properties for sale [Note 11(a)]

Significant judgement is required in assessing the recoverability of the carrying value of completed development properties. Analysis has been carried out based on assumptions regarding the selling price and costs of properties. The Group closely monitors the property price index and market sentiments, and adjustments will be made if future market activity indicates that such adjustments are appropriate.

If the average selling price on completed development properties for sale increases/decreases by 10% from management's estimates, the Group's revenue will increase/decrease by $1,384,000 (2015 - $1,864,000).

The carrying value of completed development properties for sale is disclosed in Note 11(a) to the financial statements.

Depreciation of investment properties (Note 15)

Investment properties of the Group and the Company are depreciated on a straight-line basis over their estimated useful lives.

The carrying amounts of the Group's and the Company's investment properties as at 31 January 2016 are $315,915,000 (2015 - $283,826,000) and $18,812,000 (2015 - $20,665,000) respectively. If the actual useful lives of investment properties differ by 10% from management's estimates, the carrying amounts of the investment properties of the Group and the Company will be approximately $305,000 (2015 - $134,000) higher or $373,000 (2015 - $163,000) lower and approximately $55,000 (2015 - $67,000) higher or $67,000 (2015 - $82,000) lower respectively.

Depreciation of property, plant and equipment (Note 16)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 January 2016 are $162,463,000 (2015 - $59,780,000) and $5,155,000 (2015 - $5,072,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of property, plant and equipment differ by 10% from management's estimates, the carrying amounts of the property, plant and equipment of the Group and the Company will be approximately $415,000 (2015 - $481,000) higher or $507,000 (2015 - $588,000) lower and approximately $54,000 (2015 - $59,000) higher or $66,000 (2015 - $72,000) lower respectively.

The accounting policies used by the Group have been applied consistently to all periods presented in these financial statements.

2(b) Interpretations and amendments to published standards effective in 2015/2016

On 1 February 2015, the Group adopted the amended FRSs that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS. This includes the following FRSs which are relevant to the Group.

Reference	Description
Improvement to FRSs (January 2014)	
Amendments to FRS 16	Property, Plant and Equipment
Amendments to FRS 24	Related Party Disclosures
Amendments to FRS 103	Business Combinations
Amendments to FRS 108	Operating Segments
Improvement to FRSs (February 2014)	
Amendment to FRS 40	Investment Property
Amendment to FRS 103	Business Combinations
Amendment to FRS 113	Fair Value Measurement

The adoption of these amended FRSs did not result in substantial changes to the accounting policies of the Group and had no material effect on the amounts reported for the current or prior financial years.

2(c) FRS issued but not yet effective

The following are the new or amended FRSs which are relevant to the Group and the Company but are not yet effective and which the Group and the Company have not yet adopted:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
Amendments to:		
FRS 1	Disclosure Initiative	1 January 2016
FRS 7	Disclosure Initiative	1 January 2017
FRS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 16 and FRS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 27	Equity Method in Separate Financial Statements	1 January 2016
FRS 111	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 110 and FRS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
FRS 115	Revenue from Contracts with Customers	1 January 2018

2(c) FRS issued but not yet effective (Cont'd)

Reference	Description	Effective date (Annual periods beginning on or after)
Improvements to:		
FRS 19	Employee Benefits	1 January 2016
FRS 34	Interim Financial Reporting	1 January 2016
FRS 105	Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
FRS 107	Financial Instruments: Disclosures	1 January 2016

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

2(d) Summary of significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances. Information on its subsidiaries is given in Note 14 to the financial statements.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill, if any) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2(d) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;

- exposure, or rights or variable returns from its involvement with the investee; and

- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

- potential voting rights held by the Group, other vote holders or other parties;

- rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

<u>A change in the ownership interest</u>

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill if any), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs).

The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2(d) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Investment properties

Investment properties include those portions of office buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses, if any. Depreciation is computed using the straight-line method over its remaining lease period. Freehold land held as an investment property is not subject to depreciation.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to consolidated income statement. The cost of maintenance, repairs and minor improvement is charged to consolidated income statement when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in consolidated income statement.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation on other items of property, plant and equipment is computed using the straight-line method to allocate the cost of the assets over their estimated useful lives as follows:

Freehold property (hotel)	50 years
Plant, machinery and surveying equipment	5 to 20 years
Motor vehicles	4 to 10 years
Furniture, fittings and equipment	3 to 20 years
Renovation	10 years

2(d) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

Leasehold properties are amortised on the straight-line method over the remaining period of the lease.

No depreciation is provided on assets under construction.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment, if any.

Subsequent expenditure relating to a property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. All other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses on an individual subsidiary basis.

Investments in associated companies

An associated company is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group accounts for its investments in associated companies using the equity method from the date on which it becomes an associated company.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associated company's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associated companies is carried in the statements of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associated companies. The profit or loss reflects the share of results of operations of the associated companies. Distributions received from associated companies reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associated companies, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and loss resulting from transaction between the Group and the associated company are eliminated to the extent of the interest in the associated companies.

2(d) Summary of significant accounting policies (Cont'd)

Investments in associated companies (Cont'd)

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in associated company. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associated company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value and recognises the amount in consolidated income statement.

The financial statements of the associated company are prepared as of the same reporting date as the Group unless it is impracticable to do so. When the financial statements of an associated company used in applying the equity method are prepared as of a different reporting date from that of the Group (not more than three months apart), adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Group.

Upon loss of significant influence over the associated company or joint control in a joint arrangement, the Group measures any retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in consolidated income statement.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associated company on the same basis as would have been required if that associated company had directly disposed of the related assets or liabilities.

When an investment in an associated company becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associated company is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

2(d) Summary of significant accounting policies (Cont'd)

Joint arrangements (Cont'd)

The Group reassesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change. The Group does not have any joint arrangement classified as joint operation.

Investments in joint ventures at company level are stated at cost. The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. Refer to the accounting policy on "Investment in associated companies".

When financial statements of joint ventures with different reporting dates are used (not more than three months apart), if any, adjustments are made for the effects of any significant events or transactions between the investor and the joint ventures that occur between the date of the joint ventures' financial statements and the end of reporting period. Where this occurs, the reporting date of the financial statements of the joint venture shall be disclosed, together with the reason for using a different reporting period (see Note 12).

Financial assets

Financial assets, other than hedging instruments, if any, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs, except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in the consolidated income statement when received, regardless of how the related carrying amount of financial assets is measured.

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. In addition, derivative financial instruments that do not qualify for hedge accounting are classified as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of reporting period.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in consolidated income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the end of reporting period. These are classified as non-current assets.

Loans and receivables include other investments, trade and other receivables, related party balances and deposits held in banks. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write-back is recognised in the consolidated income statement.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the consolidated income statement for the period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in the consolidated income statement even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in the consolidated income statement shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in the consolidated income statement.

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Available-for-sale financial assets (Cont'd)

Impairment losses recognised in consolidated income statement for equity investments classified as available-for-sale are not subsequently reversed through consolidated income statement. Impairment losses recognised in consolidated income statement for debt instruments classified as available-for-sale are subsequently reversed in consolidated income statement if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of reporting period.

Determination of fair value

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing and valuation models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

Derivative financial instruments

A derivative financial instrument was initially recognised at its fair value on the date the contract was entered into and was subsequently carried at its fair value. The Group entered into an interest rate swap derivative contract to manage exposure that arose from fluctuations in interest rates. The derivative financial instrument did not qualify for hedge accounting and accordingly, the change in fair value of the derivative financial instrument was recognised in the consolidated income statement.

The carrying amount of a derivative financial instrument was presented as a non-current asset or liability if the remaining expected life was more than 12 months, and as a current asset or liability if the remaining expected life was less than 12 months.

Development properties

Development properties are properties being constructed or developed for future sale. These include completed properties and those in the course of development. Costs capitalised include cost of land and other directly related development expenditure, including borrowing costs incurred in developing the properties.

Capitalisation of borrowing costs ceases on issue of Temporary Occupation Permit. The capitalisation rate is determined by reference to the actual rate payable on borrowings for development property, weighted as applicable.

Each property under development is accounted for as a separate project. Where a project comprises more than one component or phase with a separate Temporary Occupation Permit, each component or phase is treated as a separate project, and interest and other net costs are apportioned accordingly.

Upon completion of construction, development properties are transferred to completed development properties for sale.

2(d) Summary of significant accounting policies (Cont'd)

Development properties (Cont'd)

Unsold properties under development

Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less total costs to complete development and selling expenses.

Sold properties under development

- the sales of which are recognised using the completion of construction method
  Revenue and cost on development properties that have been sold are recognised using the completion of construction method. Payments received from purchasers prior to completion are included in trade and other payables as "monies received in advance".

- the sales of which are recognised using the percentage of completion method
  The aggregated costs incurred together with attributable profits and net of progress billings are presented as development properties in the statements of financial position. If progress billings exceed costs incurred plus recognised profits, the balance is presented as deferred income.

The stage of completion is measured by reference to the development work to-date as certified by architects. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately.

Development properties are stated at the lower of cost and net realisable value. Net realisable value represents, the estimated selling price in the ordinary course of business, less estimated total costs of completion and selling expenses.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes all costs in bringing the inventories to their present location and condition.

Write-down is made, where necessary, for obsolete, slow-moving or defective inventories in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Construction work-in-progress

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised when incurred. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised by using the percentage of completion method. Contract costs comprise materials, direct labour, sub-contractors' costs and an appropriate proportion of overheads.

The percentage of completion is based on architect's certification of construction work completed.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately, irrespective of whether or not work has commenced.

2(d) Summary of significant accounting policies (Cont'd)

Construction work-in-progress (Cont'd)

The aggregated costs incurred and the profit/loss recognised on each contract are compared against progress billings up to the financial year end. Where costs incurred and recognised profit (less recognised losses) exceed progress billings, the balance is shown as due from customers on construction contracts under "construction work-in-progress". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on construction contracts under "trade and other payables". Customers advances, if any, are presented as "trade and other payables" in the statements of financial position.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits which are readily convertible to cash and which are subject to an insignificant risk of changes in value.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are deducted against the share capital account.

Financial liabilities

The Group's financial liabilities include bank borrowings, trade and other payables, and related party balances.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in "finance costs" in the consolidated income statement. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the consolidated income statement over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of reporting period are included in current liabilities in the statements of financial position even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's normal operating cycle are considered as current. Other borrowings due to be settled more than 12 months after the end of reporting period are included in non-current liabilities in the statements of financial position.

2(d) Summary of significant accounting policies (Cont'd)

Financial liabilities (Cont'd)

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Financial guarantees

The Company has issued corporate guarantees to banks for bank facilities granted to its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the respective parties fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair value plus transaction costs in the statements of financial position.

Financial guarantee contracts are subsequently amortised to the consolidated income statement over the period of the subsidiaries' borrowings, unless the Company has incurred an obligation to reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in consolidated income statement immediately.

The management reviews the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

2(d) Summary of significant accounting policies (Cont'd)

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Where the Group is the lessee

Rentals on operating leases are charged to the consolidated income statement on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination of lease, if any, are recognised in the consolidated income statement when incurred.

Where the Group is the lessor

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the consolidated income statement on a straight-line basis over the lease term.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions are complied with. When the grant is related to an expense item, it is recognised in the consolidated income statement over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

Employee benefits

Pension obligations

The Company and the Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. Contributions to CPF or other defined contribution plans are charged to the consolidated income statement in the period to which the contributions relate.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the estimated liability of the unconsumed leave as a result of services rendered by employees up to the end of reporting period.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. Directors and certain managerial personnel are considered key management personnel.

2(d) Summary of significant accounting policies (Cont'd)

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the date of the financial position; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the date of the financial position, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the consolidated income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2(d) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the consolidated income statement unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a revalued asset, if any, is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the consolidated income statement, a reversal of that impairment loss is recognised as income in the consolidated income statement.

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred or services rendered to the buyer. Revenue excludes goods and services taxes or value-added taxes and is arrived at after deduction of trade discounts, if any. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

<u>Construction contracts</u>

Revenue from construction contracts is recognised based on architect's certification of construction work completed.

<u>Hotel management services</u>

Fees from hotel management services are recognised when services are rendered.

<u>Rental income</u>

Revenue from rental is recognised on a monthly basis upon acceptance of tenancy. Rental incentives, if any, are considered an integral part of total rental cost.

<u>Development properties for sale</u>

- using the completion of construction method
  Revenue from sales of development properties is recognised when the Group has delivered the relevant properties to the purchaser and collectability of related receivable is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the statements of financial position under current liabilities - trade and other payables.

2(d) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Development properties for sale (Cont'd)

- using the percentage of completion method
  Revenue from sales of development properties is recognised by reference to the stage of completion using the percentage of completion method when the Group determines that:

  (a) control and the significant risks and rewards of ownership of the construction work-in-progress transfer to the buyer in its current state as construction progresses;

  (b) the sales price is fixed and collectible;

  (c) the percentage of completion can be measured reliably;

  (d) there is no significant uncertainty as to the ability of the Group to complete the development; and

  (e) costs incurred or to be incurred can be measured reliably.

  The percentage of completion is measured by reference to the work performed, based on the ratio of construction costs incurred to-date to the estimated total construction costs. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

  During the financial year ended 31 January 2016, no revenue from sales of development properties under percentage of completion method have been recognised.

Hotel and restaurant operations

Revenue from hotel and restaurant operations is recognised when services are rendered.

Interest income

Interest income is recognised on a time-apportioned basis using the effective interest method.

Dividend income

Dividend income from investments is recognised when the right to receive the dividend has been established.

Government grant

Cash grant received from the government is recognised as income upon receipt.

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar, which is also the functional currency of the Company.

2(d) Summary of significant accounting policies (Cont'd)

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the end of reporting date are recognised in the consolidated income statement. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to consolidated income statement, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within "finance costs". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates at the date of the transactions.

Group entities

The results and financial positions of all the entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of the reporting period;

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at the exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve in equity.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends, if any, are simultaneously proposed and declared, because of the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

2(d) Summary of significant accounting policies (Cont'd)

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the joint managing directors who regularly review the segment results in order to allocate resources to the segments and to assess segment performance.

3 Revenue

Revenue of the Group includes revenue from construction building and engineering work, sale of development properties, hotel management services and operations, rental income, dividend income from investments and excludes inter-company transactions, and applicable goods and services taxes or value-added taxes. The segment analysis of the Group is disclosed in Note 36 to the financial statements.

4 Cash and cash equivalents

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Cash	**66**	72	**4**	8
Bank balances	**54,341**	62,465	**12,630**	17,077
	54,407	62,537	**12,634**	17,085
Fixed deposits (less than three months)	**159,470**	213,489	**135,000**	193,000
	213,877	276,026	**147,634**	210,085

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Singapore dollar	**196,026**	262,240	**143,666**	205,296
Australian dollar	**12,640**	7,400	**3,823**	3,760
Malaysian Ringgit	**1,024**	1,936	**129**	1,022
Chinese Renminbi	**3,397**	3,904	**–**	–
Vietnamese Dong	**528**	142	**–**	–
United States dollar	**262**	404	**16**	7
	213,877	276,026	**147,634**	210,085

The Group

The fixed deposits earn an effective interest rate of 1.55% (2015 - 1.11%) per annum which mature on varying dates between the earliest, 1 February 2016 (2015 - 2 February 2015) and the latest, 18 March 2016 (2015 - 18 March 2015).

Included in cash and bank balances of the Group of $54,407,000 (2015 - $62,537,000) is a sum of $6,832,000 (2015 - $13,988,000) maintained by certain subsidiaries in project accounts with a financial institution. Included in the project accounts is a sum of $5,361,000 (2015 - $6,375,000) which can only be applied in accordance with Housing Developers (Project Account) Rules 1997.

The Company

The fixed deposits earn an effective interest rate of 1.55% (2015 - 1.10%) per annum which mature on 1 February 2016 (2015 - 23 February 2015).

Fixed deposits that mature less than three months are classified as part of cash and cash equivalents.

5 Fixed deposits

Included in fixed deposits of $5,123,000 (2015 - $4,766,000) is a fixed deposit of $3,020,000 (2015 - $3,006,000) of a subsidiary pledged as security for bank borrowings of $177,000,000 granted to the said subsidiary (Note 23).

The fixed deposits earn interest at an effective interest rate of 1.03% (2015 - 1.37%) per annum which mature on 21 April 2016 (2015 - 25 May 2015), being the earliest date and 29 July 2016 (2015 - 29 July 2015), being the latest date.

Fixed deposits are denominated in the following currencies:

The Group	**2016** **$'000**	2015 $'000
Singapore dollar	**3,020**	3,006
Chinese Renminbi	**2,103**	1,760
	5,123	4,766

6 Investments

		The Group		The Company	
	Note	**2016** **$'000**	2015 $'000	**2016** **$'000**	2015 $'000
(a) Current					
Financial assets at fair value through profit or loss					
- quoted equity investments					
Balance at beginning of year		**5,441**	4,342	**–**	–
Fair value (loss)/gain recognised in consolidated income statement	29(a), 29(c)	**(677)**	1,099	**–**	–
Balance at end of year, at fair value		**4,764**	5,441	**–**	–
Market value of quoted equity investments		**4,764**	5,441	**–**	–

6 Investments (Cont'd)

	Note	The Group 2016 $'000	The Group 2015 $'000	The Company 2016 $'000	The Company 2015 $'000
(b) Non-current					
Available-for-sale financial assets - quoted equity investments					
Balance at beginning of year		**48,960**	47,084	**2,244**	2,243
Additions		**199**	270	**–**	–
Disposals		**–**	(3,883)	**–**	–
Fair value (losses)/gains recognised in other comprehensive income	26	**(8,623)**	5,585	**(560)**	57
Exchange translation difference		**(258)**	(96)	**(149)**	(56)
Balance at end of year		**40,278**	48,960	**1,535**	2,244
Accumulated impairment loss					
Balance at beginning of year		**(5,511)**	(5,646)	**(140)**	(140)
Transfer to retained profits upon disposal of available-for-sale investment		**–**	135	**–**	–
Balance at end of year		**(5,511)**	(5,511)	**(140)**	(140)
Balance at end of year, at fair value		**34,767**	43,449	**1,395**	2,104
Market value of quoted equity investments		**34,767**	43,449	**1,395**	2,104

The fair value of quoted equity investments is determined by reference to stock exchange quoted bid closing prices.

(c) Other investments

The other investments relate to the unquoted debt instrument for funding a business opportunity when Huatland Development Pte. Ltd. ("Huatland"), a wholly-owned subsidiary of the Company, executed a letter of participation. This is in connection with the acquisition of 20% equity interest in Perennial Shenton Investors Pte. Ltd. ("PSI") for the acquisition of AXA Tower located at 8 Shenton Way, Singapore 068811. The total purchase consideration was $1,170,000,000, translating to $1,735 per square feet based on the existing net lettable area of 674,000 square feet. AXA Tower is on a site with balance lease term of about 66.5 years. The acquisition was undertaken in a consortium of investors led by Perennial Real Estate Holdings Limited.

On 24 April 2015, arising from this acquisition, Huatland agreed and accepted to subscribe for unquoted junior bonds issued by PSI with a principal amount of $32,000,000 managed by PSI. The unquoted junior bonds are expected to mature in a single lump sum in 2025, subject to the inclination of disposing AXA Tower property should there be possible business opportunities arisen. The bonds carry interest at the rate of 10% per annum and are secured by a legal mortgage over the AXA Tower property but subordinated to all senior borrowings of PSI. In respect of the financial year ended 31 January 2016, the effective interest rate of bonds is 6.1% per annum.

7 Amounts owing by/to non-controlling shareholders of subsidiaries (non-trade)

(a) Amounts owing by non-controlling shareholders of subsidiaries (non-trade)

The non-trade amounts of $350,000 (2015 - $4,357,000) owing by non-controlling shareholders of subsidiaries represent advances which are unsecured and interest-free. They are repayable on demand.

The non-trade amounts owing by non-controlling shareholders of subsidiaries are denominated in the following currencies:

The Group	**2016 $'000**	2015 $'000
Singapore dollar	**–**	4,000
Chinese Renminbi	**350**	357
	350	4,357

(b) Amounts owing to non-controlling shareholders of subsidiaries (non-trade)

The Group	**2016 $'000**	2015 $'000
Non-trade amounts owing to non-controlling shareholders of subsidiaries		
- advances	**415**	431
- non-interest bearing loans	**50,908**	–
- notional interest on loans	**2,335**	–
- interest-bearing loans	**–**	60,314
- interest on loans	**3,236**	3,236
	56,894	63,981
Amount repayable:		
Not later than one year	**415**	431
Later than one year and not later than five years	**56,479**	63,550
Later than five years	**–**	–
	56,894	63,981

7 Amounts owing by/to non-controlling shareholders of subsidiaries (non-trade) (Cont'd)

(b) Amounts owing to non-controlling shareholders of subsidiaries (non-trade) (Cont'd)

Advances

The advances of $415,000 (2015 - $431,000) owing to a non-controlling shareholder of a subsidiary, are unsecured, interest-free and repayable on demand.

Interest-bearing loans

The interest-bearing loans owing to non-controlling shareholders of subsidiaries as at 31 January 2015 were unsecured and carried an interest rate of 4% per annum. In the opinion of the directors of the Company, the interest rate was carried at commercial terms.

On 1 February 2015, the loans totalling $60,314,000 have been converted to non-interest bearing loans.

Non-interest bearing loans

Interest is imputed on the non-interest bearing loans that are equal to the principal amounts. A notional discount rate of 4% per annum has been applied to calculate the liability to its fair value on an annual re-pricing basis up till the repayment dates, 31 March 2017, being the earliest date and 3 January 2020, being the latest date.

The non-trade amounts owing to non-controlling shareholders of subsidiaries are denominated in the following currencies:

The Group	**2016** **$'000**	2015 $'000
Singapore dollar	**56,479**	63,550
Australian dollar	**415**	431
	56,894	63,981

8 Trade and other receivables

	Note	The Group 2016 $'000	The Group 2015 $'000	The Company 2016 $'000	The Company 2015 $'000
Due within one year					
Trade receivables					
Trade receivables		**5,147**	19,869	**2,985**	11,003
Accrued rental income		**1,697**	–	**110**	–
Accrued billings		**103**	8,866	**25**	10,143
Accrued receivables		**115,896**	129,700	**–**	–
Retention money					
- third parties		**5,375**	8,938	**5,375**	8,938
- subsidiaries		**–**	–	**8,401**	13,324
	9	**5,375**	8,938	**13,776**	22,262
		128,218	167,373	**16,896**	43,408
Allowance for impairment loss of trade receivables					
Balance at beginning of year		**–**	–	**–**	–
Allowance during the year	29(c),30	**(166)**	–	**–**	–
Balance at end of year		**(166)**	–	**–**	–
Net trade receivables	(i)	**128,052**	167,373	**16,896**	43,408
Other receivables					
Advances to an employee		**526**	540	**–**	–
GST receivable		**54**	390	**–**	388
Staff loans		**25**	34	**25**	34
Interest receivable					
- unquoted junior bonds		**1,959**	–	**–**	–
- banks		**143**	136	**128**	111
		2,102	136	**128**	111
Dividend receivable		**–**	–	**53**	53
Rental receivable		**–**	367	**–**	367
Deposits		**492**	764	**197**	261
Prepayments		**644**	1,058	**93**	65
Recoverable expenses		**12**	293	**4**	–
Tax recoverable		**138**	59	**–**	–
Sundry debtors		**368**	208	**80**	87
		4,361	3,849	**580**	1,366
Allowance for impairment loss of other receivables					
Balance at beginning of year		**(378)**	(62)	**(369)**	–
Allowance during the year	29(c),30	**–**	(369)	**–**	(369)
Allowance no longer required	29(a),30	**369**	53	**369**	–
Balance at end of year		**(9)**	(378)	**–**	(369)
Net other receivables	(ii)	**4,352**	3,471	**580**	997
	(i)+(ii)	**132,404**	170,844	**17,476**	44,405
Due after one year					
Other receivables	(iii)	**72**	67	**–**	–
Total	(i)+(ii)+(iii)	**132,476**	170,911	**17,476**	44,405

8 Trade and other receivables (Cont'd)

Trade and other receivables are denominated in the following currencies:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Singapore dollar	**129,253**	168,228	**17,476**	44,405
Vietnamese Dong	**1,428**	1,010	**–**	–
Australian dollar	**1,719**	1,591	**–**	–
United States dollar	**72**	67	**–**	–
Chinese Renminbi	**1**	12	**–**	–
Malaysian Ringgit	**3**	3	**–**	–
	132,476	170,911	**17,476**	44,405

All trade and other receivables are subject to credit risk exposure where the credit terms are generally between 30 days and 90 days (2015 - 30 days and 90 days). However, the Group does not identify specific concentrations of credit risk with regards to trade and other receivables, as the amounts recognised resemble a large number of receivables from various customers.

The trade receivables ageing are generally between 30 days and 90 days (2015 - 30 days and 90 days), excluding the retention money withheld. Retention money from construction works withheld will be paid upon the issuance of maintenance certificates from architects.

The ageing analysis of trade receivables, excluding accrued rental income, accrued billings, accrued receivables and retention money, is as follows:

(i) Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are substantially customers with a good track collection record with the Group and the Company.

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Current	**3,333**	12,459	**2,473**	10,978

Other receivables of the Group and the Company of $4,352,000 (2015 - $3,471,000) and $580,000 (2015 - $997,000) respectively, that are not impaired and categorised as financial assets as disclosed in this report, are considered current and not past due.

8 Trade and other receivables (Cont'd)

(ii) Financial assets that are past due but not impaired

The ageing analysis of trade receivables past due but not impaired is as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Past due 0 to 3 months	**1,477**	7,181	**512**	25
Past due 3 to 6 months	**166**	210	**–**	–
Past due over 6 months	**5**	19	**–**	–
	1,648	7,410	**512**	25

(iii) Financial assets that are past due and impaired

The ageing analysis of trade and other receivables past due and impaired is as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Trade receivables				
- Past due 0 to 3 months	**16**	–	**–**	–
- Past due 3 to 6 months	**107**	–	**–**	–
- Past due over 6 months	**43**	–	**–**	–
	166	–	**–**	–
Other receivables				
- Past due 0 to 3 months	**–**	90	**–**	90
- Past due 3 to 6 months	**–**	176	**–**	176
- Past due over 6 months	**9**	112	**–**	103
	9	378	**–**	369

Based on historical default rates, the directors of the Company are of the opinion that no impairment is necessary in respect of trade receivables not past due or past due but not impaired as these receivables are mainly arising from customers that have a good credit record with the Group and the Company.

Impairment on trade and other receivables is made on specific debts for which the directors of the Company are of the opinion that these debts are long outstanding and are not recoverable.

Accrued rental income relates to the apportionment of free rental period over lease term.

Accrued billings relate to work done that has yet to be billed as at the end of the reporting period.

Accrued receivables represent mainly the remaining balances of sales consideration not yet billed on completed development properties sold.

8 Trade and other receivables (Cont'd)

Advances to an employee of a subsidiary relate to advances for business use in the operations of a wholly-owned subsidiary, Vinametric Limited. These advances are unsecured, interest-free and repayable on demand.

The staff loans are unsecured and interest-free and are repayable within 12 months from the end of the reporting period.

Interest receivable from unquoted junior bonds of $1,959,000 is at an effective interest rate of 6.1% per annum.

9 Construction work-in-progress

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Construction costs	**159,669**	211,568	**308,830**	516,464
Attributable profits	**13,325**	18,944	**80,866**	43,844
	172,994	230,512	**389,696**	560,308
Progress billings received and receivable	**(172,994)**	(230,512)	**(389,582)**	(560,308)
	–	–	**114**	–
Contracts-in-progress at end of reporting period:				
Due from customers on construction contracts	**–**	–	**114**	–
Due to customers on construction contracts	**–**	–	**–**	–
	–	–	**114**	–
(i) Contract revenue recognised during the year	**19,669**	85,207	**23,552**	203,524
(ii) Retentions on construction contracts (Note 8)	**5,375**	8,938	**13,776**	22,262
(iii) Included in construction costs are the following:				
Depreciation of property, plant and equipment (Note 16)	**119**	120	**119**	120
Directors' remuneration	**304**	482	**304**	482

10 Inventories

The Group	2016 $'000	2015 $'000
At cost,		
Hotel supplies	**205**	113
Restaurant supplies	**282**	327
	487	440
Cost of inventories included in cost of sales	**4,008**	4,070

11(a) Completed development properties for sale

The Group	Note	2016 $'000	2015 $'000
Balance at beginning of year		**15,302**	–
Transfer from development properties		**–**	1,150,014
Transfer to investment properties	15	**–**	(270,609)
Transfer to property, plant and equipment	16	**–**	(914)
Exchange difference		**(15)**	–
Sales during the year		**(5,626)**	(863,189)
Balance at end of year, cost		**9,661**	15,302
Impairment loss on completed development properties for sale			
Balance at beginning of year		**(885)**	–
Allowance for the year	29(c),30	**–**	(885)
Exchange difference		**15**	–
Balance at end of year		**(870)**	(885)
		8,791	14,417
Cost of development properties included in cost of sales		**5,626**	863,189

During the financial year ended 31 January 2015, two development properties projects had obtained Temporary Occupancy Permits ("TOP") and the details at the end of reporting period are as follows:

Name/Location		Description of development	Tenure/ Group's interest in property	Site area (sq. metres)	Estimated gross floor area (sq. metres)	Date of TOP
(1)	Parkland Residences Upper Serangoon Crescent, Singapore	4 tower blocks of 18-storey with a total of 680 residential units	103-year leasehold land/100%	20,000	70,000	29 October 2014
(2)	Paya Lebar Square 60 Paya Lebar Road, Singapore	10-storey office tower above a 3-storey retail podium	99-year leasehold land/80%	14,852	62,378	3 November 2014

11(b) Development properties

The Group	Note	**2016 $'000**	2015 $'000
Properties in the course of development			
- land and other related costs		**93,907**	–
- development costs		**2,698**	–
		96,605	–
Properties for development			
- land and other related costs		**165,872**	254,415
Transfer to property, plant and equipment	16	**(124,404)**	–
Transfer to investment properties	15	**(41,468)**	–
		–	254,415
Impairment loss on development property			
Balance at beginning of year		**(23,200)**	–
Allowance for the year	29(c), 30	**–**	(23,200)
Transfer to property, plant and equipment	16	**17,400**	–
Transfer to investment properties	15	**5,800**	–
Balance at end of year		**–**	(23,200)
		96,605	231,215

Interest costs of $4,101,000 (2015 - $2,768,000) have been capitalised during the financial year ended 31 January 2016 at effective interest rates ranging from 2.32% to 4.00% (2015 - 1.78% to 4.00%) per annum based on actual borrowing costs.

Details of development properties for development as at the end of reporting period are as follows:

Name/Location	Description of development	Tenure/ Group's interest in property	Site area (sq. metres)	Estimated gross floor area (sq. metres)	Stage of completion/ Expected date of TOP
Kismis Residence Lorong Kismis, Singapore	Mixed residential development with 31 units of landed terrace houses and 7 units of strata-landed (cluster) houses	Freehold land/70%	6,530	17,920	7% Q3 2018/19

As at the end of reporting period, all properties in the course of development and for development of the Group have been pledged to a financial institution to secure bank borrowings (Note 23).

Towards the end of the financial year ended 31 January 2016, the Group transferred Balestier Towers to investment property [Note 15(c)(5)] and property, plant and equipment [Note 16(iii)] arising from a change in use of property. The development is changed to mixed commercial/serviced apartments from mixed commercial/residential apartments. It will comprise of a 20-storey tower block of service apartments above a 4-storey retail podium. The commercial podium will be leased to third parties and serviced apartments will be owner-managed by the Group.

12 Joint ventures

	Note	The Group 2016 $'000	The Group 2015 $'000	The Company 2016 $'000	The Company 2015 $'000
Contributions made towards joint ventures:					
- Joint ventures		**7,331**	7,331	**2,363**	2,953
- Exchange fluctuation difference		**17**	(182)	**–**	(590)
Discount implicit in non-current loans to joint ventures		**11,272**	–	**11,272**	–
Amounts owing by joint ventures (non-trade):					
- Interest-free		**8,906**	7,675	**8,906**	7,675
- Exchange fluctuation difference		**(571)**	–	**(571)**	–
		26,955	14,824	**21,970**	10,038
Share of retained profits in joint ventures		**(14,841)**	69,378	**5,107**	5,595
Exchange fluctuation difference		**426**	468	**–**	–
Impairment loss on joint ventures					
Balance at beginning of year		**(4,968)**	–	**(5,709)**	(5,709)
Impairment loss during the year	29(c),30	**–**	(4,968)	**(9,989)**	–
Impairment loss no longer required	29(a),30	**4,968**	–	**–**	–
Impairment loss written off		**–**	–	**488**	–
Balance at end of year		**–**	(4,968)	**(15,210)**	(5,709)
	(i)	**12,540**	79,702	**11,867**	9,924
Amounts owing by joint ventures (non-trade):					
- Non-interest bearing loans		**73,276**	–	**73,276**	–
- Notional interest on loans		**6,203**	–	**6,203**	–
- Interest-bearing loans		**–**	84,548	**–**	84,548
- Interest on loans		**–**	2,951	**–**	2,951
		79,479	87,499	**79,479**	87,499
Impairment loss on joint ventures					
Balance at beginning of year		**–**	–	**–**	–
Impairment loss during the year		**–**	–	**(1,888)**	–
Balance at end of year		**–**	–	**(1,888)**	–
	(ii)	**79,479**	87,499	**77,591**	87,499
Total	(i) + (ii)	**92,019**	167,201	**89,458**	97,423
Share of results in joint ventures, net of tax		**(13,774)**	10,147	**–**	–

12 Joint ventures (Cont'd)

The non-trade amounts owing by joint ventures are regarded as an extension of the Company's net investment in the joint ventures because they are neither planned nor likely to be settled in the foreseeable future. They represent net investment with indeterminable repayments. These non-trade amounts owing are unsecured and interest-free.

During the financial year ended 31 January 2016, the Company assessed the carrying amounts of its investments in joint ventures for indications of impairment. Based on this assessment, the Company recognised an impairment loss totalling $9,989,000 (2015 - Nil) due to its investments in joint ventures incurring losses from their business activities. The recoverable amounts of the investments have been determined based on the revalued net asset position of these joint ventures as at 31 January 2016 which is classified under Level 3 of the fair value hierarchy.

The impairment loss on joint ventures of $4,968,000 (2015 - Nil) has been reversed as the Group does not recognise further losses that exceed its interests in these joint ventures where the Group has not incurred further obligations to these joint ventures.

<u>Interest-bearing loans</u>

In the financial year ended 31 January 2015, it was reported that the loans owing by joint ventures of $84,548,000 were unsecured and carried an interest rate of 4% per annum. In the opinion of the directors of the Company, the interest rate was carried at commercial terms.

During the financial year ended 31 January 2016, the directors of the Company take the view that the loans of $84,548,000 owing by joint ventures are interest-free and the then interest of $2,951,000 should be regarded as notional interest instead. The rate remains at 4% per annum and reclassifications have been made accordingly.

<u>Non-interest bearing loans</u>

Interest is imputed on the non-interest bearing loans that are equal to the principal amounts. A notional discount rate of 4% per annum has been applied to calculate the financial asset to its fair value on an annual re-pricing basis, up till the repayment dates, 31 March 2018, being the earliest date and 31 March 2019, being the latest date.

All amounts owing by joint ventures are denominated in Singapore dollar.

12 Joint ventures (Cont'd)

Details of the joint ventures at the end of the reporting period are as follows:

	Name of joint venture	Country of incorporation/ principal place of business	Proportion of ownership interests and voting rights held by the Group		Principal activities	Different reporting period other than 31 January
			2016 **%**	2015 %		
(1), (7)	Duchess Walk Pte. Ltd.	Singapore	**30**	30	Developed Duchess Residences on a parcel of land at Duchess Avenue	31 December
(2)	Peak Garden Pte. Ltd.	Singapore	**40**	40	Developed the Minton on a parcel of land at Hougang Street 11	31 December
(3)	Bina Meganmas Sdn. Bhd.	Malaysia	**49**	49	To build bungalow lots at Bandar Seri Alam, Johor	–
(4), (7)	Promatik Emas Sdn. Bhd.	Malaysia	**25**	25	Developed Panaroma, a parcel of land at Persiaran Hampshire, Kuala Lumpur	31 December
(4), (7)	Suasana Simfoni Sdn. Bhd.	Malaysia	**20**	20	In liquidation	31 December
(6)	OSC - Duxton (Vietnam) Joint Venture Company Limited	Socialist Republic of Vietnam	**75**	75	To develop residential apartments, office building and a five–star hotel at Front Beach, Vung Tau City, Socialist Republic of Vietnam	31 December
(5)	Westgate Tower Pte. Ltd.	Singapore	**40**	40	Property investment	–
(5)	Westgate Commercial Pte. Ltd.	Singapore	**40**	40	Property investment	–

(1) Audited by PricewaterhouseCoopers LLP, Singapore

(2) Audited by KPMG LLP, Singapore

(3) Audited by Crowe Horwath, Malaysia

(4) Audited by PricewaterhouseCoopers, Malaysia

(5) Audited by Foo Kon Tan LLP

(6) Interest is held through a subsidiary and audited by Ernst & Young LLP, Socialist Republic of Vietnam. Not consolidated as the entity is not controlled by the Group and deemed to be a joint venture as the Group shares the control of the entity.

(7) These joint ventures are subsidiaries of a public company, UOL Group Limited, listed with The Singapore Exchange. The results of these joint ventures are based on audited results to 31 December 2015, all within three months of the year-end of the Group. No adjustments were made to these joint ventures' financial results as in the opinion of the directors, there were no material transactions and events that had occurred in the intervening period.

12 Joint ventures (Cont'd)

The Group is unable to obtain timely information of Peak Garden Pte. Ltd. and OSC-Duxton (Vietnam) Joint Venture Company Limited for the intervening period arising from the extent of the joint venture arrangements. The results of these joint ventures are based on audited results to 31 December 2015, all within three months of the year-end of the Group. No adjustments were made to these joint venturers' financial results as in the opinion of the directors, there were no material transactions and events that had occurred in the intervening period.

The Group has a 75% equity interest at a cost of $4,968,000 (2015 - $4,968,000) in OSC-Duxton (Vietnam) Joint Venture Company Limited ("OSC-Duxton"), which is to develop residential apartments, office building and a five-star hotel at Front Beach, Vung Tau City in Vietnam. OSC-Duxton is deemed to be a joint venture of the Group, accounted using the equity method of accounting as the strategic, operating, investing and financing key decisions required the unanimous approval of its venturers.

In accordance with Rule 716 of The Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its joint ventures would not compromise the standard and effectiveness of the audit of the Group and of the Company.

Details of material joint ventures

Summarised financial information in respect of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with FRSs (adjusted by the Group for equity accounting purposes).

Summarised statement of financial position

	Westgate Commercial Pte. Ltd.	Westgate Tower Pte. Ltd.	Total
	$'000	$'000	$'000
2016			
Current assets	12,831	7,548	20,379
Includes			
- Cash and cash equivalents	9,222	3,424	12,646
Non-current assets	298,000	288,202	586,202
Current liabilities	(32,899)	(30,841)	(63,740)
Includes			
- Financial liabilities (excluding trade and other payables and provisions)	–	(1,600)	(1,600)
Non-current liabilities	(282,690)	(260,536)	(543,226)
Includes			
- Financial liabilities (excluding trade and other payables and provisions)	(282,690)	(260,536)	(543,226)
Net assets/(liabilities)	(4,758)	4,373	(385)

12 Joint ventures (Cont'd)

Details of material joint ventures (Cont'd)

Summarised statement of comprehensive income

	Westgate Commercial Pte. Ltd. $'000	Westgate Tower Pte. Ltd. $'000
2016		
Revenue	**6,983**	**6,536**
Net loss and total comprehensive expenses for the year	**(14,203)**	**(7,498)**

The above loss for the year includes the following:

	Westgate Commercial Pte. Ltd. $'000	Westgate Tower Pte. Ltd. $'000
2016		
Depreciation	**(3,239)**	**(3,092)**
Interest expense	**(8,248)**	**(7,861)**

Summarised statement of financial position

	Peak Garden Pte. Ltd. $'000	Suasana Simfoni Sdn. Bhd. $'000	Westgate Commercial Pte. Ltd. $'000	Westgate Tower Pte. Ltd. $'000	Total $'000
2015					
Current assets	202,945	10,325	12,069	11,285	236,624
Includes					
- Cash and cash equivalents	24,855	10,324	11,427	10,654	57,260
Non-current assets	–	–	307,598	291,136	598,734
Current liabilities	(12,913)	(6,689)	(31,708)	(31,246)	(82,556)
Includes					
- Financial liabilities (excluding trade and other payables and provisions)	(11,590)	–	–	(526)	(12,116)
Non-current liabilities	(12,891)	–	(291,196)	(274,801)	(578,888)
Includes					
- Financial liabilities (excluding trade and other payables and provisions)	–	–	(291,196)	(274,801)	(565,997)
Net assets/(liabilities)	177,141	3,636	(3,237)	(3,626)	173,914

12 Joint ventures (Cont'd)

Details of material joint ventures (Cont'd)

Summarised statement of comprehensive income

	Peak Garden Pte. Ltd.	Suasana Simfoni Sdn. Bhd.	Westgate Commercial Pte. Ltd.	Westgate Tower Pte. Ltd.
	$'000	$'000	$'000	$'000
2015				
Revenue	–	221,520	20	–
Net profit/(loss) and total comprehensive income/ (expenses) for the year/period	(1,591)	75,207	(4,236)	(4,625)
Dividends received from the joint venture during the year	40,012	14,346	–	–

The above profit/(loss) for the year/period include the following:

	Peak Garden Pte. Ltd.	Suasana Simfoni Sdn. Bhd.	Westgate Commercial Pte. Ltd.	Westgate Tower Pte. Ltd.
	$'000	$'000	$'000	$'000
2015				
Depreciation	–	–	(1,073)	(1,014)
Interest income	12	927	–	–
Interest expense	(288)	–	(2,237)	(2,138)
Income tax credit/(expense)	16	(25,162)	–	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint ventures recognised in the consolidated financial statements is as follows:

The Group	**2016** **$'000**	2015 $'000
Net assets/(liabilities) of material joint ventures	**(385)**	173,914
Proportion of the Group's ownership interests in the joint ventures	**(125)**	68,838
Other adjustment		
- Amount owing by joint ventures	**79,479**	87,547
Carrying amount of material joint ventures	**79,354**	156,385
Carrying amount of individually immaterial joint ventures	**12,665**	10,816
Carrying amount of Group's interest in joint ventures	**92,019**	167,201

12 Joint ventures (Cont'd)

Aggregate information of joint ventures that are not individually material

The Group	2016 $'000	2015 $'000
Share of loss after taxation and total comprehensive expenses for the year	**(5,123)**	(37)

Commitments for expenditure

The Group's commitments, including its share of commitments made jointly with other joint venturers, are as follows:

The Group	2016 $'000	2015 $'000
Capital expenditure (Note 35.2)	**–**	2,798

13 Associated companies

		The Group		The Company	
		2016	2015	**2016**	2015
		$'000	$'000	**$'000**	$'000
Unquoted equity investments		**46,270**	5,310	**–**	–
Amounts owing by associated companies (non-trade)					
- interest-free loans		**3,305**	3,522	**56**	–
	(i)	**49,575**	8,832	**56**	–
Share of post-acquisition profits		**2,518**	5,816	**–**	–
Exchange fluctuation difference		**(1,969)**	(1,240)	**–**	–
	(ii)	**549**	4,576	**–**	–
	(i)+(ii)	**50,124**	13,408	**56**	–
Share of associated companies' results, net of tax		**(2,884)**	835	**–**	–

The non-trade loans owing by associated companies have no fixed terms of repayment. They are unsecured, interest-free and are neither planned nor likely to be settled in the foreseeable future. They represent loans with indeterminable repayments.

13 Associated companies (Cont'd)

Details of the associated companies at the end of the reporting period are as follows:

	Name	Country of incorporation/ principal place of business	Proportion of ownership interests and voting rights held by the Group		Principal activities
			2016	2015	
			%	%	
	Held by Prodev Pte Ltd				
(1)	Binakawa Sdn. Bhd.	Malaysia	**49**	49	Property development and investment holding
	Held by Huatland Development Pte. Ltd.				
(2)	Perennial Shenton Investors Pte. Ltd. ("PSI") (previously known as Perennial 8 Shenton Investors Pte. Ltd.)	Singapore	**20**	–	Investment holding
	Held by PSI				
(2)	Perennial Shenton Holding Pte. Ltd. (previously known as Perennial 8 Shenton Holding Pte. Ltd.)	Singapore	**20**	–	Investment holding
(2)	Perennial Shenton Properties Pte. Ltd. (previously known as Raffle AXA Tower Pte. Limited)	Singapore	**20**	–	Property investment

(1) Audited by Crowe Horwath, Malaysia

(2) Audited by KPMG LLP, Singapore

These associated companies are accounted for using the equity method in these consolidated financial statements of the Group.

In accordance with Rule 716 of The Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its associated companies would not compromise the standard and effectiveness of the audit of the Group and of the Company.

13 Associated companies (Cont'd)

Details of material associated company

Summarised financial information in respect of the Group's material associated company is set out below. The summarised financial information below represents amounts shown in the associated company's consolidated financial statements prepared in accordance with FRSs (adjusted by the Group for equity accounting purposes).

Summarised statement of financial position

	PSI and its subsidiaries	
	2016	2015
	$'000	$'000
Current assets	**24,523**	–
Includes		
- Cash and cash equivalents	**21,253**	–
Non-current assets	**1,246,919**	–
Current liabilities	**(26,945)**	–
Includes		
- Financial liabilities (excluding trade and other payables and provisions)	**(24,718)**	–
Non-current liabilities	**(982,416)**	–
Includes		
- Financial liabilities (excluding trade and other payables and provisions)	**(971,765)**	–
Net assets	**262,081**	–

Summarised statement of comprehensive income

	PSI and its subsidiaries	
	2016	2015
	$'000	$'000
Revenue	**99,983**	–
Net profit and total comprehensive income for the year	**57,280**	–
Dividends received from the associated company during the year	**–**	–

The above profit for the year include the following:

	PSI and its subsidiaries	
	2016	2015
	$'000	$'000
Interest income	**64**	–
Interest expense	**(27,912)**	–
Income tax expense	**(724)**	–

13 Associated companies (Cont'd)

Details of material associated company (Cont'd)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associated companies recognised in the consolidated financial statements is as follows:

The Group	**2016 $'000**	2015 $'000
Net assets of material associated companies	**262,081**	–
Proportion of the Group's ownership interests in the associated companies	**52,416**	–
Other adjustment		
- Adjustment for fair value gain and depreciation expense of investment property for the difference in group's accounting policy for investment properties	**(13,939)**	–
Carrying amount of material associated companies	**38,477**	–
Carrying amount of an individually immaterial associated company	**11,647**	13,408
Carrying amount of Group's interest in associated companies	**50,124**	13,408

Aggregate information of associated company that is not individually material

The Group	**2016 $'000**	2015 $'000
Share of (loss)/profit and total comprehensive (expense)/income	**(401)**	835

Commitments for expenditure

The Group's commitments, including its share of commitments made jointly with associated companies, are as follows:

The Group	**2016 $'000**	2015 $'000
Capital expenditure (Note 35.2)	**1,068**	–

14 Subsidiaries

The Company		2016 $'000	2015 $'000
Unquoted equity investments		**10,301**	9,301
Discount implicit in non-current loan to subsidiaries		**44,181**	–
Amounts owing by subsidiaries (non-trade):			
- interest-free		**68,591**	68,632
		123,073	77,933
Impairment loss on investments in subsidiaries			
Balance at beginning of year		**(14,363)**	(4,021)
Allowance for the year		**(5,984)**	(10,353)
Allowance no longer required		**1,060**	11
Balance at end of year		**(19,287)**	(14,363)
	(i)	**103,786**	63,570
Amounts owing by subsidiaries (non-trade):			
- non-interest bearing loans		**169,001**	–
- notional interest on loans		**7,470**	–
- interest-bearing loans		**–**	137,046
- interest on loans		**–**	6,005
		176,471	143,051
Impairment loss on receivables			
Balance at beginning of year		**(1,189)**	–
Allowance for the year		**–**	(1,189)
Allowance no longer required		**1,189**	–
Balance at end of year		**–**	(1,189)
	(ii)	**176,471**	141,862
Total	(i)+(ii)	**280,257**	205,432

The non-trade amounts owing by subsidiaries are regarded as an extension of the Company's net investment in the subsidiaries because they are neither planned nor likely to be settled in the foreseeable future. They represent net investment with indeterminable repayments. The non-trade amounts owing are unsecured and interest-free.

During the financial year ended 31 January 2016, the Company assessed the carrying amounts of its investments in subsidiaries for indications of impairment. Based on this assessment, the Company recognised an impairment loss totalling $5,984,000 (2015 - $10,353,000) mainly due to its investments in subsidiaries incurring losses from their business activities. The recoverable amounts of the investments have been determined based on the revalued net asset position of these subsidiaries as at 31 January 2016 which is classified under Level 3 of the fair value hierarchy.

The impairment loss on investments in subsidiaries of $1,060,000 (2015 - $11,000) has been reversed as a result of an increase in the recoverable amounts of certain subsidiaries.

14 Subsidiaries (Cont'd)

Interest-bearing loans

The interest-bearing loans owing by subsidiaries as at 31 January 2015 were unsecured and carried interest rates ranging from 1.9% to 4% per annum. In the opinion of the directors of the Company, the interest rates were carried at commercial terms.

During the financial year ended 31 January 2016, the Company has reviewed the operational cash flows of its subsidiaries where interests charged since inception has been carried forward and the management believes that such interests charged on the loans are deemed uncollectible. An amount to the extent of $5,512,000 has been written off in the financial year ended 31 January 2016 for the said interest receivable as these subsidiaries demonstrated to the Company their inability to make payments if recalled. The remaining balance of $137,539,000 have been converted to non-interest bearing loans.

Non-interest bearing loans

Interest is imputed on the non-interest bearing loans that are equal to the principal amounts. A notional discount rate of 4% per annum has been applied to calculate the financial asset to its fair value on an annual re-pricing basis, up till the repayment dates, 31 March 2017, being the earliest date and 24 April 2025, being the latest date.

All amounts owing by subsidiaries are denominated in Singapore dollar.

Acquisition of additional interest in a subsidiary

On 2 December 2014, the Group acquired the remaining 1% equity interest in a subsidiary, Balestier Tower Pte. Ltd. for a purchase consideration of $2,000,000. The Group now holds 100% of the equity share capital of Balestier Tower Pte. Ltd. The carrying amount of the non-controlling interest in Balestier Tower Pte. Ltd. on the date of acquisition was $5,000 in deficit. The Group derecognised non-controlling interest of $5,000 and recorded a decrease in equity attributable to owners of the parent of $2,005,000.

The effect of change in the ownership interest of Balestier Tower Pte. Ltd. on the equity attributable to owners of the Company during the year is summarised as follows:

The Company	**2016** **$'000**	2015 $'000
Carrying amount of non-controlling interest acquired	**–**	5
Consideration paid to non-controlling interest	**–**	2,000
Excess of consideration paid recognised in parent's equity	**–**	2,005

Effect of transaction with non-controlling interest on the equity attributable to owners of the parent for the year ended 31 January 2015:

The Company	**2016** **$'000**	2015 $'000
Changes in equity attributable to shareholders of the Company arising from		
- acquisition of additional interest in the subsidiary	**–**	2,005
Net effect on parent's equity	**–**	2,005

14 Subsidiaries (Cont'd)

Details of the subsidiaries at the end of the reporting period are as follows:

	Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of ownership interests and voting rights held by the Group		Principal activities
			2016	2015	**2016**	2015	
			$'000	$'000	**%**	%	
	Subsidiaries held by the Company						
	Kwan Hwee Investment Pte Ltd	Singapore	**3,230**	3,230	**100**	100	Property development and investment holding
	Low Keng Huat International Pte Ltd	Singapore	**3,000**	3,000	**100**	100	Investment holding
	Quality Investments Pte Ltd	Singapore	**500**	500	**100**	100	Investment holding
	Prodev Pte Ltd	Singapore	**10**	10	**100**	100	Investment holding
	LKH (Saigon) Pte. Ltd.	Singapore	**10**	10	**100**	100	Investment holding
	Bali Investment Pte. Ltd.	Singapore	*	*	**100**	100	Investment holding
	Dalton Investment Pte. Ltd.	Singapore	*	*	**100**	100	Investment holding
	Duxton Hotel (Pte.) Ltd.	Singapore	*	*	**100**	100	Hotel management services
	Domitian Investment Pte. Ltd.	Singapore	*	*	**100**	100	Investment holding
	Thyme Saigon Pte Ltd	Singapore	-	*	-	100	Struck off
	Balestier Tower Pte. Ltd.	Singapore	**2,000**	2,000	**100**	100	Property investment
	Vigor Investments Pte Ltd	Singapore	-	*	-	100	Struck off
	LKH (Construction) Pte. Ltd.	Singapore	*	*	**100**	100	Investment holding
	Starworth Pte. Ltd.	Singapore	*	*	**100**	100	Investment holding
	Siong Feng Development Pte. Ltd.	Singapore	*	*	**100**	100	Investment holding
	Huatland Development Pte. Ltd.	Singapore	**1,000**	*	**100**	100	Investment holding
	East Peak Development Pte. Ltd.	Singapore	*	*	**100**	100	Investment holding
	Kendall Pte Ltd	Singapore	**1**	1	**75**	75	Investment holding
	Paya Lebar Square Pte. Ltd.	Singapore	**550**	550	**55**	55	Property investment
	Subsidiary held by Bali Investment Pte. Ltd.						
(1)	Vista Mutiara Sdn Bhd	Malaysia	+	+	**100**	100	Investment holding
	Subsidiaries held by Starworth Pte. Ltd.						
	Carnivore Brazilian Churrascaria Pte. Ltd.	Singapore	+	+	**100**	100	Restaurant
	22 Dempsey Pte. Ltd.	Singapore	+	+	**100**	100	Inactive
	Balance carried forward		**10,301**	9,301			

14 Subsidiaries (Cont'd)

	Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of ownership interests and voting rights held by the Group		Principal activities
			2016	2015	**2016**	2015	
			$'000	$'000	**%**	%	
	Balance brought forward		**10,301**	9,301			
	Subsidiary held by Dalton Investment Pte. Ltd.						
(2)	Vinametric Limited	Socialist Republic of Vietnam	**+**	+	**100**	100	Hotel owner and operator
	Subsidiaries held by Duxton Hotel (Pte.) Ltd.						
	Duxton Hotels International Pty Ltd	Australia	**+**	+	**100**	100	Owner of trademark
	Subsidiaries held by Kendall Pte Ltd						
(3)	Amuret Pty Ltd	Australia	**+**	+	**75**	75	Investment holding
	Subsidiaries held by Low Keng Huat International Pte Ltd						
(3)	Narymal Pty Ltd	Australia	**+**	+	**75**	75	Hotel management
(4)	Shanghai Nova Realty Development Co., Ltd	People's Republic of China	**+**	+	**63**	63	Investment holding
(4)	Shanghai Xinfeng Realty Development Co., Ltd	People's Republic of China	**+**	+	**60**	60	Property development
	Pyline Pte Ltd	Singapore	**-**	+	**-**	75	Struck off
	Subsidiary held by Quality Investments Pte Ltd						
	Herman Investments Pte Ltd	Singapore	**+**	+	**100**	100	Investment holding
	Subsidiary held by Siong Feng Development Pte. Ltd.						
	Paya Lebar Development Pte. Ltd.	Singapore	**+**	+	**80**	80	Property development
	Subsidiary held by East Peak Development Pte. Ltd.						
	Newfort Alliance (Kismis) Pte. Ltd.	Singapore	**+**	+	**70**	70	Property development
			10,301	9,301			

* Represents amount less than $500

(1) Audited by Crowe Horwath, Malaysia

(2) Audited by Ernst & Young LLP, Socialist Republic of Vietnam

(3) Audited by PricewaterhouseCoopers LLP, Australia

(4) Audited by Shanghai Credental Certified Public Accountants Co., Ltd, People's Republic of China

\+ Interest held through subsidiaries

In accordance with Rule 716 of The Singapore Exchange Securities Trading Limited - Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group and of the Company.

14 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Country of incorporation/ principal place of business	Profit/(loss) allocated to non-controlling interests	Accumulated non-controlling interests	Dividends paid to non-controlling interests
		$'000	$'000	$'000
2016				
Held by the Company				
Paya Lebar Square Pte. Ltd.	Singapore	**162**	**9,722**	**–**
Held by a subsidiary				
Narymal Pty Ltd	Australia	**789**	**3,203**	**–**
2015				
Held by the Company				
Paya Lebar Square Pte. Ltd.	Singapore	(174)	248	–
Held by a subsidiary				
Paya Lebar Development Pte. Ltd.	Singapore	28,801	26,561	–

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

Summarised statement of financial position

	Paya Lebar Square Pte. Ltd.	Narymal Pty Ltd
	$'000	$'000
2016		
Non-current assets	**313,406**	**305**
Current assets	**22,435**	**15,123**
Non-current liabilities	**(274,744)**	**–**
Current liabilities	**(39,493)**	**(2,615)**
Equity attributable to owners of the Company	**21,604**	**12,813**

14 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

Summarised statement of financial position (Cont'd)

	Paya Lebar Square Pte. Ltd. $'000	Paya Lebar Development Pte. Ltd. $'000
2015		
Non-current assets	316,784	–
Current assets	22,178	174,738
Non-current liabilities	(293,520)	–
Current liabilities	(44,891)	(41,931)
Equity attributable to owners of the Company	551	132,807

Summarised statement of comprehensive income

	Paya Lebar Square Pte. Ltd. $'000	Narymal Pty Ltd $'000
2016		
Revenue	**17,811**	**26,932**
Expenses	**(17,451)**	**(23,775)**
Profit for the year	**360**	**3,157**
Net profit and total comprehensive income attributable to		
- owners of the Company	**198**	**2,368**
- non-controlling interests	**162**	**789**
Net profit and total comprehensive income for the year	**360**	**3,157**

	Paya Lebar Square Pte. Ltd. $'000	Paya Lebar Development Pte. Ltd. $'000
2015		
Revenue	3,708	1,052,815
Expenses	(4,095)	(908,810)
(Loss)/profit for the year	(387)	144,005
Net (loss)/profit and total comprehensive (expense)/income attributable to		
- owners of the Company	(213)	115,204
- non-controlling interests	(174)	28,801
Net (loss)/profit and total comprehensive (expense)/income for the year	(387)	144,005

14 Subsidiaries (Cont'd)

Details of non-wholly owned subsidiaries that have material non-controlling interests (Cont'd)

Other summarised information

	Paya Lebar Square Pte. Ltd. $'000	Narymal Pty Ltd $'000
2016		
Net cash inflow from operating activities	**10,690**	**2,872**
Net cash outflow from investing activities	**(6,076)**	**–**
Net cash (outflow)/inflow from financing activities	**(3,621)**	**2,438**
Net cash inflow	**993**	**5,310**

	Paya Lebar Square Pte. Ltd. $'000	Paya Lebar Development Pte. Ltd. $'000
2015		
Net cash inflow from operating activities	1,833	459,797
Net cash (outflow)/inflow from investing activities	(180,373)	56
Net cash inflow/(outflow) from financing activities	189,708	(455,318)
Net cash inflow	11,168	4,535

15 Investment properties

		The Group		The Company	
	Note	**2016 $'000**	2015 $'000	**2016 $'000**	2015 $'000
Cost					
Balance at beginning of year		**291,697**	21,894	**27,845**	8,760
Additions		**–**	1,832	**–**	6,508
Disposals		**(8,784)**	–	**(8,784)**	–
Transfer from development properties	11(b)	**41,468**	–	**–**	–
Transfer from completed development properties for sale	11(a)	**–**	270,609	**–**	–
Transfer from/(to) property, plant and equipment	16	**1,581**	(2,638)	**–**	12,577
Balance at end of year		**325,962**	291,697	**19,061**	27,845
Accumulated depreciation					
Balance at beginning of year		**7,871**	7,528	**7,180**	6,440
Depreciation for the year	30	**3,358**	1,469	**602**	740
Disposals		**(7,533)**	–	**(7,533)**	–
Transfer from/(to) property, plant and equipment	16	**551**	(1,126)	**–**	–
Balance at end of year		**4,247**	7,871	**249**	7,180
Accumulated impairment loss					
Balance at beginning of year		**–**	–	**–**	–
Transfer from development properties	11(b)	**5,800**	–	**–**	–
Balance at end of year		**5,800**	–	**–**	–
Net book value		**315,915**	283,826	**18,812**	20,665
Fair value		**457,280**	431,742	**22,089**	31,742

(a) Investment properties are leased to third parties under operating leases [Note 35.1(b)].

(b) The following amounts are recognised in the consolidated income statement:

The Group	Note	**2016 $'000**	2015 $'000
Income			
Rental income included in:			
- revenue		**17,810**	2,166
- other operating income	29(a)	**1,472**	1,136
Expenses			
Direct operating expenses arising from:			
- investment properties that generated rental income		**7,330**	2,816
- investment properties that did not generate rental income		**53**	50

15 Investment properties (Cont'd)

(c) The investment properties as at the end of reporting period held by the Group comprise:

	Location	Description	Area (sq. metres)	Tenure	Net book value 2016 $'000	2015 $'000
(1)	80 Marine Parade Road, 18th Floor of Parkway Parade, Singapore	2 office units	234	99 years lease commencing 17 August 1979	**1,030**	–
(2)	1790 PT Plot A14609, Sungei Kadut Loop, Singapore	Warehouse	4,620	30 years lease commencing 1 March 1995	**–**	1,653
(3)	60 Paya Lebar Road, Paya Lebar Square Retail Podium, Singapore	159 retail units	12,374	Leasehold 99 years commencing 25 July 2011	**264,224**	267,021
(4)	60 Paya Lebar Road, Paya Lebar Square Office Units, Singapore	4 office units	1,002	Leasehold 99 years commencing 25 July 2011	**14,993**	15,152
(5)	207 Balestier Road, Balestier Towers Singapore	Commercial retail units	2,546	Freehold	**35,668**	–
					315,915	283,826

Notes:

(1) During the financial year ended 31 January 2016, two office units were transferred from property, plant and equipment to investment properties because they were no longer used by the Group and was decided that these office units would be leased to third parties.

In January 2016, the directors of the Company estimated the market value to be $3,841,000 (December 2014 - $4,410,000) for these 2 office units located at 80 Marine Parade Road based on the current market trend and with reference to indicative prices for similar office units in the area.

(2) During the financial year ended 31 January 2016, the Company has issued an option to sell the warehouse, together with that held as leasehold properties [Note 16(ii)(2)] to a third party, for a consideration of $9,200,000. The sale has been approved by JTC on 18 March 2015.

On 31 August 2015, the sale and purchase transaction was completed upon the transfer of ownership and a gain of $4,024,000 [Note 29(a)] has been recognised in the consolidated income statement for the financial year ended 31 January 2016.

(3) On 9 March 2016, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte Ltd, valued the retail units to be $396,000,000 (2015 - $400,000,000) as at 31 January 2016 based on the property's highest-and-best use using the Direct Comparison Method and Income Capitalisation Method.

At the end of reporting period, this property had been pledged to a financial institution to secure bank borrowings granted to a subsidiary (Note 23).

(4) In January 2016, the directors of the Company estimated the market value to be $22,089,000 (2015 - $22,542,000) for these 4 office units located at 60 Paya Lebar Road based on the current market trend and with reference to indicative prices for similar office units in the area.

(5) On 21 March 2016, a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte Ltd, valued the property under development to be $141,400,000 as at 21 March 2016 based on the property's land value of a mixed commercial cum serviced apartment development using the Direct Comparison Method.

Towards the end of the financial year ended 31 January 2016, the Group reclassified $35,668,000 being the net book value of retail component from development property [Note 11(b)] to investment property due to the change in use of property.

At the end of reporting period, this property has been pledged to a financial institution to secure bank borrowings granted to a subsidiary (Note 23).

The directors of the Company are of the view that there is no significant change in the market values of the above properties from the respective valuation dates to 31 January 2016.

16 Property, plant and equipment

The Group	Note	Freehold property $'000	Leasehold properties $'000	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Construction -in-progress $'000	Total $'000
Cost									
At 1 February 2014		25,577	34,339	41,117	2,280	3,993	3,704	–	111,010
Additions		–	1,680	1,423	205	836	608	–	4,752
Transfer from completed development properties for sale	11(a)	–	914	–	–	–	–	–	914
Transfer from investment properties	15	–	2,638	–	–	–	–	–	2,638
Disposals		–	–	(864)	(67)	(551)	(2,892)	–	(4,374)
Exchange translation difference		(1,283)	2,076	(2,164)	2	16	–	–	(1,353)
At 31 January 2015		**24,294**	**41,647**	**39,512**	**2,420**	**4,294**	**1,420**	**–**	**113,587**
Additions		**–**	**310**	**477**	**–**	**797**	**680**	**–**	**2,264**
Reclassification		**–**	**(360)**	**–**	**–**	**360**	**–**	**–**	**–**
Transfer from development properties	11(b)	**–**	**–**	**–**	**–**	**–**	**–**	**124,404**	**124,404**
Transfer to investment properties	15	**–**	**(1,581)**	**–**	**–**	**–**	**–**	**–**	**(1,581)**
Disposals		**–**	**(4,220)**	**(105)**	**–**	**(123)**	**(5)**	**–**	**(4,453)**
Exchange translation difference		**(816)**	**639**	**(1,425)**	**(1)**	**(18)**	**–**	**–**	**(1,621)**
At 31 January 2016		**23,478**	**36,435**	**38,459**	**2,419**	**5,310**	**2,095**	**124,404**	**232,600**
Accumulated depreciation									
At 1 February 2014		2,903	15,944	26,742	616	2,565	1,342	–	50,112
Depreciation for the year		227	1,091	2,533	230	583	627	–	5,291
Transfer from investment properties	15	–	1,126	–	–	–	–	–	1,126
Disposals		–	–	(353)	(67)	(413)	(1,388)	–	(2,221)
Exchange translation difference		(183)	1,027	(1,617)	3	18	–	–	(752)
At 31 January 2015		**2,947**	**19,188**	**27,305**	**782**	**2,753**	**581**	**–**	**53,556**
Depreciation for the year		**204**	**1,141**	**2,124**	**243**	**635**	**217**	**–**	**4,564**
Transfer to investment properties	15	**–**	**(551)**	**–**	**–**	**–**	**–**	**–**	**(551)**
Disposals		**–**	**(4,133)**	**(92)**	**–**	**(123)**	**(4)**	**–**	**(4,352)**
Exchange translation difference		**(115)**	**331**	**(950)**	**(1)**	**(11)**	**–**	**–**	**(746)**
At 31 January 2016		**3,036**	**15,976**	**28,387**	**1,024**	**3,254**	**794**	**–**	**52,471**

16 Property, plant and equipment (Cont'd)

The Group	Note	Freehold property $'000	Leasehold properties $'000	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Construction -in-progress $'000	Total $'000
Accumulated impairment loss									
At 1 February 2014		–	–	198	–	100	786	–	1,084
Written-off		–	–	(198)	–	(100)	(786)	–	(1,084)
Impairment loss for the year	29(c), 30	–	–	52	–	29	170	–	251
At 31 January 2015		–	–	52	–	29	170	–	251
Written-off		–	–	–	–	–	(1)	–	(1)
Impairment loss for the year	29(c), 30	–	–	–	–	–	16	–	16
Transfers from development properties	11(b)	–	–	–	–	–	–	17,400	17,400
At 31 January 2016		–	–	52	–	29	185	17,400	17,666
Net book value									
At 31 January 2016		**20,442**	**20,459**	**10,020**	**1,395**	**2,027**	**1,116**	**107,004**	**162,463**
At 31 January 2015		21,347	22,459	12,155	1,638	1,512	669	–	59,780

16 Property, plant and equipment (Cont'd)

The Company	Leasehold properties $'000	Plant, machinery and surveying equipment $'000	Motor vehicles $'000	Furniture, fittings and equipment $'000	Renovation $'000	Construction -in-progress $'000	Total $'000
Cost							
At 1 February 2014	8,207	131	2,181	739	–	7,945	19,203
Additions	–	–	205	115	–	4,632	4,952
Transfer to investment properties	–	–	–	–	–	(12,577)	(12,577)
Disposals	–	–	–	(267)	–	–	(267)
At 31 January 2015	8,207	131	2,386	587	–	–	11,311
Additions	–	–	–	126	633	–	759
Written-off	–	(47)	–	(30)	–	–	(77)
Disposals	(4,198)	–	–	(17)	–	–	(4,215)
At 31 January 2016	4,009	84	2,386	666	633	–	7,778
Accumulated depreciation							
At 1 February 2014	4,850	97	544	363	–	–	5,854
Depreciation for the year	323	11	225	93	–	–	652
Disposals	–	–	–	(267)	–	–	(267)
At 31 January 2015	5,173	108	769	189	–	–	6,239
Depreciation for the year	207	8	239	126	10	–	590
Written-off	–	(47)	–	(30)	–	–	(77)
Disposals	(4,112)	–	–	(17)	–	–	(4,129)
At 31 January 2016	1,268	69	1,008	268	10	–	2,623
Net book value							
At 31 January 2016	2,741	15	1,378	398	623	–	5,155
At 31 January 2015	3,034	23	1,617	398	–	–	5,072

	Note	The Group 2016 $'000	The Group 2015 $'000	The Company 2016 $'000	The Company 2015 $'000
Depreciation expense charged to:					
Construction costs					
- current year	9	**119**	120	**119**	120
Income statement		**4,445**	5,171	**471**	532
		4,564	5,291	**590**	652

16 Property, plant and equipment (Cont'd)

(i) The freehold property comprises:

Location	Description	Land area (sq. metres)	Tenure
No.1 St. George's Terrace Perth Western Australia Australia	306-room Duxton Hotel, Perth	3,410	Freehold

On 31 January 2016, a firm of independent professional valuers, Savills Valuations Pty Ltd, valued the freehold property to be A$104,000,000 ($105,872,000) as at 31 January 2016 based on the Discounted Cash Flow Method and Capitalisation Method.

(ii) The leasehold properties as at the end of reporting period comprise:

	Location	Description	Area (sq. metres)	Tenure	Net book value 2016 $'000	Net book value 2015 $'000
(1)	63 Nguyen Hue, Ho Chi Minh City Socialist Republic of Vietnam	198-room hotel	2,002	50 years lease commencing 25 September 1992	**14,862**	15,506
(2)	1790 PT Plot A14609 Sungei Kadut Loop Singapore	Warehouse	3,439	30 years lease commencing 1 March 1995	**–**	250
(3)	80 Marine Parade Road 18th Floor of Parkway Parade Singapore	7 office units	804	99 years lease commencing 17 August 1979	**3,745**	3,784
(4)	80 Marine Parade Road 18th Floor of Parkway Parade Singapore	2 office units	234	99 years lease commencing 17 August 1979	**–**	1,048
(5)	60 Paya Lebar Road 4th Floor of Paya Lebar Square Singapore	1 office unit	123	99 years lease commencing 25 July 2011	**1,852**	1,871
					20,459	22,459

16 Property, plant and equipment (Cont'd)

Notes:

(1) Subsequent to the end of reporting period, Dalton Investments Pte. Ltd., a wholly-subsidiary of the Company, has entered into a Capital Assignment Agreement with a third party to assign and transfer 100% of the undivided right, title and interests in and to the charter capital of its subsidiary, wholly-owned, Vinametric Limited who owns the leasehold property, Duxton Hotel Saigon located at 63 Ngyuen Hue, District 51, Ho Chi Minh City, Vietnam for an aggregate consideration of approximately $68,600,000 (US$49,000,000) (Note 41).

(2) During the financial year ended 31 January 2016, the Company has issued an option to sell the warehouse, together with that held as investment property [Note 15(c)(2)] to a third party, for a consideration of $9,200,000. The sale has been approved by JTC on 18 March 2015.

On 31 August 2015, the sale and purchase transaction was completed upon the transfer of ownership and a gain of $3,827,000 [Note 29(a)] has been recognised in the consolidated income statement for the financial year ended 31 January 2016.

(3) In January 2016, the directors of the Company estimated the market value to be $13,194,000 (December 2014 - $15,147,000) for these 7 office units located at 80 Marine Parade Road based on the current market trend and with reference to indicative prices for similar office units in the area.

(4) During the financial year ended 31 January 2016, two office units were transferred from property, plant and equipment to investment properties because they were no longer used by the Group and it was decided that these office units would be leased to third parties where a party has expressed interest in the lease.

(5) In January 2016, the directors of the Company estimated the market value to be $2,710,000 (December 2014 - $2,767,000) for the office unit located at 60 Paya Lebar Road based on the current market trend and with reference to indicative prices for similar office units in the area.

(iii) The property under construction in progress comprises:

Location	Description	Area (sq. metres)	Tenure
207 Balestier Road Singapore	Serviced apartment	7,641	Freehold

As explained in Note 11(b) to the financial statements, towards the end of the financial year ended 31 January 2016, the freehold property located at Balestier Road has been reclassified and transferred from development property [Note 11(b)] to property, plant and equipment and investment property [Note 15(c)(5)]. This property which is regarded primarily the land itself was valued at $141,365,000 based on a valuation on 24 March 2015 carried out by a firm of independent professional valuers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd using the Direct Comparison Method and Residual Method.

On 21 March 2016, a valuation carried out by a firm of independent professional valuers, Savills Valuation & Professional Services (S) Pte Ltd using the Direct Comparison Method valued the land to be $141,400,000 as at 21 March 2016. The impairment loss of $23,200,000 as disclosed in Note 11(b) is the sum of $17,400,000 and $5,800,000 allocated to property, plant and equipment and investment property respectively.

At the end of the reporting period, this property has been pledged to a financial institution to secure bank borrowings granted to a subsidiary (Note 23).

The directors of the Company are of the view that there is no significant change in the market values of the above properties from the respective valuation dates to 31 January 2016.

17 Deferred taxation

The Group	2016 $'000	2015 $'000
Deferred tax assets		
Balance at beginning of year	**313**	3,369
Transfer to income statement (Note 31)	**280**	(3,049)
Exchange fluctuation difference	**(4)**	(7)
Balance at end of year	**589**	313
To be recovered		
- within one year	**212**	–
- after one year	**377**	313
	589	313

The deferred tax assets balance comprises tax on the following temporary differences:

The Group	Excess of tax written down value over net book value of property, plant and equipment $'000	Recognition of costs on uncompleted projects $'000	Total $'000
At 1 February 2014	227	3,142	3,369
Credited to income statement	21	(3,070)	(3,049)
Exchange fluctuation difference	(7)	–	(7)
At 31 January 2015	**241**	**72**	**313**
Charged to income statement	**280**	**–**	**280**
Exchange fluctuation difference	**(4)**	**–**	**(4)**
At 31 January 2016	**517**	**72**	**589**

The Group	2016 $'000	2015 $'000
Deferred tax liabilities		
Balance at beginning of year	**14**	52
Transfer to income statement (Note 31)	**977**	(38)
Balance at end of year	**991**	14
To be settled		
- within one year	**977**	–
- after one year	**14**	14
	991	14

17 Deferred taxation (Cont'd)

The deferred tax liabilities balance comprises tax on the following temporary differences:

The Group	Excess of net book value over tax written down value of property, plant and equipment $'000	Dividends and interest income not remitted $'000	Total $'000
At 1 February 2014	38	14	52
Credited to income statement	(38)	–	(38)
At 31 January 2015	**–**	**14**	**14**
Charged to income statement	**977**	**–**	**977**
At 31 January 2016	**977**	**14**	**991**

18 Trade and other payables

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Trade payables	**48,239**	135,390	**36,634**	116,294
<u>Other payables</u>				
Deposits received from third parties	**4,657**	4,889	**85**	300
Monies received in advance	**839**	2,409	**–**	–
Payables for directors' profit sharing	**3,586**	12,457	**3,586**	12,457
Dividend payable	**18**	18	**–**	–
Rental received in advance	**59**	302	**12**	74
Interest payable	**754**	337	**–**	207
GST payable	**800**	799	**417**	–
Liabilities owing to tax authorities for business tax	**223**	219	**–**	–
Advances from employees	**535**	541	**–**	–
Amount owing to a related party	**6**	–	**–**	–
Sundry payables	**3,566**	3,858	**165**	261
	15,043	25,829	**4,265**	13,299
	63,282	161,219	**40,899**	129,593

18 Trade and other payables (Cont'd)

Trade and other payables are denominated in the following currencies:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Singapore dollar	**59,436**	157,069	**40,899**	129,593
Australian dollar	**2,395**	2,775	**–**	–
Vietnamese Dong	**1,368**	1,270	**–**	–
Malaysian Ringgit	**6**	10	**–**	–
Chinese Renminbi	**77**	95	**–**	–
	63,282	161,219	**40,899**	129,593

Due to their short duration, management considers the carrying amounts recognised in the statements of financial position to be reasonable approximation of their fair values.

The liabilities owing to tax authorities relate to business tax liability payable to Vietnamese tax authorities for operating gaming centre which ceased operations since 2010.

19 Amounts owing to subsidiaries (non-trade)

The Company

The non-trade amounts of $14,478,000 (2015 - $55,672,000) owing to subsidiaries represent advances, which are unsecured and interest-free. They are repayable on demand.

The non-trade amounts owing to subsidiaries are denominated in the following currencies:

	2016	2015
The Company	**$'000**	$'000
Singapore dollar	**13,278**	54,372
Malaysian Ringgit	**1,200**	1,300
	14,478	55,672

20 Amounts owing to joint ventures (non-trade)

The Group and the Company

The amounts owing to joint ventures represent advances which are unsecured and interest-free. They are repayable on demand.

The non-trade amounts owing to joint ventures are denominated in Singapore dollar.

21 Derivative financial instrument

	2016		2015	
	Contract notional amount	**Net liability at fair value**	Contract notional amount	Net liability at fair value
The Group and the Company	**$'000**	**$'000**	$'000	$'000
Financial liability through profit or loss				
Interest rate swap contract	**–**	**–**	50,000	304

The Group entered into an interest rate swap to manage its exposure to interest rate risk by swapping from fixed rates to floating rates. Contracts with aggregated nominal values of $50,000,000 (2015 - $50,000,000) had fixed interest payments at 2.85% (2015 - 2.85%) per annum from 1 March 2012 to 2 March 2015 and had floating interest receipts pegged to Swap Offer Rate. The net position of the interest rate swap was settled on a quarterly basis.

The fair value of the interest rate swap was determined by the bank using a valuation model and assumptions that were based on market conditions existing at the end of reporting period. The Group did not designate its interest rate swap contract as hedging instrument. Accordingly, the reported fair value gain of $304,000 (2015 - $1,291,000) was recognised in the profit or loss.

The interest rate swap contract matured on 2 March 2015 and the Group has fully settled its final payment of interest upon maturity.

22 Provisions

		The Group		The Company	
		2016	2015	**2016**	2015
	Note	**$'000**	$'000	**$'000**	$'000
Current					
Onerous contracts in respect of operating leases	(a)	**118**	791	**–**	–
Reinstatement of premises	(b)	**75**	221	**–**	–
Employee termination benefits	(c)	**–**	1,800	**–**	1,800
		193	2,812	**–**	1,800
Non-current					
Onerous contracts in respect of operating leases	(a)	**–**	392	**–**	–
Severance pay	(d)	**256**	267	**–**	–
		256	659	**–**	–
Total		**449**	3,471	**–**	1,800

22 Provisions (Cont'd)

(a) Onerous contracts in respect of operating leases

Resulting from the closures of certain food and beverage outlets, the Group has negotiated with the landlords for early termination before the expiry of the operating leases and has made provision for the early termination based on discounted net present value of the future office operating lease rental payments.

Movement in provision for onerous contracts in respect of operating leases is as follows:

		The Group		The Company	
		2016	2015	**2016**	2015
	Note	**$'000**	$'000	**$'000**	$'000
Current					
Balance at beginning of year		**791**	181	**–**	–
Provision for the year	30	**–**	791	**–**	–
Provision utilised		**(412)**	–	**–**	–
Provision no longer required	29(a),30	**(261)**	(181)	**–**	–
Balance at end of year		**118**	791	**–**	–
Non-current					
Balance at beginning of year		**392**	–	**–**	–
Provision for the year	30	**–**	392	**–**	–
Provision no longer required	29(a),30	**(392)**	–	**–**	–
Balance at end of year		**–**	392	**–**	–

(b) Reinstatement of premises

Provision for reinstatement of premises is the estimated costs of dismantlement, removal or restoration of plant and equipment arising from the acquisition and use of restaurant assets, which are capitalised and included in the cost of plant and equipment. The provision is based on estimates made from historical data associated with reinstatement works on contracts of similar nature. The Group expects to incur the liability over the next one year.

Movement in provision for reinstatement of premises is as follows:

		The Group		The Company	
		2016	2015	**2016**	2015
	Note	**$'000**	$'000	**$'000**	$'000
Balance at beginning of year		**221**	195	**–**	–
Provision for the year	30	**–**	47	**–**	–
Amortisation of discount		**2**	5	**–**	–
Provision utilised		**(53)**	(11)	**–**	–
Provision written off		**–**	(15)	**–**	–
Provision no longer required	29(a),30	**(95)**	–	**–**	–
Balance at end of year		**75**	221	**–**	–

22 Provisions (Cont'd)

(c) Employee termination benefits

Provision for employee termination benefits was provided in connection with the Group's decision to terminate the employment of certain employees of the Company due to scale down of construction activities.

Movement in provision for employee termination benefits is as follows:

		The Group		The Company	
		2016	2015	**2016**	2015
	Note	**$'000**	$'000	**$'000**	$'000
Balance at beginning of year		**1,800**	–	**1,800**	–
Provision of the year		–	1,800	–	1,800
Provision utilised		**(289)**	–	**(289)**	–
Provision no longer required	29(a),30	**(1,511)**	–	**(1,511)**	–
Balance at end of year		**–**	1,800	**–**	1,800

(d) Severance pay

Provision for severance pay relates amount payable to employees of a subsidiary, Vinametric Limited, upon termination of their labour contract following Article 42 of the Labour Code in Socialist Republic of Vietnam.

Movement in provision for severance pay is as follows:

		The Group		The Company	
		2016	2015	**2016**	2015
	Note	**$'000**	$'000	**$'000**	$'000
Balance at beginning of year		**267**	232	**–**	–
Provision for the year	30	**22**	38	**–**	–
Provision no longer required	29(a),30	**(38)**	(20)	**–**	–
Exchange difference		**5**	17	**–**	–
Balance at end of year		**256**	267	**–**	–

23 Bank borrowings

The Group	**2016** **$'000**	2015 $'000
Term loans - secured	**341,075**	342,024
Amount repayable:		
Not later than one year	**9,360**	9,000
Later than one year and not later than five years	**331,715**	333,024
	341,075	342,024

All bank borrowings are denominated in Singapore dollar.

23 Bank borrowings (Cont'd)

Term loans totalling $341,075,000 (2015 - $342,024,000) are secured by mortgages over the development properties [Note 11(b)], investment properties [Notes 15(c)(3) and 15(c)(5)] and one freehold property [Note 16(iii)] of certain subsidiaries and charges on all new assignments of tenancy, sales agreements and construction contracts and a fixed deposit of $3,020,000 (2015 - $3,006,000) of a subsidiary (Note 5).

The maturity dates of bank borrowings are as follows:

Repayable on/by	Loan amount $'000
31 March 2017	65,186
30 September 2018	98,889
3 January 2020	177,000
	341,075

As at the end of reporting period, the Group and the Company have unutilised bank facilities of $211,658,000 (2015 - $216,424,000) and $127,598,000 (2015 - $124,313,000) respectively.

The Group has financial covenants attached to all term loans granted to certain subsidiaries which relate to restriction of limits imposed on certain ratios to be maintained by the said subsidiaries. During the financial year ended 31 January 2016, the Group has communicated to its lender, for a loan amount of $177,000,000 made, that a subsidiary cannot fulfill the minimum debt service coverage ratio of 1.10 times at all times.

On 26 March 2015, the Group has received in writing from the bank that it acknowledged and consented to the non-compliance of the said covenant and agreed to waive the requirement to comply with the said covenant at all times during the 12-month period ended 31 January 2016.

The effective interest rate per annum for the Group's borrowings is 2.32% (2015 - 1.63%) per annum.

Carrying amounts and fair values

The table below analyses the maturity profile of the Group's and the Company's borrowings based on contractual undiscounted cash flows:

	2016		2015	
	Carrying amount	**Contractual cash flows**	Carrying amount	Contractual cash flows
The Group	**$'000**	**$'000**	$'000	$'000
Variable interest rates loans				
Less than one year	**9,360**	**13,388**	9,000	11,659
Between one to five years	**331,715**	**350,310**	333,024	352,207
	341,075	**363,698**	342,024	363,866

The interest rates are repriced monthly.

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

The Group manages the liquidity risk by maintaining sufficient cash to enable them to meet its normal operating commitments and having an adequate amount of committed credit facilities.

24 Share capital

The Company	Number of ordinary shares 2016	2015	Amount 2016 $'000	2015 $'000
Issued and fully paid, with no par value				
Balance at beginning and at end of year	**738,816,000**	738,816,000	**161,863**	161,863

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All issued shares rank equally with regard to the Company's residual assets.

25 Capital reserve

The Group	2016 $'000	2015 $'000
Balance at beginning of year	**(2,005)**	–
Acquisition of non-controlling interest without a change in control during the year	**–**	(2,005)
Balance at end of year	**(2,005)**	(2,005)

Capital reserve represents the effect of change in ownership interest in a subsidiary without a change in control (see Note 14).

26 Fair value reserve

	The Group 2016 $'000	2015 $'000	The Company 2016 $'000	2015 $'000
Fair value reserve - available-for-sale financial assets				
Balance at beginning of year	**11,348**	6,229	**1,272**	1,248
Fair value gains reclassified to profit or loss on derecognition [Note 29(a)]	**–**	(274)	**–**	–
Net fair value (losses)/gains recognised in other comprehensive income [Note 6(b)]	**(8,623)**	5,585	**(560)**	57
Exchange translation differences	**(156)**	(57)	**(90)**	(33)
	(8,779)	5,254	**(650)**	24
Transfer of impairment loss previously provided for available-for-sale investments to retained profits upon disposal of quoted shares	**–**	(135)	**–**	–
Balance at end of year	**2,569**	11,348	**622**	1,272

27 Retained profits

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
The Company	**304,243**	225,140	**333,236**	233,186
Subsidiaries	**175,260**	148,000	**–**	–
Joint ventures and associated companies	**(11,897)**	75,662	**–**	–
	467,606	448,802	**333,236**	233,186

28 Currency translation reserve

	2016	2015
The Group	**$'000**	$'000
Balance at beginning of year	**(68)**	309
Exchange fluctuation difference during the year	**(2,407)**	(377)
Balance at end of year	**(2,475)**	(68)

The currency translation reserve is a non-distributable reserve and relates to the exchange difference arising from translation of the financial statements of foreign subsidiaries, associated companies and joint ventures.

29(a) Other operating income

The Group	Note	2016 $'000	2015 $'000
Change in fair value of derivative financial instrument	30	**304**	1,291
Dividend income from quoted equity investments		**1,575**	1,696
Exchange gain	30	**–**	84
Gain on liquidation of joint ventures	30	**–**	9
Fair value gain on financial assets at fair value through profit or loss	6(a),30	**–**	1,099
Fair value gains reclassified from fair value reserve to income statement on derecognition of available-for-sale financial assets	26,30	**–**	274
Gain on disposal of property, plant and equipment	30	**3,827**	8
Gain on disposal of investment properties	30	**4,024**	–
Impairment loss on receivables no longer required	8,30	**369**	53
Impairment loss on unquoted equity investment in a joint venture no longer required	12,30	**4,968**	–
Provisions no longer required	22	**2,297**	–
Interest income			
- banks		**348**	212
- fixed deposits		**2,254**	556
- joint ventures		**3,252**	2,951
- unquoted junior bonds		**1,959**	–
- others		**23**	–
		7,836	3,719
Rental income			
- investment properties	15(b)	**1,472**	1,136
- development properties		**1,145**	732
- others		**–**	323
		2,617	2,191
Management fee		**224**	216
Sundry income		**1,721**	1,360
		29,762	12,000

29(b) Administrative costs

The Group	Note	**2016 $'000**	2015 $'000
Employee benefit costs		**8,468**	19,795
Depreciation of property, plant and equipment		**815**	643
Depreciation of investment property		**442**	608
Directors' fee	30	**288**	285
Credit card commission expenses		**197**	301
Allowance for unavoidable costs		**–**	1,002
Agent fee expenses		**–**	535
Property tax		**269**	284
Operating lease rentals		**21**	522
Sponsorships		**2**	1,116
Stamp duty expenses reimbursed		**–**	826
Travelling and transportation expenses		**168**	173
Others		**4,082**	6,460
		14,752	32,550

29(c) Other operating expenses

The Group	Note	**2016 $'000**	2015 $'000
Exchange loss	30	**573**	–
Hotel maintenance and utilities		**1,527**	1,935
Impairment loss on property, plant and equipment	16,30	**16**	251
Impairment loss on unquoted equity investment in a joint venture	12,30	**–**	4,968
Impairment loss on development properties			
- for sale	11(a),30	**–**	885
- for development	11(b),30	**–**	23,200
Impairment loss on receivables	8,30	**166**	369
Fair value loss on financial assets at fair value through profit or loss	6(a),30	**677**	–
Property, plant and equipment written off	30	**–**	1,036
Bad debts written off	30	**43**	26
Others		**–**	1
		3,002	32,671

29(d) Finance costs

The Group

Finance costs mainly relate to interest expense on bank loans (see Note 23).

30 Profit before taxation

The Group	Note	2016 $'000	2015 $'000
Profit before taxation has been arrived at after charging/(crediting):			
Audit fee:			
- auditors of the Company			
- current year		**252**	243
- (over)/under provision in respect of prior years		**(3)**	20
- other auditors			
- current year		**112**	114
Non-audit fees:			
- auditors of the Company			
- current year		**13**	15
- under provision in respect of prior years		**–**	10
- other auditors			
- current year		**104**	107
- (over)/under provision in respect of prior years		**(6)**	15
Depreciation of:			
- investment properties	15	**3,358**	1,469
- property, plant and equipment	16	**4,564**	5,291
Exchange loss/(gain)	29(a),29(c)	**573**	(84)
Fair value gains reclassified from fair value reserve to consolidated profit or loss on derecognition of available-for-sale financial assets	29(a)	**–**	(274)
Fair value loss/(gain) on financial assets at fair value through profit or loss	29(a),29(c)	**677**	(1,099)
Change in fair value of derivative financial instrument	21,29(a)	**(304)**	(1,291)
Gain on disposal of:			
- investment properties	29(a)	**(4,024)**	–
- property, plant and equipment	29(a)	**(3,827)**	(8)
Gain on liquidation of joint ventures	29(a)	**–**	(9)
Property, plant and equipment written off	29(c)	**–**	1,036
Bad debts written off	29(c)	**43**	26
Impairment loss on:			
- receivables	8,29(c)	**166**	369
- completed development properties for sale	11(a),29(c)	**–**	885
- properties for development	11(b),29(c)	**–**	23,200
- property, plant and equipment	16,29(c)	**16**	251
- unquoted equity investment in a joint venture	12,29(c)	**–**	4,968
Impairment loss no longer required for:			
- unquoted equity investment in a joint venture	12,29(a)	**(4,968)**	–
- receivables	8,29(a)	**(369)**	(53)
Operating lease rentals	35.1(a)	**1,364**	2,211
Provisions for:			
- onerous contracts in respect of operating leases	22(a)	**–**	1,183
- reinstatement of premises	22(b)	**–**	47
- severance pay	22(d)	**22**	38
		22	1,268

30 Profit before taxation (Cont'd)

The Group	Note	2016 $'000	2015 $'000
Provisions no longer required for:			
- onerous contracts in respect of operating leases	22(a)	**(653)**	(181)
- reinstatement of premises	22(b)	**(95)**	–
- employee termination benefits	22(c)	**(1,511)**	–
- severance pay	22(d)	**(38)**	(20)
		(2,297)	(201)
Employee benefit costs:			
Directors' fee	29(b)	**288**	285
Directors of the Company			
- salaries and other related costs		**3,134**	14,204
- CPF contributions and other equivalent contributions		**22**	25
Key management personnel (other than directors)			
- salaries, wages and other related costs		**1,480**	1,808
- CPF contributions and other equivalent contributions		**37**	40
		4,961	16,362
Other than directors and key management personnel			
- salaries, wages and other related costs		**16,065**	20,244
- CPF contributions and other equivalent contributions		**1,394**	1,619
		22,420	38,225
Cost of sales:			
- current		**56,176**	978,668
- project costs written back		***(52,685)**	(5,100)
		3,491	973,568

* Included in project costs written back of $52,685,000 (2015 - $5,100,000) is a sum of $45,337,000 (2015 - Nil) that resulted from the change in building enhancement works no longer required for a project that obtained Certificate of Statutory Completion during the financial year ended 31 January 2016. The remaining balance of $7,348,000 mainly relates to project rectification works that have been completed and finalised upon completion of projects during the financial year ended 31 January 2016. In the financial year ended 31 January 2015, the sum of $5,100,000 relates to project rectification works no longer required during the course of construction.

31 Taxation

The Group	Note	**2016 $'000**	2015 $'000
Tax recognised in profit or loss			
Current taxation			
- Singapore		**9,486**	42,494
- Foreign		**1,648**	2,282
		11,134	44,776
Deferred taxation			
- credited to income statement	17	**876**	3,122
Tax expense		**12,010**	47,898
Under/(over) provision in respect of prior years			
- current taxation		**565**	(539)
- deferred taxation	17	**(179)**	(111)
		386	(650)
		12,396	47,248

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the applicable corporate tax rates of income tax on the Group's profits as a result of the following:

The Group	**2016 $'000**	2015 $'000
Profit before taxation	**70,225**	236,674
Share of results of joint ventures and associated companies	**16,658**	(10,982)
	86,883	225,692
Tax at domestic rate applicable to profits in the countries concerned[(1)]	**14,968**	39,265
Tax effect on non-deductible expenses[(2)]	**641**	8,115
Tax effect on non-taxable income[(3)]	**(3,983)**	(171)
Tax effect on temporary differences not recognised in prior years	**48**	363
Tax incentives	**(102)**	(60)
Singapore statutory stepped income exemption	**(138)**	(99)
Foreign tax	**576**	485
Under/(over) provision of taxation in respect of prior years	**386**	(650)
	12,396	47,248

(1) This is prepared by aggregating separate reconciliations for each national jurisdiction.

(2) This relates to disallowed expenditures incurred in the ordinary course of business which includes impairment loss on a development property and impairment loss on unquoted equity investment in a joint venture.

(3) This relates to non-taxable income occurred in the ordinary course of business which includes gain on disposals of property, plant and equipment and investment property, impairment losses no longer required for unquoted equity investment in a joint venture and notional interest income charged to joint ventures.

31 Taxation (Cont'd)

As at the end of reporting period, the Group had unabsorbed capital allowances and tax losses amounting to $2,000,000 (2015 - $1,995,000) and $2,424,000 (2015 - $2,137,000) respectively in relation to certain subsidiaries incorporated in Singapore, which are subject to agreement with the tax authorities. These unabsorbed capital allowances and tax losses could be carried forward for offsetting against future taxable income provided that the provisions of Sections 23 and 37 of the Singapore Income Tax Act, Cap. 134 are complied with.

On 29 June 2011, the interest of a subsidiary, 22 Dempsey Pte. Ltd. was acquired by Starworth Pte. Ltd. In accordance with Sections 23 and 37 of the Singapore Income Tax Act, the Group may lose its ability to carry forward these unabsorbed capital allowances and unutilised tax losses as a result of this change in ownership of the subsidiary. The Group intends to apply to the Inland Revenue Authority of Singapore for waiver to carry forward such capital allowances and tax losses on grounds that such ownership change is not executed for the purpose of deriving any tax benefit or to obtain any tax advantage. As at the reporting date, it is uncertain whether the Group will be successful in applying for the unabsorbed capital allowances and tax losses to be carried forward.

Unutilised tax benefits totalling $752,000 (2015 - $702,000) arising from these unabsorbed capital allowances and tax losses have not been recognised as there is no reasonable certainty of their realisation in future periods.

The effective tax rate of the Group is 17.7% (2015 - 20.0%).

32 Earnings per share

Basic and diluted earnings per share are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

The following table reflects the consolidated income statement and share data used in the computation of basic and diluted earnings per share from continuing operations for the financial years ended 31 January:

The Group	**2016** **$'000**	2015 $'000
Net profit attributable to equity holders of the Group	**55,745**	160,446
Weighted average number of ordinary shares for purpose of calculating basic and diluted earnings per share	**738,816,000**	738,816,000
Basic and diluted earnings per share (cents)	**7.55**	21.72

As there are no dilutive potential ordinary shares that were outstanding during the year, the basic earnings per share is the same as the diluted earnings per share.

33 Related party transactions

Other than the related party information disclosed elsewhere in the financial statements, the following are significant transactions entered into with related parties at mutually agreed amounts:

The Group	**2016 $'000**	2015 $'000
Charged by non-controlling shareholders of subsidiaries		
- interest	**2,335**	3,554
- executive directors service fee	**18**	6
Charged by a related party of a non-controlling shareholder of a subsidiary		
- consultancy services	**–**	252
- commission	**–**	291
- subcontractor costs	**736**	32,019
Subcontractor costs charged to a related party of a non-controlling shareholder of a subsidiary	**1**	92
Shareholders' loans from non-controlling shareholders of subsidiaries	**600**	7,800
Advances to non-controlling shareholders of a subsidiary	**–**	4,000
Repayment of loans to non-controlling shareholders of a subsidiary	**–**	46,603
Repayment of advances by non-controlling shareholders of a subsidiary	**4,000**	–
Dividends to non-controlling shareholders of subsidiaries	**4,000**	2,682
Dividend income from joint ventures	**70,446**	55,563
Shareholders' loans to joint ventures	**1,279**	73,288
Interest income charged to joint ventures	**3,252**	2,951
Settlement of liabilities on behalf of joint ventures	**217**	105
Advances from a joint venture	**400**	–
Advances to a joint venture	**56**	–
Repayment of advances by joint ventures	**265**	8,414
Repayment of advances to a joint venture	**–**	26,811
Charged by a related party of an associated company		
- Rental expense	**493**	–
- General expense	**7**	–
Management fee charged to an associated company	**224**	216
Subscription of junior bonds issued by an associated company	**32,000**	–
Interest on junior bonds receivable from an associated company	**1,959**	–

34 Dividends

The Company	**2016 $'000**	2015 $'000
Dividends proposed		
- Ordinary dividends:		
First and final dividend of 3.0 (2015 - 3.0) cents per share, tax exempt	**22,164**	22,164
- Special dividends:		
First and final dividend of 1.0 (2015 - 2.0) cents per share, tax exempt	**7,388**	14,777
	29,552	36,941
Dividends paid		
- Ordinary dividends:		
First and final dividend of 3.0 (2015 - 3.0) cents per share, tax exempt paid in respect of the previous financial year	**22,164**	22,164
- Special dividends:		
First and final dividend of 2.0 (2015 - Nil) cents per share, tax exempt paid in respect of the previous financial year	**14,777**	–
	36,941	22,164

At the forthcoming Annual General Meeting, a first and final tax-exempt (one-tier) ordinary and special dividend of 3.0 cents (2015 - 3.0 cents) and 1.0 cents (2015 - 2.0 cents) per share respectively amounting to $22,164,000 (2015 - $22,164,000) and $7,388,000 (2015 - $14,777,000) respectively will be proposed. These financial statements do not reflect these dividends payable, which will be accounted for as a reduction in equity as a distribution of retained profits in the financial year ending 31 January 2017.

35 Commitments

35.1 Operating lease commitments (non-cancellable)

(a) Rental expense of the Group and the Company for the financial year ended 31 January 2016 amounted to $1,364,000 (2015 - $2,211,000) and $110,000 (2015 - $142,000) respectively. Certain leases have varying terms, escalation clauses and renewal rights. At the end of reporting period, the Group and the Company were committed to making payments in respect of rental of premises and office equipment with remaining contractual terms ranging from 1 year to 18 years as follows:

	The Group		The Company	
	2016 $'000	2015 $'000	**2016 $'000**	2015 $'000
Not later than one year	**1,473**	2,237	**67**	13
Later than one year and not later than five years	**454**	1,587	**267**	–
Later than five years	**603**	630	**–**	–
	2,530	4,454	**334**	13

35 Commitments (Cont'd)

35.1 Operating lease commitments (non-cancellable) (Cont'd)

(b) The Group and the Company lease out a portion of their warehouse, office and retail units to third parties under non-cancellable operating lease. Rental income of the Group and the Company for the financial year ended 31 January 2016 amounted to $20,428,000 (2015 - $4,357,000) and $1,472,000 (2015 - $1,136,000) respectively.

The future minimum lease receivable under non-cancellable operating leases of office and retail units contracted for at the end of reporting period but not recognised as receivable, is as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Not later than one year	**18,944**	20,146	**868**	1,324
Later than one year and not later than five years	**19,091**	36,561	**2,151**	2,579
Later than five years	**–**	97	**–**	97
	38,035	56,804	**3,019**	4,000

35.2 Capital commitments

The Group	**2016** **$'000**	2015 $'000
Capital expenditure contracted but not provided for in the financial statements	**2,524**	5,084

The capital commitments principally relate to:

- consultancy services on the construction of the residential apartments, office building and a five-star hotel at Front Beach, Vung Tau City, Socialist Republic of Vietnam by OSC-Duxton (Vietnam) Joint Venture Company Limited of $Nil (2015 - $2,798,000);

- renovation projects in Duxton Hotel Saigon by Vinametric Limited of $Nil (2015 - $569,000);

- consultancy and architectural services on the proposed development of Kismis Residences by Newfort Alliance (Kismis) Pte. Ltd. of $499,000 (2015 - $750,000);

- consultancy and architectural services on the proposed development of Balestier Tower by Balestier Tower Pte. Ltd. of $957,000 (2015 - $967,000); and

- professional services for the asset enhancement works of AXA Tower by Perennial Shenton Investors Pte. Ltd. and its subsidiaries of $1,068,000 (2015 - $Nil).

35.3 Other commitments

(a) Uncalled capital contribution

The Group	**2016** **$'000**	2015 $'000
Uncalled capital contribution in respect of joint venture with OSC - Duxton (Vietnam) Joint Venture Company Limited (US$5,350,000)	**7,601**	7,228

(b) Letters of undertaking

The Company

The Company has given letters of undertaking to provide financial support for the following subsidiaries which had aggregate net tangible deficits of $33,652,000 (2015 - $48,113,000) and for subsidiaries with aggregate net current liabilities of $71,466,000 (2015 - $56,115,000) as at 31 January 2016 to enable them to continue to operate as a going concern and to meet their respective obligations as and when they fall due:

Amuret Pty Ltd
Bali Investment Pte. Ltd.
Balestier Tower Pte. Ltd.
Carnivore Brazillian Churrascaria Pte. Ltd.
Dalton Investment Pte. Ltd.
Domitian Investment Pte. Ltd.
Duxton Hotel (Pte.) Ltd.
East Peak Development Pte. Ltd.
LKH (Saigon) Pte. Ltd.
Prodev Pte Ltd
Quality Investments Pte Ltd
Siong Feng Development Pte. Ltd.
Starworth Pte. Ltd.
22 Dempsey Pte. Ltd.

(c) Corporate guarantees

The Company has provided corporate guarantees to banks for credit facilities totalling $433,553,000 (2015 - $442,553,000) granted to certain subsidiaries for which the Company is exposed to liability which is capped at $349,493,000 (2015 - $350,442,000). As at the reporting date, the banking facilities utilised stood at $349,493,000 (2015 - $350,442,000).

The Company has provided corporate guarantees to banks for credit facilities totalling $161,601,000 (2015 - $162,241,000) granted to certain joint ventures for which the Company is exposed to liability which is capped at $138,422,000 (2015 - $139,062,000). As at the reporting date, the banking facilities utilised stood at $138,422,000 (2015 - $139,062,000).

As at 31 January 2016 and at 31 January 2015, the fair values of the corporate guarantees determined based on the expected loss arising from the risk of default are insignificant.

36 Operating segments

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group's reportable operating segments are as follows:

(i) Construction

Activities in this segment comprise building and engineering work.

(ii) Development

Activities in this segment comprise the development of properties.

(iii) Hotels

Activities in this segment comprise owning and operating hotels and restaurants.

(iv) Investments

Activities in this segment relate mainly to investment in properties and shares in quoted and unquoted equities.

There are no other operating segments that have been aggregated to form the above reportable operating segments.

The joint managing directors monitor the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain aspects, as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

Group taxation is managed on a group basis and is not allocated to operating segments.

Sales between operating segments are carried out at arm's length basis similar to transactions with third parties.

Transfer pricing between operating segments are at terms agreed between the parties.

36 Operating segments (Cont'd)

The Group

(a) Business Segments

	Construction		Development		Hotels		Investments		Consolidated	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
REVENUE										
Total sales	**23,552**	203,524	**8,201**	1,449,427	**43,984**	48,864	**19,824**	2,166	**95,561**	1,703,981
Inter-segment sales	**(3,883)**	(118,317)	**–**	(321,264)	**(4,915)**	(5,472)	**(139)**	–	**(8,937)**	(445,053)
External sales	**19,669**	85,207	**8,201**	1,128,163	**39,069**	43,392	**19,685**	2,166	**86,624**	1,258,928
RESULTS										
Segment results	**60,088**	(8,700)	**10,193**	230,535	**7,114**	4,753	**15,667**	2,947	**93,062**	229,535
Finance costs	**(97)**	(1,557)	**–**	(1,117)	**–**	–	**(6,082)**	(1,169)	**(6,179)**	(3,843)
	59,991	(10,257)	**10,193**	229,418	**7,114**	4,753	**9,585**	1,778	**86,883**	225,692
Share of results of joint ventures and associated companies	**–**	–	**(5,524)**	14,526	**–**	–	**(11,134)**	(3,544)	**(16,658)**	10,982
	59,991	(10,257)	**4,669**	243,944	**7,114**	4,753	**(1,549)**	(1,766)	**70,225**	236,674
Taxation									**(12,396)**	(47,248)
Non-controlling interests									**(2,084)**	(28,980)
Net profit									**55,745**	160,446
OTHER INFORMATION										
Segment assets	**177,338**	263,413	**403,099**	431,348	**61,943**	59,543	**365,046**	339,875	**1,007,426**	1,094,179
Investment in associated companies and joint ventures under equity method	**–**	–	**24,311**	95,808	**–**	–	**117,832**	84,801	**142,143**	180,609
Consolidated total assets (excluding taxation)	**177,338**	263,413	**427,410**	527,156	**61,943**	59,543	**482,878**	424,676	**1,149,569**	1,274,788
Consolidated total liabilities (excluding taxation)	**39,694**	130,536	**187,129**	192,666	**4,748**	6,746	**230,222**	240,725	**461,793**	570,673

36 Operating segments (Cont'd)

The Group

(a) Business Segments (Cont'd)

	Construction		Development		Hotels		Investments		Consolidated	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
OTHER INFORMATION (CONT'D)										
Capital expenditure										
- property, plant and equipment	**760**	854	**–**	–	**1,470**	3,432	**34**	466	**2,264**	4,752
- investment properties	**–**	24	**–**	–	**–**	–	**–**	1,808	**–**	1,832
Depreciation										
- property, plant and equipment	**590**	652	**–**	51	**3,843**	4,572	**131**	16	**4,564**	5,291
- investment properties	**561**	730	**–**	–	**–**	–	**2,797**	739	**3,358**	1,469
Project costs written back	**52,685**	5,100	**–**	–	**–**	–	**–**	–	**52,685**	5,100
Property, plant and equipment written off	**–**	–	**–**	–	**–**	1,036	**–**	–	**–**	1,036
Impairment loss on										
- property, plant and equipment	**–**	–	**–**	–	**16**	251	**–**	–	**16**	251
- completed development properties for sale	**–**	–	**–**	885	**–**	–	**–**	–	**–**	885
- development properties for development	**–**	–	**–**	23,200	**–**	–	**–**	–	**–**	23,200
- unquoted equity investment in a joint venture	**–**	–	**–**	4,968	**–**	–	**–**	–	**–**	4,968
Change in fair value of derivative financial instrument	**304**	1,291	**–**	–	**–**	–	**–**	–	**304**	1,291
(Gain)/loss on disposal of										
- property, plant and equipment	**(3,840)**	–	**–**	–	**13**	(8)	**–**	–	**(3,827)**	(8)
- investment properties	**(4,024)**	–	**–**	–	**–**	–	**–**	–	**(4,024)**	–
Fair value gains reclassified from fair value reserve to profit or loss on derecognition of available-for-sale financial assets	**–**	–	**–**	–	**–**	–	**–**	274	**–**	274

36 Operating segments (Cont'd)

The Group

(a) Business Segments (Cont'd)

	Construction		Development		Hotels		Investments		Consolidated	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
OTHER INFORMATION (CONT'D)										
Fair value loss/(gain) on financial assets at fair value through profit or loss	**–**	–	**–**	–	**–**	–	**677**	(1,099)	**677**	(1,099)
Bad debts written off	**–**	–	**–**	–	**43**	26	**–**	–	**43**	26
Impairment loss on unquoted equity investment in a joint venture no longer required	**–**	–	**(4,968)**	–	**–**	–	**–**	–	**(4,968)**	–

(b) Geographical Segments

Revenue is based on the location of customers regardless of where the services are rendered. Non-current assets are based on the location of those assets:

	Revenue		Non-current assets	
	2016	2015	**2016**	2015
The Group	**$'000**	$'000	**$'000**	$'000
Singapore	**52,433**	1,221,391	**472,165**	385,477
Australia	**26,932**	30,642	**30,664**	33,657
Vietnam	**7,259**	6,895	**16,566**	16,116
Others	**–**	–	**21,647**	1,466
	86,624	1,258,928	**541,042**	436,716

(c) Information about major customers

Revenue from transactions with 2 (2015 - 2) external customers that each amount to 10% or more of the Group's revenue attributable to sales in the following operating segment, is as follows:

Construction

- $4,610,000 (2015 - $2,946,000); and
- $14,735,000 (2015 - $79,557,000).

36 Operating segments (Cont'd)

(d) Reconciliation of segments total assets and total liabilities

The Group	**2016 $'000**	2015 $'000
Reportable segments' assets are reconciled to total assets as follows:		
Segment assets	**1,149,569**	1,274,788
Deferred tax assets	**589**	313
GST receivable	**54**	390
Tax recoverable	**138**	59
Total assets	**1,150,350**	1,275,550
Reportable segments' liabilities are reconciled to total liabilities as follows:		
Segment liabilities	**461,793**	570,673
Liabilities owing to tax authorities for business tax	**223**	219
Deferred tax liabilities	**991**	14
GST payable	**800**	799
Current tax payable	**11,619**	44,366
Total liabilities	**475,426**	616,071

37 Disclosure of directors' remuneration

As required by the Listing Manual of the Singapore Exchange, the remuneration of directors of the Company is disclosed in bands as follows:

	Number of directors	
	2016	2015
Above $2,000,000	**2**	2
$1,750,000 to $1,999,999	**–**	–
$1,000,000 to $1,249,999	**–**	–
$250,000 to $499,999	**1**	1
Below $250,000	**5**	6
Total	**8**	9

38 Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include currency risk, interest rate risk, liquidity risk, market price risk and credit risk. The Group's and the Company's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the Group's financial performance though a system of internal controls set by the management.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The Group and the Company used interest rate swap to mitigate the risk of rising interest rates. Except for the interest rate swap, the Group and the Company does not hold or issue derivative financial instruments for speculative purposes.

As at 31 January 2016, the Group's and the Company's financial instruments mainly consisted of cash and cash equivalents, receivables and payables.

There has been no change to the Group's and the Company's exposures to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

38.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

Part of the Group's revenue, expenses, investments and liabilities are denominated in foreign currencies which give rise to foreign exchange risk, particularly among the hotels which are located overseas. The currencies giving rise to this risk are primarily Australian dollar, Malaysian Ringgit, Chinese Renminbi, Vietnamese Dong and United States dollar.

In terms of operations, the sales and purchases are denominated in the same currency as much as practicable. The Group also matches the currency of its bank borrowings, if any, with the location of its investment to mitigate the risk of currency exposure. As such, the Group does not deem it necessary to enter into any derivative contracts to hedge against foreign currency risk.

Exposure to foreign currency risk is insignificant as the Group's income and related expenses, assets and liabilities are substantially denominated in the respective functional currencies of the Group entities. The exposure is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

38 Financial risk management objectives and policies (Cont'd)

38.1 Currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in foreign currencies (against Singapore dollar), with all other variables held constant, of the Group's results net of tax and equity.

	2016		2015	
The Group	**Profit after taxation $'000**	**Equity $'000**	Profit after taxation $'000	Equity $'000
Australian Dollar				
- strengthened 5% (2015 - 5%)	**479**	**479**	240	240
- weakened 5% (2015 - 5%)	**(479)**	**(479)**	(240)	(240)
Malaysian Ringgit				
- strengthened 5% (2015 - 5%)	**42**	**42**	80	80
- weakened 5% (2015 - 5%)	**(42)**	**(42)**	(80)	(80)
Chinese Renminbi				
- strengthened 5% (2015 - 5%)	**240**	**240**	246	246
- weakened 5% (2015 - 5%)	**(240)**	**(240)**	(246)	(246)
Vietnamese Dong				
- strengthened 5% (2015 - 5%)	**24**	**24**	(5)	(5)
- weakened 5% (2015 - 5%)	**(24)**	**(24)**	5	5
United States Dollar				
- strengthened 5% (2015 - 5%)	**14**	**14**	20	20
- weakened 5% (2015 - 5%)	**(14)**	**(14)**	(20)	(20)

38.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instrument will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from bank borrowings and cash placed with financial institutions. The Group and the Company manage its exposure to interest rate movements on its bank borrowings using floating-to-fixed interest rate swaps.

The interest rates of cash and fixed deposits placed with financial institutions, other investments in securities, notional interest charged on non-interest bearing loans owing to non-controlling shareholders of subsidiaries, notional interest charged on non-interest bearing loans owing by joint ventures and subsidiaries, derivative financial instrument and bank borrowings are disclosed in Notes 4, 5, 6(c), 7, 12, 14, 21 and 23 to the financial statements, respectively.

38 Financial risk management objectives and policies (Cont'd)

38.2 Interest rate risk (Cont'd)

The following table sets out the carrying amount, by maturity, of the Group's and the Company's financial instruments that are exposed to interest rate risk:

The Group	Within 1 year $'000	1 - 2 years $'000	2 - 3 years $'000	3 - 4 years $'000	4 - 5 years $'000	Over 5 years $'000	Total $'000
2016							
Floating rate							
Bank balances and fixed deposits	**213,811**	**–**	**–**	**–**	**–**	**–**	**213,811**
Fixed deposits	**5,123**	**–**	**–**	**–**	**–**	**–**	**5,123**
Other investments	**–**	**–**	**–**	**–**	**–**	**32,000**	**32,000**
Non-interest bearing loans owing by joint ventures	**–**	**–**	**38,360**	**34,916**	**–**	**–**	**73,276**
Non-interest bearing loans owing to non-controlling shareholders of subsidiaries	**–**	**(7,929)**	**–**	**(42,979)**	**–**	**–**	**(50,908)**
Bank borrowings	**(9,360)**	**(74,786)**	**(108,489)**	**(148,440)**	**–**	**–**	**(341,075)**
	209,574	**(82,715)**	**(70,129)**	**(156,503)**	**–**	**32,000**	**(67,773)**
2015							
Fixed rate							
Interest-bearing amount owing by joint ventures	–	–	–	43,433	41,115	–	84,548
Interest-bearing amount owing to non-controlling shareholders of subsidiaries	–	–	(8,023)	–	(52,291)	–	(60,314)
Derivative financial instrument	(304)	–	–	–	–	–	(304)
Floating rate							
Bank balances and fixed deposits	275,954	–	–	–	–	–	275,954
Fixed deposits	4,766	–	–	–	–	–	4,766
Bank borrowings	(9,000)	(9,360)	(72,735)	(108,489)	(142,440)	–	(342,024)
	271,416	(9,360)	(80,758)	(65,056)	(153,616)	–	(37,374)

38 Financial risk management objectives and policies (Cont'd)

38.2 Interest rate risk (Cont'd)

The Company	Within 1 year $'000	1 - 2 years $'000	2 - 3 years $'000	3 - 4 years $'000	4 - 5 years $'000	Over 5 years $'000	Total $'000
2016							
Floating rate							
Bank balances and fixed deposits	**147,630**	**–**	**–**	**–**	**–**	**–**	**147,630**
Non-interest bearing loans owing by joint ventures	**–**	**–**	**38,360**	**34,916**	**–**	**–**	**73,276**
Non-interest bearing loans owing by subsidiaries	**–**	**18,499**	**48,682**	**52,531**	**–**	**49,289**	**169,001**
	147,630	**18,499**	**87,042**	**87,447**	**–**	**49,289**	**389,907**
2015							
Fixed rate							
Interest-bearing amounts owing by joint ventures	–	–	–	43,433	41,115	–	84,548
Interest-bearing amounts owing by subsidiaries	–	–	–	18,721	64,335	–	83,056
Derivative financial instrument	(304)	–	–	–	–	–	(304)
Floating rate							
Bank balances and fixed deposits	210,077	–	–	–	–	–	210,077
Interest-bearing amounts owing by subsidiaries	–	–	–	53,990	–	–	53,990
	209,773	–	–	116,144	105,450	–	431,367

Interest on financial instruments subject to floating interest rates is contractually repriced at intervals of less than 6 months. Interest on financial instruments at fixed rates is fixed until the maturity of the instrument. The other financial instruments of the Group and the Company that are not included in the above table are not subject to interest rate risks.

38 Financial risk management objectives and policies (Cont'd)

38.2 Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

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

	Increase/(Decrease)			
	2016		2015	
	Profit after taxation $'000	Equity $'000	Profit after taxation $'000	Equity $'000
The Group				
Interest rate				
- decreased by 1% per annum	563	563	310	310
- increased by 1% per annum	(563)	(563)	(310)	(310)
The Company				
Interest rate				
- decreased by 1% per annum	(3,236)	(3,236)	(3,580)	(3,580)
- increased by 1% per annum	3,236	3,236	3,580	3,580

38.3 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or other financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's and the Company's exposure to liquidity arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company ensure that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Group and the Company aim at maintaining flexibility in funding by keeping committed credit facilities available as disclosed in Note 23 to the financial statements.

38 Financial risk management objectives and policies (Cont'd)

38.3 Liquidity risk (Cont'd)

The table below summarises the Group's and the Company's financial assets into relevant maturity groupings based on the remaining period from the end of reporting period to the contractual maturity date.

The Group	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
At 31 January 2016				
Cash and cash equivalents	**213,877**	**–**	**–**	**213,877**
Fixed deposits	**5,123**	**–**	**–**	**5,123**
Investments	**4,764**	**34,767**	**–**	**39,531**
Other investments	**–**	**–**	**32,000**	**32,000**
Amount owing by non-controlling shareholders of subsidiaries (non-trade)	**350**	**–**	**–**	**350**
Trade and other receivables	**129,871**	**72**	**–**	**129,943**
Amounts owing by joint ventures (non-trade)	**–**	**87,499**	**–**	**87,499**
	353,985	**122,338**	**32,000**	**508,323**
At 31 January 2015				
Cash and cash equivalents	276,026	–	–	276,026
Fixed deposits	4,766	–	–	4,766
Investments	5,441	43,449	–	48,890
Amount owing by non-controlling shareholders of subsidiaries (non-trade)	4,357	–	–	4,357
Trade and other receivables	169,337	67	–	169,404
Amounts owing by joint ventures (non-trade)	–	99,836	–	99,836
	459,927	143,352	–	603,279

The Company	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
At 31 January 2016				
Cash and cash equivalents	**147,634**	**–**	**–**	**147,634**
Investments	**–**	**1,395**	**–**	**1,395**
Trade and other receivables	**17,273**	**–**	**–**	**17,273**
Amounts owing by joint ventures (non-trade)	**–**	**87,499**	**–**	**87,499**
Amounts owing by subsidiaries (non-trade)	**–**	**140,223**	**72,960**	**213,183**
	164,907	**229,117**	**72,960**	**466,984**

38 Financial risk management objectives and policies (Cont'd)

38.3 Liquidity risk (Cont'd)

The Company	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
At 31 January 2015				
Cash and cash equivalents	210,085	–	–	210,085
Investments	–	2,104	–	2,104
Trade and other receivables	43,952	–	–	43,952
Amounts owing by joint ventures (non-trade)	–	99,836	–	99,836
Amounts owing by subsidiaries (non-trade)	–	161,058	–	161,058
	254,037	262,998	–	517,035

The table below summarises the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period from the end of reporting period to the contractual maturity date. The amounts disclosed in the table are based on the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

The Group	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
At 31 January 2016				
Trade and other payables	**61,361**	**–**	**–**	**61,361**
Amounts owing to joint ventures (non-trade)	**871**	**–**	**–**	**871**
Amounts owing to non-controlling shareholders of subsidiaries (non-trade)	**415**	**64,150**	**–**	**64,565**
Bank borrowings	**13,388**	**350,310**	**–**	**363,698**
	76,035	**414,460**	**–**	**490,495**
At 31 January 2015				
Trade and other payables	157,490	–	–	157,490
Amounts owing to joint ventures (non-trade)	447	–	–	447
Amounts owing to non-controlling shareholders of subsidiaries (non-trade)	431	74,541	–	74,972
Bank borrowings	11,659	352,207	–	363,866
Derivative financial instrument	304	–	–	304
	170,331	426,748	–	597,079

38 Financial risk management objectives and policies (Cont'd)

38.3 Liquidity risk (Cont'd)

The Company	Less than 1 year $'000	Between 1 and 5 years $'000	More than 5 years $'000	Total $'000
At 31 January 2016				
Trade and other payables	**40,470**	**–**	**–**	**40,470**
Amounts owing to subsidiaries (non-trade)	**14,478**	**–**	**–**	**14,478**
Amounts owing to joint ventures (non-trade)	**597**	**–**	**–**	**597**
Financial guarantees	**9,360**	**488,195**	**–**	**497,555**
	64,905	**488,195**	**–**	**553,100**
At 31 January 2015				
Trade and other payables	129,519	–	–	129,519
Amounts owing to subsidiaries (non-trade)	55,672	–	–	55,672
Amounts owing to joint ventures (non-trade)	196	–	–	196
Derivative financial instrument	304	–	–	304
Financial guarantees	9,000	480,504	–	489,504
	194,691	480,504	–	675,195

38.4 Market price risk

Market price risk arises mainly from uncertainty about future prices of instruments used in the Group's operations. It represents the potential loss the Group might suffer through holding investments in the face of price movements. It is the Group's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector or industry.

The Group is exposed to marketable securities price risk arising from its investments in equity investments classified as available-for-sale financial assets and financial assets held at fair value through profit or loss. These securities are listed in Singapore and Malaysia. The Group is not exposed to price risk which is commodity sensitive.

The sensitivity analyses below has been determined based on the portfolio of quoted equity securities held by the Group and the Company as at the end of reporting period, if prices for equity securities listed in Singapore and Malaysia increase/decrease by 2% (2015 - 2%) with all other variables including tax rate being held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in the prices for equity securities under normal economic conditions.

38 Financial risk management objectives and policies (Cont'd)

38.4 Market price risk (Cont'd)

Investments

	Increase/(Decrease)			
	2016		2015	
	Profit after taxation $'000	**Equity $'000**	Profit after taxation $'000	Equity $'000
The Group				
Prices for quoted equity investments				
- increased by 2% per annum	**79**	**774**	90	959
- decreased by 2% per annum	**(79)**	**(774)**	(90)	(959)
The Company				
Prices for quoted equity investments				
-increased by 2% per annum	**–**	**28**	–	42
- decreased by 2% per annum	**–**	**(28)**	–	(42)

38.5 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group and the Company to incur a financial loss.

The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, related party balances and cash placed with financial institutions. For trade receivables, the Group and the Company adopt the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group and the Company adopt the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. There are no significant concentrations of credit other than advances to joint ventures, associated companies, non-controlling shareholders of subsidiaries, and inter-company balances which are eliminated upon consolidation.

At the end of reporting period, approximately 6% (2015 - 15%) of the Group's trade receivables are due from customers in the construction and property development segments. The Group's single customer reported 17% (2015 - 6%) of the Group's revenue.

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

The Group monitors its potential losses on credit extended. In addition, rental deposits are received as security from tenants of its investment properties. The amounts presented in the statements of financial position are net of allowances for doubtful receivables. An allowance for impairment on the receivables is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

38 Financial risk management objectives and policies (Cont'd)

38.5 Credit risk (Cont'd)

The maximum exposure of the Company in respect of its intra-group financial guarantees [see Note 35.3(c)] at the reporting date as if the facilities are drawn down up to the amount of $595,154,000 (2015 - $604,794,000). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the statements of financial position.

39 Financial instruments

(a) Fair values

FRS 113 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value-in-use in FRS 36 *Impairment of Assets*.

The carrying amount of financial assets and financial liabilities with a maturity of less than one year is assumed to approximate their fair values.

The Company and the Group do not anticipate that the carrying amounts recorded at the end of reporting year would be significantly different from the values that would eventually be received or settled.

Information on fair values of investment in available-for-sale financial assets, financial assets at fair value through profit or loss and interest rate swap contract are included in Note 6 and Note 21 to the financial statements respectively.

39 Financial instruments (Cont'd)

(b) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at 31 January 2016				
Assets/(liabilities)				
Financial assets, available-for-sale	**34,767**	**–**	**–**	**34,767**
Financial assets, at fair value through profit or loss	**4,764**	**–**	**–**	**4,764**
As at 31 January 2015				
Assets/(liabilities)				
Financial assets, available-for-sale	43,449	–	–	43,449
Financial assets, at fair value through profit or loss	5,441	–	–	5,441
Interest rate swap	–	(304)	–	(304)

The Company	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
As at 31 January 2016				
Assets/(liabilities)				
Financial assets, available-for-sale	**1,395**	**–**	**–**	**1,395**
As at 31 January 2015				
Assets/(liabilities)				
Financial assets, available-for-sale	2,104	–	–	2,104
Interest rate swap	–	(304)	–	(304)

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instrument included in Level 2 was determined by the bank using a valuation model and assumptions that were based on market conditions existing at the end of reporting period.

There were no transfers into or out of fair value hierarchy levels for financial years ended 31 January 2016 and 2015.

39 Financial instruments (Cont'd)

(b) Fair value hierarchy (Cont'd)

Financial instruments whose carrying amount approximate fair value

Management has determined that the carrying amounts of cash and short term deposits, current trade and other receivables, current trade and other payables, current bank loans based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently. The carrying amounts of non-current bank loans approximate fair values as they are repriced frequently.

(c) Financial instruments by category

The carrying amount of the different categories of financial instrument is as disclosed on the face of the statements of financial position except as follows:

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Available-for-sale financial assets, at fair value	**34,767**	43,449	**1,395**	2,104
Financial assets through profit or loss, at fair value	**4,764**	5,441	**–**	–
Loans and receivables, at amortised cost	**460,772**	542,052	**420,857**	484,587
Financial liabilities, at amortised cost	**460,201**	563,942	**55,545**	185,387

40 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as going concern;

(b) To support the Group's and the Company's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

Having regards to its gearing exposure, the Group and the Company actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholder's returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

40 Capital management (Cont'd)

There were no changes in the Group's and Company's approach to capital management during the financial year ended 31 January 2016.

The Group and the Company are not subject to externally imposed capital requirements.

Gearing has a significant influence on the Group's and the Company's capital structure and the Group monitors capital using a gearing ratio. The Group's policy is to keep the gearing ratio between 40% and 80%. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as the sum of bank borrowings, trade and other payables, derivative financial instrument and amounts owing to related parties less cash and cash equivalents.

Total capital is calculated as total equity plus net debt.

		The Group		The Company	
		2016	2015	**2016**	2015
	Note	**$'000**	$'000	**$'000**	$'000
Trade and other payables	18	**63,282**	161,219	**40,899**	129,593
Amounts owing to joint ventures	20	**871**	447	**597**	196
Amounts owing to non-controlling shareholders of subsidiaries	7	**56,894**	63,981	**–**	–
Amounts owing to subsidiaries	19	**–**	–	**14,478**	55,672
Bank borrowings	23	**341,075**	342,024	**–**	–
Derivative financial instrument	21	**–**	304	**–**	304
		462,122	567,975	**55,974**	185,765
Less:					
Cash and cash equivalents	4	**(213,877)**	(276,026)	**(147,634)**	(210,085)
Net debt		**248,245**	291,949	**(91,660)**	(24,320)
Total equity		**674,924**	659,479	**495,721**	396,321
Total capital		**923,169**	951,428	**404,061**	372,001
Gearing ratio		**27%**	31%	**(23%)**	(7%)

41 Event after end of reporting date

The Group

On 23 March 2016, a wholly-owned subsidiary of the Company, Dalton Investments Pte Ltd ("Dalton") has entered into a Capital Assignment Agreement with an external party, New Life Real Estate Business Company Limited to assign and transfer (the "Proposed Disposal") 100% of the undivided right, title and interests in and to the charter capital of its wholly-owned subsidiary, Vinametric Limited ("Vinametric") for an aggregate consideration of approximately $68,600,000 (US$49,000,000). In connection with the Proposed Disposal, Dalton and New Life Real Estate Business Company Limited had entered into a conditional non-binding Memorandum Of Understanding on 11 January 2016 to outline and evidence the general discussions between them on the Proposed Disposal. Vinametric will cease to be a subsidiary upon the completion of the Proposed Disposal.

42 Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation:

Statements of financial position

The Group	2015 As previously reported $'000	2015 Reclassifications[1] $'000	2015 After reclassifications $'000
Current assets			
Trade and other receivables	170,303	541	170,844
Current liabilities			
Trade and other payables	(160,678)	(541)	(161,219)

Consolidated statement of profit or loss and other comprehensive income

The Group	2015 As previously reported $'000	2015 Reclassifications $'000	2015 After reclassifications $'000
Taxation	46,345	903	47,248
Other comprehensive income after tax			
- related tax	903	(903)	–
	47,248	–	47,248

[1] In the opinion of the directors, this reclassification is considered to be immaterial as this represented less than 1% each of consolidated current assets and consolidated current liabilities as at 31 January 2015.

There is no impact on other notes to the financial statements as to the reclassifications made thereon to the financial statements.

STATISTICS OF SHAREHOLDINGS

As at 15 April 2016

SHARE CAPITAL INFORMATION

Issued and Fully Paid-Up Capital	:	S$162,151,305
Number of Issued Shares	:	738,816,000
Number of Treasury Shares	:	Nil
Class of shares	:	Ordinary share
Voting rights	:	One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	11	0.39	342	0.00
100-1,000	60	2.14	46,589	0.01
1,001-10,000	1,166	41.54	7,355,971	1.00
10,001-1,000,000	1,536	54.72	101,564,369	14.03
1,000,001 and above	34	1.21	629,842,697	84.96
Total	2,807	100.00	738,809,968	100.00

TOP 20 LARGEST SHAREHOLDERS AS AT 15 APRIL 2016

No	Name	No of Shares	%
1	UNITED OVERSEAS BANK NOMINEES	396,699,845	53.69
2	LOW KENG BOON @ LAU BOON SEN	54,341,450	7.36
3	EST OF LOW KENG HOO	52,889,946	7.16
4	LAU CHOY LAY	21,548,000	2.92
5	RAFFLES NOMINEES (PTE) LTD	13,049,800	1.77
6	DBS VICKERS SECS (S) PTE LTD	9,755,000	1.32
7	CITIBANK NOMS S'PORE PTE LTD	7,435,786	1.01
8	UOB KAY HIAN PTE LTD	7,212,900	0.98
9	DBS NOMINEES PTE LTD	6,929,000	0.94
10	LOW CHIN HAN	6,700,000	0.91
11	ANGELA LOW SEOK FUN	5,000,000	0.68
12	LOW SEOK LING MONICA	4,884,356	0.66
13	PHILLIP SECURITIES PTE LTD	4,530,500	0.61
14	MAYBANK KIM ENG SECS PTE LTD	4,317,200	0.58
15	SINGAPORE NOMINEES PTE LTD	3,062,000	0.41
16	LEE CHO SENG @ LEE CHOO SEONG	2,625,300	0.36
17	OCBC SECURITIES PRIVATE LTD	2,402,700	0.33
18	OW-YONG SIM HIAN MABEL	2,310,000	0.31
19	LOW SEOK PENG	2,042,000	0.28
20	TAN PENG KIM	2,000,000	0.27
	TOTAL	609,735,783	82.55

SUBSTANTIAL SHAREHOLDERS AS AT 15 APRIL 2016

Name of Substantial Shareholder	No. of shares fully paid		
	Direct Interest	Deemed interest	Total
Consistent Record Sdn Bhd	–	395,194,345	395,194,345
Tan Sri Dato' Low Keng Huat	–	395,194,345	395,194,345
Dato' Marco Low Peng Kiat	300,000	397,945,345	398,245,345
Low Keng Boon @ Lau Boon Sen	54,341,450	27,848,000	82,189,450
Low Keng Hoo @ Low Keng Foo (Deceased)	52,889,946	–	52,889,946

Tan Sri Dato' Low Keng Huat is deemed to be interested in the 395,194,345 shares held by United Overseas Bank Nominees (Private) Limited ("UOBN") for account of Consistent Record Sdn Bhd ("CRSB").

Dato' Marco Low Peng Kiat is deemed to be interested in the 395,194,345 shares held by UOBN for account of CRSB and 2,751,000 shares held by Maybank Kim Eng Secs Pte. Ltd. for account of Dato' Marco Low Peng Kiat.

Low Keng Boon @ Lau Boon Sen is deemed to be interested in 21,548,000 shares held by his spouse and 6,300,000 shares held by UOB Kay Hian Pte Ltd for account of Low Keng Boon.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on information available to the Company as at 15 April 2016, approximately 24.2% of the issued ordinary shares of the Company are held in the hands of the public. This in in compliance with Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited.

NOTICE OF FORTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Seventh Annual General Meeting of the Company will be held at Grand Mercure Roxy Singapore, Brooke, Meyer & Frankel Room, Level 3, 50 East Coast Road, Roxy Square, Singapore 428769 on Tuesday, 31 May 2016, at 11.00 a.m., for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 January 2016 together with the Director's Statement and the report of the Auditors thereon. **(Resolution 1)**

2. To declare a first and final tax exempt (one tier) dividend of 3.0 cents and a special tax exempt (one tier) dividend of 1.0 cent per ordinary share for the financial year ended 31 January 2016. **(Resolution 2)**

3. To re-elect Mr Jimmy Yim Wing Kuen, a Director retiring under Article 88 of the Constitution of the Company. **(Resolution 3)**

4. To re-appoint Tan Sri Dato' Low Keng Huat as Director of the Company. **(Resolution 4)**
   (See Explanatory Note 1)

5. To re-appoint Mr Lee Han Yang as Director of the Company. **(Resolution 5)**
   (See Explanatory Note 1)

   Note:

   Mr Lee Han Yang will, upon re-appointment as Director of the Company, remain as a member of the Audit Committee and is considered independent pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as the Chairman of the Remuneration Committee and a member of the Nominating Committee.

6. To re-appoint Mr Lucas Liew Kim Voon as Director of the Company. **(Resolution 6)**
   (See Explanatory Note 1)

   Note:

   Mr Lucas Liew Kim Voon will, upon re-appointment as Director of the Company, remain as the Chairman of the Audit Committee and is considered independent pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as the Chairman of the Nominating Committee and a member of the Remuneration Committee.

7. To re-appoint Mr Low Keng Boon @ Lau Boon Sen as Director of the Company. **(Resolution 7)**
   (See Explanatory Note 1)

8. To re-appoint Mr Wey Kim Long as Director of the Company. **(Resolution 8)**
   (See Explanatory Note 1)

   Note:

   Mr Wey Kim Long will, upon re-appointment as Director of the Company, remain as a member of the Audit Committee and is considered independent pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. He will also remain as a member of the Remuneration Committee.

9. To approve the Directors' fee of $245,000 for the financial year ended 31 January 2016 (2015: $245,000) **(Resolution 9)**

10. To re-appoint Foo Kon Tan LLP, as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 10)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolutions:-

11. Authority to issue shares

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

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

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

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

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

provided always that

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

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

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

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

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

(Resolution 11)
(See Explanatory Note 6)

ANY OTHER BUSINESS

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

NOTICE OF BOOKS CLOSURE DATE AND DIVIDEND PAYMENT DATE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on 13 June 2016 after 5.00 p.m. for the preparation of determining the Members' entitlements to the first and final dividend and the special dividend (the "**Dividends**") to be proposed at the Annual General Meeting of the Company to be held on 31 May 2016.

Duly completed registrable transfers in respect of shares of the Company received by the Company's Share Registrar, KCK CorpServe Pte. Ltd., 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721 up to 5.00 p.m. on 13 June 2016 will be registered to determine shareholders' entitlements to the Dividends. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 13 June 2016 will be entitled to such proposed dividend.

Payment of the Dividends, if approved by the shareholders at the Annual General Meeting to be held on 31 May 2016, will be made on 22 June 2016.

By Order of the Board

Chin Yeok Yuen
Company Secretary
Singapore, 13 May 2016

Explanatory note:

1. Tan Sri Dato' Low Keng Huat, Mr Lee Han Yang, Mr Lucas Liew Kim Voon, Mr Low Keng Boon @ Lau Boon Sen and Mr Wey Kim Long who are over the age of 70 were re-appointed as Directors to hold office from the date of the last Annual General Meeting (held on 22 May 2015) until this Annual General Meeting pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore ("Act"). Section 153(6) of the Act was repealed when the Companies (Amendment) Act 2014 came into effect on 3 January 2016. As their appointments lapse at this Annual General Meeting, they will have to be re-appointed to continue in office. Upon their re-appointment at the conclusion of this Annual General Meeting, going forward, they will no longer be subject to shareholders' approval under Section 153(6) of the Act as repealed. They will then be subject to retirement by rotation under the Company's Constitution.

2. The Ordinary Resolution 11 is to authorise the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares excluding treasury shares of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. The total number of issued shares excluding treasury shares of the Company for this purpose shall be the total number of issued shares excluding treasury shares at the time this resolution is passed after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue at the time this resolution is passed and any subsequent bonus issues, consolidation or subdivision of shares. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

Notes:

1. A Depositor's name must appear on the Depository Register not less than 72 hours before the time of the Meeting.

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

3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in his stead and any such proxy need not be a member of the Company.

4. The instrument appointing a proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Meeting.

5. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the Annual General Meeting in person as proxy of his/her CPF and/or SRS Approved Nominee. CPF and SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Annual General Meeting

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

LOW KENG HUAT (SINGAPORE) LIMITED

Co. Registration No. 196900209G
(Incorporated in the Republic of Singapore)

IMPORTANT
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the Meeting and vote.
2. For investors who have used their CPF monies to buy Low Keng Huat (Singapore) Limited shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

*I/We ______________________ (Name) ______________________ (NRIC/Passport/ Co. Reg. No(s))

of ____ (Address)

being a *member/members of Low Keng Huat (Singapore) Limited (the "Company") hereby appoint:-

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy	
			No. of Shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings to be represented by proxy	
			No. of Shares	%

as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting ("AGM") of the Company to be held Grand Mercure Roxy Singapore, Brooke, Meyer & Frankel Room, Level 3, 50 East Coast Road, Roxy Square, Singapore 428769 on Tuesday, 31 May 2016, at 11.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated with an (x) or (√) in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting as the *proxy/proxies deem fit.

	Resolutions	No of Votes or indicate with a tick (√) or cross (x)**	
		For	Against
	Ordinary business		
1.	To receive and adopt the Audited Financial Statements, Directors' Statement and Auditors' Report for the financial year ended 31 January 2016		
2	To declare a first and final tax exempt (one tier) dividend of 3.0 cents and a special tax exempt (one tier) dividend of 1.0 cent per ordinary share for the financial year ended 31 January 2016		
3	To re-elect Mr Jimmy Yim Wing Kuen as a Director.		
4.	To re-appoint Tan Sri Dato' Low Keng Huat as a Director.		
5.	To re-appoint Mr Lee Han Yang as a Director.		
6.	To re-appoint Mr Lucas Liew Kim Voon as a Director.		
7.	To re-appoint Mr Low Keng Boon @ Lau Boon Sen as a Director.		
8.	To re-appoint Mr Wey Kim Long as a Director.		
9.	To approve Directors' fee of $245,000 for the financial year ended 31 January 2016.		
10.	To re-appoint Foo Kon Tan LLP as Auditors and to authorise the Directors to fix their remuneration.		
	Special business		
11.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		

Delete accordingly
**All resolutions would be put to vote by poll in accordance with listing rule of the Singapore Exchange Securities Limited.
Please tick (√) or cross (X) the number of votes within the box provided. A tick or cross would represent you are exercising all your votes "For" or "Against" the relevant resolution.

Dated this __________ day of ______________ 2016

Total Number of Shares Held

____
Signature of Member / Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THE PROXY FORM

Notes:

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

2. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting ("**AGM**"). Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

3. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 (the "Companies Act").

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

5. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

6. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.

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

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

9. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 80 Marine Parade Road #18-05/09, Parkway Parade, Singapore 449269 not later than 48 hours before the time set for the Annual General Meeting.

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

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

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

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