LUM CHANG HOLDINGS LIMITED

ANNUAL REPORT | 2015

OUR VISION

To be a quality property developer and leading builder in Singapore and the region.

OUR MISSION

We are committed towards global sustainability, safety, quality excellence and value creation for all our stakeholders. We establish partnerships with strategic players and deliver projects exceeding clients' satisfaction. We are a progressive organisation that fosters a people-excellence culture based on merit and equal opportunity.

OUR CORE VALUES

We are a progressive company built upon seven decades of traditional values and cooperative team work which shape our business framework. Our core values represented by the acronym, **IMPRESS**, are:

INTEGRITY
Uncompromising honesty, fairness and accountability in everything we do

MARK
Making our mark, staying ahead of the curve and establishing new benchmarks

PASSION
Doing whatever it takes to deliver what we promise

RESOURCEFULNESS
Pioneering creative solutions for business and operational transformation

EXCEPTIONAL VALUE
Leveraging modern, cost-effective techniques to deliver quality, durability and value multiplication

SAFETY
Committing to a Zero Accident policy, upholding respect for life

SERVICE EXCELLENCE
Exceeding expectations, building trust to keep our clients returning

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HIGHLIGHTS

Kampung Admiralty

Twin Palms Kemensah

2014

AUGUST

- Awarded $87.0m contract to design and build a six-storey ramp-up warehouse at Toh Guan Road East

SEPTEMBER

- Acquired the remaining 49% stake in Kemensah Holdings Pte Ltd, raising our holdings to 100%.

OCTOBER

- Awarded $128.0m building works contract at Kampung Admiralty in Woodlands

NOVEMBER

- Completed the construction of 35 Chrysalis bungalows at Twin Palms Kemensah

2015

FEBRUARY

- Disposed of Old Court House, a freehold mixed-use property along Kensington High Street in London
- Awarded $487.0m contract to construct Northpoint City, a mixed development in Yishun Central
- Completed the construction of 22 Chrysalis bungalows at Twin Palms Kemensah

MAY

- Acquired 130 Wood Street, a freehold commercial property located at a prime office location to the north of Cheapside in London
- Earned the Building and Construction Authority (BCA) Awards 2015 for The Metropolis:
  - Construction Excellence (Commercial Buildings Category)
  - Construction Productivity (Projects - Gold)

AUGUST

- Acquired Kelaty House, a freehold commercial property located in Wembley, London

Northpoint City

130 Wood Street

CORPORATE PROFILE

From its modest beginnings as a sole proprietorship in the 1940s, Lum Chang has grown to become a leading construction firm listed on the Singapore Exchange, backed by a portfolio of projects valued at over $9.0 billion.

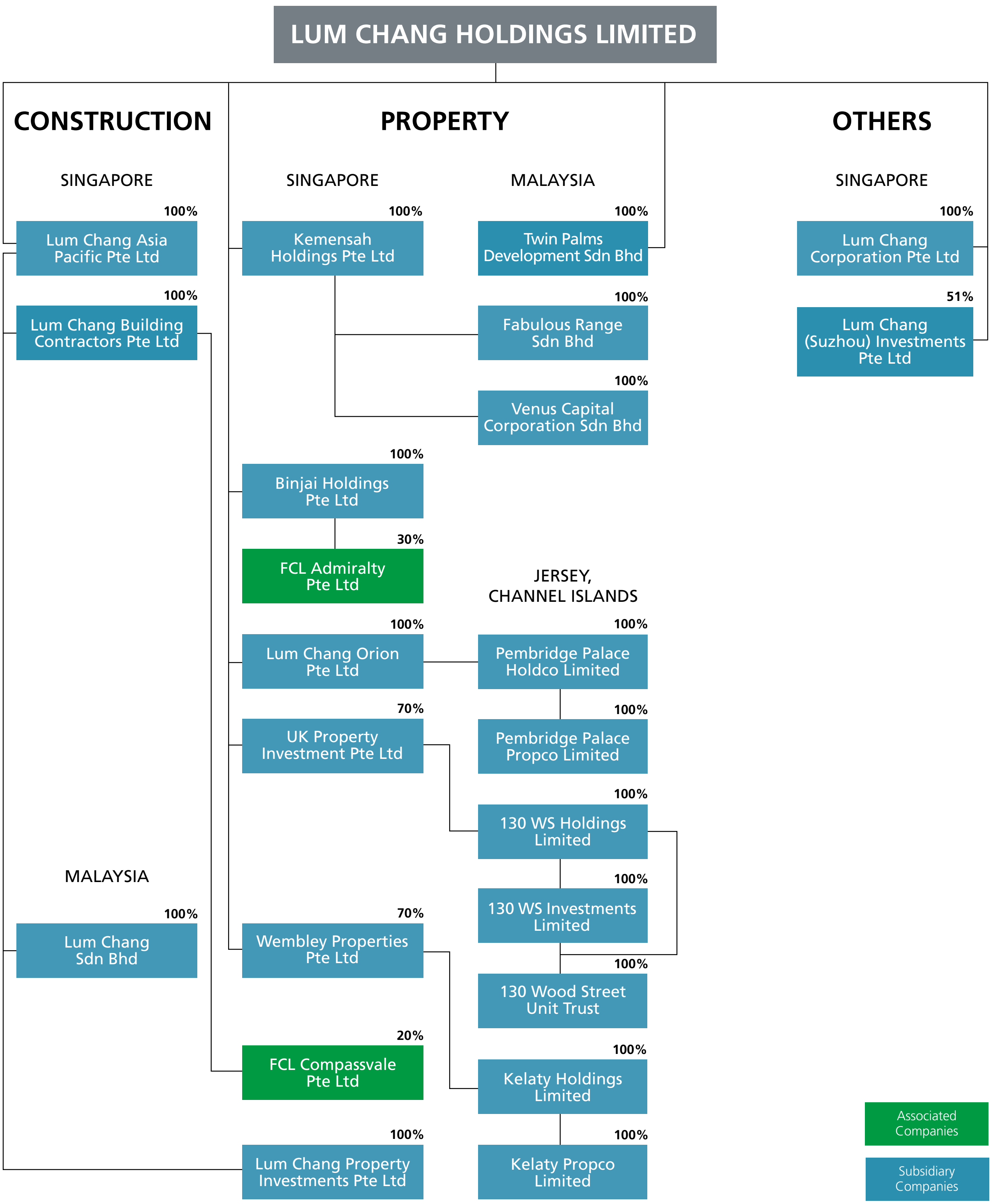
With firm foundations built upon more than seven decades in construction, the Group has also taken the leap to diversify its talents in property investment and development. Today, the twin pillars of Lum Chang are construction and property. The success of the Group is recognised through its impressive diversity of award-winning residential and commercial developments in Singapore and Malaysia.

Recognising that sustainability should be an inherent part of its business, the Group strives to integrate its uncompromising commitment to quality, health and safety, and the environment into its business operations. It works closely with key stakeholders to implement initiatives that will minimise the environmental impact that may be associated with its business activities. It has also incorporated innovative green solutions into its business practices and development projects.

Guided by sound management strategies and good corporate governance, the Company has been rewarded with steadfast and sustained growth and a solid reputation for quality and reliability. With a proven track record, a keen eye for investment opportunities and its strategic network of business alliances, Lum Chang remains committed to delivering its best to shareholders, clients and associates, employees and the community as a whole.

CORPORATE STRUCTURE

as at 14 September 2015



* For the complete list of subsidiary companies, associated companies and joint venture, please refer to Note 40 of the Notes to the Financial Statements.

BOARD OF DIRECTORS

From left to right: Mr Kenneth G R MacLennan, Dr Willie Lee Leng Ghee, Mr Raymond Lum Kwan Sung, Mr Tony Fong, Mr David Lum Kok Seng, Mr Peter Sim Swee Yam and Mr Daniel Soh Chung Hian

MR RAYMOND LUM KWAN SUNG is the Executive Chairman of Lum Chang Holdings Limited (LCH), a position he has held since 1984. With more than 40 years of business experience, Mr Lum's visionary leadership has seen the Group through diversification, successful business alliances and timely corporate moves, leading to its present focus on construction and property development, both locally and overseas. In particular, Mr Lum has been instrumental in growing Lum Chang into a foremost and well-regarded construction firm in Singapore.

Mr Lum is active in community work and was awarded the Public Service Medal (Pingat Bakti Masyarakat) in 1982. He has served on the boards of public institutions and quasi-government organisations such as the Singapore Trade Development Board (now known as International Enterprise Singapore); Singapore Police Association for National Servicemen and Civil Defence Association for National Servicemen. He was also a board member of the Commercial & Industrial Security Corporation (CISCO). He is the Honorary Consul of the Honorary Consulate General of Ghana, Singapore, an appointment by the Government of the Republic of Ghana since 1996.

Mr Lum holds a Bachelor of Science in Civil Engineering from the University of London, United Kingdom.

MR DAVID LUM KOK SENG is the Managing Director of LCH. His dynamic entrepreneurial leadership coupled with more than 40 years of industry experience have led Lum Chang towards increasing its footprint, affirming it as a strong and trusted local construction brand known for quality and reliability.

Mr Lum has successfully led the expansion of the Group's property development activities in Singapore and Malaysia. He is also actively spearheading the Group in property investment projects in the United Kingdom.

His insightful market knowledge, strategic business contacts and relentless entrepreneurial drive have significantly contributed to the development of the Group and will continue to drive the Group to achieve greater heights.

MR TONY FONG is the Executive Director of LCH appointed in July 2012. He joined LCH in 2004 as Group Financial Controller and Company Secretary and was promoted to Group Finance Director in September 2010.

He oversees the financial management functions of the Group and also contributes to its business development and strategic plans. In addition, he is responsible for ensuring that the Company complies with good corporate governance policies and practices.

Mr Fong was trained in a firm of Chartered Accountants in the United Kingdom and is a member of the Association of Chartered Certified Accountants and the Institute of Singapore Chartered Accountants.

MR PETER SIM SWEE YAM, BBM, PBM, a non-executive independent Director of LCH since November 2001, chairs the Remuneration Committee and serves on both the Audit and Risk, and Nominating Committees. Mr Sim is also the Lead Independent Director of LCH.

Mr Sim is a solicitor by profession and a director of the law firm, Sim Law Practice LLC.

He also serves as an independent director of the following listed companies: Haw Par Corporation Limited, Marco Polo Marine Ltd and Mun Siong Engineering Limited. He is also a director of the Young Men's Christian Association (YMCA) of Singapore and the Singapore Heart Foundation.

MR KENNETH G. R. MACLENNAN has been a non-executive independent Director of LCH since November 2001. Mr MacLennan chairs the Nominating Committee and is a member of both the Audit and Risk, and Remuneration Committees.

Mr MacLennan is a director of Wispay Properties Limited, a company in the United Kingdom and was formerly a Partner at JCA Group Coaching LLP. He also acts as an advisor to a number of large international companies, both publicly and privately owned.

Mr MacLennan previously held senior positions at Standard Chartered Bank, prior to his appointment as Chief Executive of Korn/Ferry International U.K. Ltd.

MR DANIEL SOH CHUNG HIAN is a non-executive independent Director of LCH appointed in January 2013. He chairs the Audit and Risk Committee and also serves on the Nominating Committee.

A fellow member of the Institute of Singapore Chartered Accountants, Mr Soh began his career in 1977 with Ernst & Young LLP, Singapore, and was a partner from 1990 till his retirement in December 2012. His 35 years of experience saw him auditing many publicly listed companies and working on many IPOs of listed companies.

Mr Soh also serves as an independent director of two listed companies namely Eu Yan Sang International Ltd and QAF Limited. He also sits on the Board of Governors of Raffles Girls' School and the Agency For Integrated Care Pte Ltd.

Mr Soh graduated from the then University of Singapore with a degree in Accountancy, and possesses a Master of Business Administration from International Centre of Management in the United Kingdom.

DR WILLIE LEE LENG GHEE has an MBBS from the then University of Singapore and has been a medical practitioner for over 40 years.

Dr Lee has been a non-executive independent director of LCH since February 2006. He is a member of both the Audit and Risk, and Remuneration Committees.

PRESENT AND PAST DIRECTORSHIPS

as at 14 September 2015

RAYMOND LUM KWAN SUNG

Present Directorships

Lum Chang Holdings Limited *
Lum Chang Asia Pacific Pte Ltd
Lum Chang Building Contractors Pte Ltd
Lum Chang Corporation Pte Ltd
Lum Chang Orion Pte Ltd
Lum Chang Properties Ltd
Lum Chang Realty Pte Ltd
Lum Chang (Suzhou) Investments Pte Ltd
Binjai Holdings Pte Ltd
Boon Lay Executive Condominiums Pte Ltd
London Property Investment Pte Ltd
Singapore-Suzhou Township Development Pte Ltd #
UK Property Investment Pte Ltd
Lum Chang Sdn Bhd
Arandeur Holdings Pte Ltd
Lum Chang Investments Pte Ltd
SG Link Pte Ltd
Kwong Wai Shiu Hospital & Nursing Home

Past Directorships over the Preceding Three Years

Edu Genus Pte Ltd
Glaxton Trading Pte Ltd
RDL Investments Pte Ltd
River Springs Pte Ltd

DAVID LUM KOK SENG

Present Directorships

Lum Chang Holdings Limited *
Lum Chang Asia Pacific Pte Ltd
Lum Chang Building Contractors Pte Ltd
Lum Chang Corporation Pte Ltd
Lum Chang Orion Pte Ltd
Lum Chang Properties Ltd
Lum Chang Property Investments Pte Ltd
Lum Chang Realty Pte Ltd
Lum Chang (Suzhou) Investments Pte Ltd
Binjai Holdings Pte Ltd
Boon Lay Executive Condominiums Pte Ltd
Kemensah Holdings Pte Ltd
Sungei Long Holdings Pte Ltd
FCL Compassvale Pte Ltd
Singapore-Suzhou Township Development Pte Ltd
Lum Chang Sdn Bhd
Fabulous Range Sdn Bhd
Uptown Viewpoint Sdn Bhd
Urban Assignment Sdn Bhd
Venus Capital Corporation Sdn Bhd
Arandeur Holdings Pte Ltd
Beverian Holdings Pte Ltd
Bevrian Pte Ltd
DML London Pte Ltd
Nanyang Girls' High School Ltd
Nanyang International Education (Holdings) Limited
Kwong Wai Shiu Hospital & Nursing Home

Past Directorships over the Preceding Three Years

Edu Genus Pte Ltd
Glaxton Trading Pte Ltd
LCD Global Investments Ltd ^
L.C. Hotels Pte Ltd
L.C. Logistics Pte Ltd
LCD Property Pte Ltd
LCD Property Management Pte Ltd
Hillgate Investment Pte Ltd
Draycott Garden Pte Ltd
Richful China Investments Limited
Xuzhou YinJian LumChang Real Estate Development Co., Ltd
Xuzhou RE Sales Co., Ltd
LCD Management Sdn Bhd
Corpus Five Sdn Bhd
Holiday Inn City Centre Guangzhou Co., Ltd
RDL Investments Pte Ltd

TONY FONG

Present Directorships

Lum Chang Holdings Limited *
Lum Chang Asia Pacific Pte Ltd
Lum Chang Building Contractors Pte Ltd
Lum Chang Corporation Pte Ltd
Lum Chang Orion Pte Ltd
Lum Chang Properties Ltd
Lum Chang Property Investments Pte Ltd

Lum Chang Realty Pte Ltd
Lum Chang (Suzhou) Investments Pte Ltd
Binjai Holdings Pte Ltd
Boon Lay Executive Condominiums Pte Ltd
Kemensah Holdings Pte Ltd
London Property Investment Pte Ltd
Sungei Long Holdings Pte Ltd
UK Property Investment Pte Ltd
Wembley Properties Pte Ltd
FCL Admiralty Pte Ltd #
Lum Chang Sdn Bhd
Fabulous Range Sdn Bhd
Nexus Sdn Bhd
Twin Palms Development Sdn Bhd
Uptown Viewpoint Sdn Bhd
Urban Assignment Sdn Bhd
Venus Capital Corporation Sdn Bhd
Lum Chang UK Properties Limited
Pembridge Palace Holdco Limited
Pembridge Palace Propco Limited
130 WS Holdings Limited
130 WS Investments Limited
Kelaty Holdings Limited
Kelaty Propco Limited

Past Directorships over the Preceding Three Years
Lum Chang Eduprop Pte Ltd
Edu Genus Pte Ltd
Glaxton Trading Pte Ltd
LED System Technology Pte Ltd
River Springs Pte Ltd
Old Court House Propco Limited
Lum Chang Investments Pte Ltd
SG Link Pte Ltd

PETER SIM SWEE YAM

Present Directorships
Lum Chang Holdings Limited *
Gravitas Alliance International Pte Ltd
Haw Par Corporation Limited *
Infinity Capital Partners (S) Pte Ltd
Marco Polo Marine Ltd *
Mun Siong Engineering Limited *
Sim Law Practice LLC
Singapore Heart Foundation
SKB & Associates Pte Ltd
Young Men's Christian Association of Singapore

Past Directorships over the Preceding Three Years
British & Malayan Trustees Limited
Latitude Tree International Group Ltd

KENNETH G R MACLENNAN

Present Directorships
Lum Chang Holdings Limited *
Wispay Properties Limited

Past Directorship over the Preceding Three Years
JCA Group Coaching LLP

DANIEL SOH CHUNG HIAN

Present Directorships
Lum Chang Holdings Limited *
Eu Yan Sang International Ltd *
JDJ Investment Pte Ltd
QAF Limited *
Agency for Integrated Care Pte Ltd

DR WILLIE LEE LENG GHEE

Present Directorships
Lum Chang Holdings Limited *
Clinic @ T3 Hotel LLP

* Public-listed company
# Alternate Director
^ Formerly known as L.C. Development Ltd

SENIOR MANAGEMENT

TAN WEY PIN

Mr Tan Wey Pin joined Lum Chang Building Contractors (LCBC) in 2003 and was subsequently appointed Executive Director in 2007. Mr Tan was promoted to Managing Director of LCBC in 2010 and as Head of Construction, is responsible for managing the Company's business as well as spearheading its growth.

Mr Tan holds a Bachelor of Engineering (Civil) from the University of New South Wales, Australia. He has over 20 years of construction industry experience, during which he managed a number of complex and large-scale projects in both civil and building works.

FOO YOKE HENG

Mrs Foo Yoke Heng joined LCH as the Group HR and Admin Manager in 2000 and was appointed Director, Human Resources in 2008.

With over 25 years of working experience to date, she has held numerous appointments in her career beginning with the Ministry of Education. At the former DBS Land, she was responsible for the Corporate HR of the Group and its subsidiaries with businesses across Singapore and the Asia-Pacific. Mrs Foo graduated with a Bachelor of Arts degree from the then University of Singapore.

ADRIAN LUM WEN HONG

Mr Adrian Lum Wen Hong joined LCH in 2006. He currently serves as Director, Property Development. He oversees the Property Division and is responsible for formulating business strategy and identifying investment opportunities, land and property development and potential joint ventures, and business acquisitions for the Group.

Prior to joining the Group, Mr Lum held management positions whilst working locally and abroad.

Mr Lum holds a Master's Degree in Engineering with First Class Honours from the Imperial College of London, United Kingdom, and was awarded the Governor's MEng Prize for academic excellence.

CHONG SOON TECK

Mr Chong Soon Teck, General Manager, Commercial, joined LCBC in 1983 as Quantity Surveyor. As Head of the Commercial Unit, he is responsible for the business development, administration, purchasing and contracts departments. He is also directly involved in and oversees the tendering of projects for the Company.

With more than 30 years of experience in the construction industry, Mr Chong has had a hand in many of the Company's major construction projects.

NG KEE HONG

Mr Ng Kee Hong, General Manager of Projects, Construction, is in charge of LCBC's building projects. Mr Ng joined the Company in 2004 and has been involved in many key projects.

With more than 40 years of diversified experience in construction, Mr Ng has in-depth expertise extending from mechanical and engineering works to project management, from site experience to construction management. Prior to joining LCBC in 2004, Mr Ng was an M&E Specialist, involved in infrastructure and building projects.

RINTU CHAKRAVARTHY

Mr Rintu Chakravarthy, General Manager of Projects, Construction, is responsible for leading the Company's Civil and Infrastructure Team. Mr Chakravarthy joined the Company in 2003 as Project Manager. In 2009, he assumed the role of Project Director for the design and construction of civil and infrastructure projects.

Mr Chakravarthy has over 25 years of experience with core competencies in almost every facet of construction and holds a Bachelor of Civil Engineering from the Andhra University, India.

CORPORATE DATA

BOARD OF DIRECTORS

Raymond Lum Kwan Sung
Executive Chairman

David Lum Kok Seng
Managing Director

Tony Fong
Executive Director

Peter Sim Swee Yam
Lead Independent Director

Kenneth G R MacLennan
Independent Director

Daniel Soh Chung Hian
Independent Director

Dr Willie Lee Leng Ghee
Independent Director

REGISTERED OFFICE

14 Kung Chong Road
#08-01 Lum Chang Building
Singapore 159150
Tel: 6273 8888
Fax: 6933 6688
Email: lch@lumchang.com.sg
www.lumchang.com.sg

REGISTRARS & TRANSFER OFFICE

Tricor Barbinder
Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road
#02-00
Singapore 068898

COMPANY REGISTRATION NO.

198203949N

AUDIT AND RISK COMMITTEE

Daniel Soh Chung Hian
Chairman

Peter Sim Swee Yam
Kenneth G R MacLennan
Dr Willie Lee Leng Ghee

NOMINATING COMMITTEE

Kenneth G R MacLennan
Chairman

Peter Sim Swee Yam
Daniel Soh Chung Hian
Raymond Lum Kwan Sung

REMUNERATION COMMITTEE

Peter Sim Swee Yam
Chairman

Kenneth G R MacLennan
Dr Willie Lee Leng Ghee

COMPANY SECRETARY

Tony Fong

INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP
Public Accountants
and Chartered Accountants
Singapore
Audit Partner
Tan Bee Nah
(effective from the financial year ended 30 June 2012)

PRINCIPAL BANKERS

CIMB Bank Berhad

Citibank, N.A.

Malayan Banking Berhad

Oversea-Chinese Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited

United Overseas Bank Limited

CHAIRMAN'S STATEMENT

REVIEW OF BUSINESS OPERATIONS

I am pleased to announce another successful year for Lum Chang in FY2015.

During the year, economic recovery in the United States remained muted while recovery in Europe struggled to gain traction. Growth in Asian economies, including Singapore, was stable, although China has started to show signs of slowing down.

For FY2015, the Group achieved a net profit attributable to shareholders of $29.8 million, an increase over previous year's profit of $25.1million. The profit recognition of local construction projects for the year, the completion of some phases from our Malaysian developments and the sale of an investment property in the United Kingdom had contributed to another successful year for the Group.

Revenue for the year came in at $312.4 million, 13% higher than the previous year.

DIVIDENDS

Our delivery of consecutive earnings and healthy cash flow have allowed the Group to consistently reward shareholders with dividend payout. This year, the Board of Directors is pleased to recommend a final dividend of 1.25 cents per share to be approved by Shareholders at the forthcoming Annual General Meeting. This, in addition to an interim dividend of 0.75 cents per share paid out earlier in the financial year, bring the total dividend paid out for FY2015 to 2.0 cents per share.

CONSTRUCTION

The Construction Division continues to be the largest contributor to Group revenue, making up 83% of the Group's total revenue. The Division recorded revenue of $257.7 million, up by 9% over the last financial year. Several projects were substantially completed towards the end of the financial year under review. These included the MRT project at Bukit Panjang (C912), a residential project at Pasir Ris (Ripple Bay) and the second and final phase of Ascendas Land's Business Park Development at Science Park Drive.

During the year, we also secured three new contracts worth $702.0 million bringing the total outstanding order book for the Group's current construction projects to approximately $845.0 million as at 30 June 2015.

One of these was an $87.0 million contract from HSBC Institutional Trust Services (Singapore) Limited as Trustee of Mapletree Logistics Trust, to design and construct a six-storey warehouse at Toh Guan Road East.

The Housing and Development Board also awarded a contract for the construction of the Admiralty Integrated Development at Woodlands Neighbourhood 6. The scope of the contract includes public housing and a food centre, commercial and social communal facilities. The project worth $128.0 million is expected to complete in the first half of 2017.

The division also secured another contract for a mixed development at Yishun Central issued by North Gem Development Pte Ltd and FC North Gem Trustee Pte Ltd (Trustee-manager of North Gem Trust). The project valued at $487.0 million, includes the construction of a podium block comprising retail, community club and bus interchange, and a residential development with 12 blocks of 920 apartment units. Associated works such as the construction of a town plaza, and connection to the existing Yishun MRT station via a new underground pedestrian network, are also included in the scope of work.

To cap off an exciting work year, the division also took home both the Construction Excellence and Construction Productivity Awards – Projects (Gold) for its work on The Metropolis. Given out by the Building and Construction Authority (BCA), these awards are a great testament to the hard work and dedication of the team.

PROPERTY

In property, 94% of the units in the Group's joint venture executive condominium, Twin Fountains, have been sold to date. The project is on track to complete in the first half of 2016.

The Group's two residential projects in Malaysia - Twin Palms Sungai Long and Twin Palms Kemensah - are progressing steadily in spite of market sentiments.

During the year under review, 11 more semi-detached villas and bungalows were sold at Sungai Long. A further 28 semi-detached villas and bungalows were recently launched in July 2015 and to date, a total of 404 units have been launched with 87% of these having been sold. The development has a total of 573 units.

At Kemensah, 57 bungalows were completed during the year under review and 10 more were sold, bringing the total number of units sold to 102 out of the total of 127 in the development. To date all phases have been launched.

In line with our strategy to fuel long term growth and returns, the Group acquired two freehold commercial properties in London, United Kingdom.

The first is a commercial building located at a prime office area, north of Cheapside, midway between the Bank of England and St Paul's Cathedral. Acquired for £51.3 million, the property comprises Grade A offices and basement retail units let out on long leases.

The second property, Kelaty House, was purchased for £25.5 million under a joint venture with Sin Heng Chan (1960) Pte Ltd in August 2015. Located within the Wembley Regeneration Area, near the iconic Wembley Stadium, Kelaty House is about 1.03 hectares and is currently fully leased. The property has planning consent for conversion to a mixed-use development, which the joint venture is reviewing and will make a decision in due course.

In February 2015, The Group accepted an offer to sell the Old Court House, a freehold retail property located along Kensington High Street. The disposal realised a profit of $11.5 million for the Group in FY2015.

SHARE BUY-BACK AND EMPLOYEE SHARE OPTION SCHEME

The Company did not purchase any of its own shares during the financial year ended 30 June 2015. In addition, no further share options were granted to employees during the year under review.

To date, out of a total of 36,632,000 share options granted since 2008, 22,209,000 have been exercised by employees. The Share Option Scheme is designed to acknowledge contributions made by employees and Directors, and to attract, retain and motivate them towards higher standards of performance.

SENIOR MANAGEMENT CHANGES

Mr Kenneth MacLennan will be retiring by rotation from the Board at the forthcoming Annual General Meeting in October and has indicated that he will not be seeking re-election. Mr MacLennan has been serving the Board as an independent director for over 13 years and as the Chairman of the Nominating Committee for more than nine years. We are grateful for his support to the Board and his countless contributions, especially in the area of Corporate Governance over the years.

Together with the rest of the Board, I thank Mr MacLennan for his valued advice and wise counsel, and wish him the very best for the future.

CONCLUSION

There appears to be some demand for construction in Singapore for the coming year due to the high volume of institutional and civil engineering projects. However, we will continue to be deliberately selective with our tenders for these projects, choosing instead to focus strongly on what is and has been the core of our success – project execution. We will also focus on innovation in construction technology to improve productivity so that we can remain competitive in the tendering of projects.

On behalf of the Board, I wish to thank our shareholders, clients, business associates and suppliers for their unwavering support and partnership through the years. My sincere thanks also go out to the Directors, Management and Staff, for their dedication and commitment during the past year.

Lum Chang owes much of our success to the invaluable support from all our stakeholders and I look forward to your continued support and confidence.

Raymond Lum Kwan Sung
Executive Chairman
14 September 2015

CONSTRUCTION

BUILDING ON OUR STRENGTHS FOR SUSTAINABLE VALUE CREATION

In a market where general conditions remain highly competitive, the Group's construction division, in addition to maintaining a sizeable order book, secured $702.0 million in new contracts to bring the total outstanding value of construction projects in progress to S$845.0 million as at 30 June 2015.

The three new construction projects include a mixed development at Northpoint City, public housing and commercial facilities at Kampung Admiralty, and a warehouse at Mapletree Logistics Hub in Toh Guan. Building works for The Glades, a condominium development at Bedok Rise, is progressing well, while three other projects are expected to be completed on schedule by the end of the year. These projects include the residential development Ripple Bay, Phase 2 of Ascendas Land's Business Park Development at Science Park Drive as well as the Land Transport Authority's (LTA) MRT Downtown Line Stage 2 C912 Project.

To date, LCBC has built an impressive construction portfolio valued at more than $9.0 billion, erecting landmark buildings and infrastructure, ranging from commercial and retail to industrial and residential.

LCBC's continuous efforts in driving construction excellence and productivity, to deliver high quality, cost-competitive and, effective construction solutions and products, is one of its cornerstones of success. In addition, its focus on training and development to upgrade the skillsets of its workforce ensures its sustainable business success.

Image : Frasers Centrepoint Limited

NORTHPOINT CITY

LCBC successfully bid for a $487.0 million contract to construct Northpoint City, a mixed development at Yishun Central 1 / Yishun Avenue 2. The contract was awarded by North Gem Development Pte Ltd and FC North Gem Trustee Pte Ltd, as trustee-manager of North Gem Trust.

The scope of the contract includes the construction of a three-storey podium block comprising retail, community club and bus interchange with two basements and mezzanine of retail and carparks. It also includes the 920-unit North Park Residences, a residential development with twelve 10-storey blocks, a clubhouse, swimming pool and communal facilities.

The contract also calls for associated works such as the construction of a town plaza and a new underground link-way with shops, connecting Yishun MRT station to the new bus interchange. The project is expected to be completed in the second half of 2018.

KAMPUNG ADMIRALTY

LCBC has secured a tender for building works at Kampung Admiralty, situated in Woodlands. The $128.0 million project was awarded by the Housing Development Board.

The contract for this integrated development includes the construction of two studio apartment blocks with 104 units, a community plaza and park, retail shops, a hawker centre, a two-level medical centre and elder and childcare facilities. Other building works include a two-level basement carpark and additional contingency works. The targeted completion date is in the first half of 2017.

MAPLETREE LOGISTICS HUB

LCBC was awarded an $87.0 million contract by HSBC Institutional Trust Services (Singapore) Limited, as Trustee of Mapletree Logistics Trust, to design and construct a six-storey ramp-up warehouse at Toh Guan Road East.

The scope of work includes the design and construction of a six-storey ramp-up warehouse with container parking and ancillary buildings/structures and container parking lot. The project is expected to be completed in the first half of 2016.

THE GLADES

The Glades contract issued by Sherwood Development Pte Ltd – a joint venture between Keppel Land & China Vanke – is a 726-unit condominium development located at Bedok Rise.

The contract valued at $178.6 million comprises nine apartment blocks of between 10 to 12 storeys, two basement carparks, a tennis court, swimming pool and clubhouse facilities. The project is expected to complete in the second half of 2016.

In recognition of its sustainable design, construction and operation practices, The Glades was awarded the BCA Green Mark Gold Plus Award in May 2014.

RIPPLE BAY

Ripple Bay is a 679-unit condominium development located at Jalan Loyang Besar / Pasir Ris Drive 4. Awarded by MCL Land (Pasir Ris) Pte Ltd, the $143.7 million project's scope encompasses the construction of four 12-storey, and three 13-storey apartment blocks.

Aiming to provide its residents with the full resort-themed experience, the amenities in Ripple Bay include tennis court, lap pool, island deck, floating hammocks, sky lounge and gymnasium. The development is expected to complete in the second half of 2015.

DNV-GL TECHNOLOGY CENTRE AND DSO NATIONAL LABORATORIES

The DNV Technology Centre and DSO National Laboratories is a $152.2 million commercial project located at Science Park Drive. Awarded by Ascendas Land (Singapore) Pte Ltd , this business park development was awarded the BCA Green Mark Gold Award in May 2013.

The commercial development consists of one 7-storey and two 8-storey office blocks. The construction for this business park development is split into two phases, with the works for Phase 1 completed in June 2013. Phase 2 is currently in progress, and is projected to complete in the second half of 2015.

MRT DOWNTOWN LINE STAGE 2 C912

The design and construction of the Bukit Panjang Station project is progressing into its sixth and final year of construction, as building works for Downtown Line Stage 2 will be completed ahead of schedule in December 2015.

Bukit Panjang Station is one of the 12 stations in the Downtown Line Stage 2, which starts from Bukit Panjang and ends at the city centre. Spanning 16.6km, the Downtown Line Stage 2 connects to the north-western part of Singapore.

Awarded by LTA, the scope of the $504.5 million project includes the construction of an underground station with two basement levels (concourse and platform), and a 1.8km cut-and-cover tunnel stretching from C911 (Gali Batu Depot) to the C913 bored tunnel in front of The Linear condominium. The structure for future underground pedestrian walkways to adjacent developments have also been included on the concourse level.

PROPERTY

ENHANCED LIVING SPACES AND SMART INVESTMENTS

Over the years, the Group has built a fine portfolio of quality homes, posh condominiums and award-winning office buildings. Leveraging its decades of experience in design and construction, its developments embody the best of luxury living with stunning green spaces, and offer efficient space planning to cater to diverse business requirements.

Lum Chang's exclusive residences in Kuala Lumpur, Malaysia, truly embody luxury living for the discerning few. Nestled in lush greenery and tranquil surroundings, and strategically located with easy access to the city, Twin Palms Sungai Long and Kemensah harmoniously bring together nature, comfort and convenience.

During the year under review, the Group expanded its property portfolio in the United Kingdom by acquiring two freehold commercial properties. One is an office building located at the prime commercial area north of Cheapside, midway between the Bank of England and St Paul's Cathedral while Kelaty House is located within the Wembley Regeneration Area, near the iconic Wembley Stadium.

SINGAPORE

TWIN FOUNTAINS

Twin Fountains is an executive condominium development comprising 418-units housed within eight blocks of 14-storey towers, with a myriad of recreational facilities. The development is situated at Woodlands Avenue 6 and Woodlands Drive 16, within close proximity to the Admiralty Station and the upcoming Woodlands South Station. It is also a short drive away from Causeway Point shopping mall and major expressways.

Lum Chang is jointly developing Twin Fountains with partner, Frasers Centrepoint. The development is expected to receive its Temporary Occupation Permit in the first half of 2016.

UNITED KINGDOM

KELATY HOUSE

The acquisition of Kelaty House was completed in late August 2015. The freehold commercial property is located within the Wembley Regeneration Area near the iconic Wembley Stadium, an area which is rapidly transforming into a vibrant and dynamic neighbourhood. The property is approximately 1.03 hectares and is currently fully leased.

PEMBRIDGE PALACE

Pembridge Palace is a freehold property located in Prince's Square, London. The property is situated in the City of Westminster Borough, near Bayswater Tube Station, and tourist attractions such as Hyde Park and Kensington Gardens. The Group derives rental income from a sole tenant operating it as a hotel.

130 WOOD STREET

In May 2015, the Group acquired a freehold commercial property at 130 Wood Street, for a net consideration of £51.3 million.

The commercial building is located at a prime office location to the north of Cheapside, midway between the Bank of England and St Paul's Cathedral in London. It has an approximate floor area of 64,785 sq ft, comprising Grade A offices, a basement wine bar and retail units let out on long leases. The Group derives rental income from the property which is currently fully leased.

OLD COURT HOUSE

Old Court House, a freehold retail property, is located along Kensington High Street in London, in a prime shopping location tenanted by well-known street fashion retailers such as Zara, Uniqlo, Topshop and Miss Sixty.

In February 2015, the Group completed the disposal of the property.

MALAYSIA

TWIN PALMS KEMENSAH

Twin Palms Kemensah is a 127-unit luxurious private bungalow development where exclusive living meets a nature reserve sanctuary. Nestled within the cool and green natural surroundings of Kemensah, the development is set amidst the cascading beautiful hills of Bukit Tabur in Ulu Klang, with easy access to the Kuala Lumpur City Centre.

During FY2015, 57 Chrysalis bungalows were completed and a further 10 units of bungalows were sold. To date, 88% of the entire development has been taken up.

TWIN PALMS SUNGAI LONG

Twin Palms Sungai Long is a modern housing estate nestled on the hillside of Bandar Sungai Long, Kajang. It comprises 573 bungalows, semi-detached villas and superlink units sprawled over 126 acres of freehold land. There are a total of nine phases within the housing estate, each named after a genus of palm, where the nine initials spell out the namesake of this prestigious property.

Its Observation Deck located at the highest point of the estate, commands a scenic view of the neighbourhood and surrounding areas of Bandar Sungai Long. The estate also boasts a 500-meter long linear park and four man-made ponds.

Twin Palms is fully equipped with recreational and sports facilities including a clubhouse, an infinity pool, wading and children's pool, gymnasium, sauna, activity hall with badminton, table tennis and basketball courts, a multipurpose hall, children's playroom, convenience kiosk, poolside cafe and BBQ place.

In June 2015, a new phase of 28 Latania semi-detached and bungalow homes were launched. Completion of construction works for Latania homes is expected in 2017.

The construction of 15 Westiara bungalows and 15 Sierra semi-detached homes were also completed this year, out of which 11 units have been sold. As at July 2015, 87% of the 404 units launched have been sold.

CORPORATE SOCIAL RESPONSIBILITY REVIEW

CORPORATE CITIZENSHIP

Lum Chang's commitment to sustainable development can be seen through our four key cornerstones – protecting the interests of our shareholders, being a responsible employer, giving back to the community, and being aware of, and doing our part to reduce our carbon footprint. Our journey to becoming a responsible corporate citizen starts from improving our economic, social and environmental performance.

RESPONSIBILITY TO OUR SHAREHOLDERS

The Group understands the importance of sound governance practices, and strives to uphold the high standards of corporate governance, transparency and disclosure while adhering to the principles and guidelines of the Singapore Code of Corporate Governance 2005.

The Group makes accurate and timely disclosures of our quarterly and full-year results. Our results and announcements can be viewed via the Singapore Exchange Securities Trading Limited (SGX-ST) through SGXNET, as well as on Lum Chang's dedicated online Investors Relations (IR) page on our corporate website.

Lum Chang's IR page is updated to provide the latest corporate and financial information, daily stock quotes, historical charts, announcements and annual reports. It is a convenient one-stop source of information for our shareholders, keeping them informed of our business operations and latest business developments.

HUMAN RESOURCE AND PEOPLE DEVELOPMENT

Lum Chang recognises that a constructive and positive work environment is key to attracting and retaining employees. We are not only committed to empowering and motivating our diverse workforce, we also aim to cultivate a healthy work-life balance for all staff, to further foster our people, and to work towards our aim of being an employer of choice.

The policies, practices and procedures implemented are directed towards a holistic working environment for our employees. We adhere to prevailing market labour laws while treating our people with utmost dignity and equality. We place high emphasis on having diversity in the workplace, and strive towards an environment free from discrimination and unfair treatment.

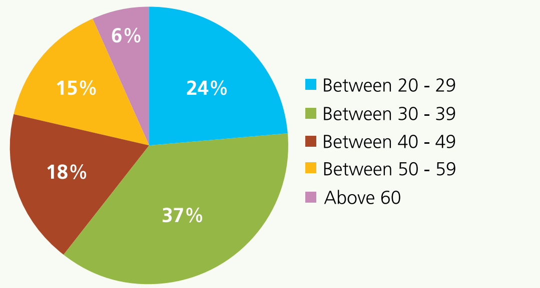
We value employees from all walks of life. Remuneration packages are based on individual contributions, merit and performance.

To protect our employees, whistle-blowing policies are put in place to allow employees to communicate, raise issues and concerns without the fear of reprisals. Our open-door policy further encourages interaction and discussion amongst all our employees. This together with grievance procedures, create an effective communication network for the company.

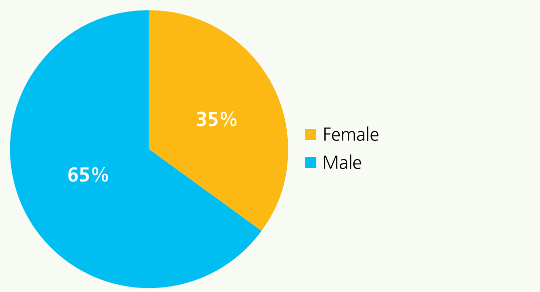
Lum Chang provides for and encourages all our employees, to engage in training and development. The continuous upgrading of skills and knowledge is vital to the sustainable development of the Company. With the ever-changing business market, it is crucial for employees to constantly deepen their skill-sets to remain competent and relevant. In turn, this also boosts the Company's productivity.

Our focus is not just on job-specific technical skills training, but also on professional and on-the-job training. Combined with executive and leadership development, technical and professional seminars, courses workshops, and overseas immersion programmes, Lum Chang aims to better all our employees and allow them to reach their full potential.

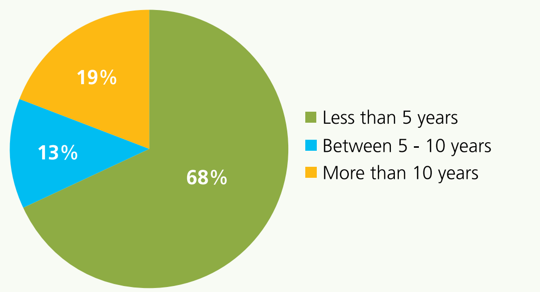
Employees by Age Band



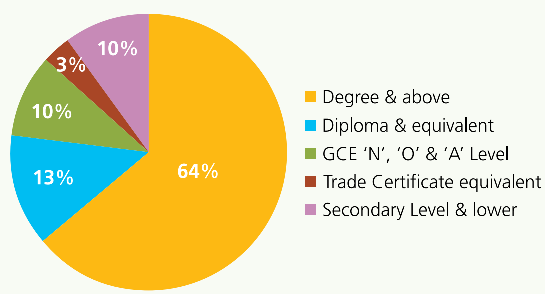
Employees by Gender



Employees by Years of Service



Employees by Educational Qualification



Besides an orientation programme, we also organise regular sessions for the staff to meet senior management. Set in a casual environment, these face-to-face feedback sessions foster better relations and communication. In addition to an interactive intranet, we also issue a quarterly newsletter detailing the latest company news and development to further engage the staff.

Lum Chang places huge emphasis on staff wellness in order to provide a healthy and balanced work-life environment. We actively involve employees and their families in social events and recreation activities. Such activities include Family Day, day-trip excursions, Annual Dinner & Dance and community engagement events.

In-line Skating Beginner's Course

Baking Class

Archery Workshop

Escape Game Challenge

HEALTH AND SAFETY

At Lum Chang, health and safety is our top priority and we go beyond the strict standard criteria of Quality, Environment, Health and Safety (QEHS) standards. Precautionary measures are set in place as a constant reminder for our employees. As such, a strong sense of safety is instilled in all our employees, to strive for an incident-free workplace.

We establish partnerships with sub-contractors who share similar values with regard to QEHS standards. This is in line with the Company's emphasis on maintaining safety measures and ensuring that they are strictly enforced. In addition, regular fire drills, ongoing training, communication and regular safety audits are conducted to constantly ensure that safe work practices are upheld. This has contributed to Lum Chang maintaining a low Accident Frequency-Severity Rate that is below the Singapore National Construction average.

As a certified bizSAFE partner, Lum Chang proactively motivates our sub-contractors to partake in the bizSAFE programme to further improve workplace health and safety. Our health and safety initiatives are recognised under the Occupational Health and Safety Management System Certificate (OHSAS 18001).

Lum Chang Safety Culture

- Management commitment to Quality, Environment, Health and Safety
- Respect of people
- Involvement and responsibility of all in the project team
- Prevention approach
- Risk assessment and risk management
- Systematic communication and information dissemination
- Constant safety training & promotion
- Continual improvement mindset

ENVIRONMENTAL AWARENESS

Eco-friendly work practices have always been of utmost importance here at Lum Chang. We understand and firmly believe that ecological practices will lead to a sustainable work environment. The reduction in consumption of electricity, water, and paper and print usage contributes to better conservation of our planet Earth. Such practices include turning off lights and machines during lunch and after-office hours, storing files electronically and double-sided printing. Lum Chang also has regular waste paper collection for recycling in the office.

As a recognition for our green practices, which have been in place since 2009, Lum Chang earned the highest tier STAR category under BCA's Green and Gracious Builder Award, and we have been achieving increasing scores year after year, as we continue to upgrade our environmentally-friendly practices. We are determined to receive higher scores and outperform ourselves every year moving forward.

Lum Chang's eco-friendly initiatives have been certified under the internationally recognised Environmental Management System Certificate (ISO 14001) as well as the Quality Management System Certificate (ISO 9001).

Minimising Our Environmental Impact

- Train and promote environmental awareness amongst staff
- Use of natural resources efficiently, e.g. using energy efficient lighting and air-conditioning, and water recycling in our construction site offices
- Work with sub-contractors and suppliers who are Environmental Partners
- Ensure work site accesses are clear and safe for all stakeholders
- Plan and ensure our site activities are carried out with the consideration of public safety at all times
- Minimise and control noise and vibration arising from our work activities
- Promote Green and Gracious initiatives through communicating our policies and necessary information to all stakeholders

COMPLIANCE AND INDUSTRY ENGAGEMENT

Lum Chang aims to operate within legal and regulatory boundaries, to uphold the standards of a responsible corporate citizen. We work closely with, and engage government and industry agencies, to keep up-to-date with any changes in policy, in order to understand pertinent issues that may affect the business. By maintaining close working ties with these agencies, we are able to facilitate discussion and the exchange of ideas to address the issues.

We employ and improve upon existing labour-efficient technologies to upkeep the national agenda of raising productivity in construction, for example by adopting formwork and biometric systems. This helps to keep the business current and ensures its sustainability. Lum Chang frequently participates in government-led initiatives as well.

In May 2015, as testament to our hard work, Lum Chang was awarded both the BCA Construction Productivity Award – Projects (Gold) and BCA Construction Excellence Award, for our work on The Metropolis.

Since 2011, Lum Chang has been participating in the BCA-Industry Built Environment Undergraduate Scholarship Scheme. Through this, the Group presents selected students of high calibre with the opportunity to better understand the construction industry. Students under this scheme are also given the opportunity to engage in fulfilling careers to become Built Environment leaders of tomorrow.

In support of furthering sustainable building and construction in Singapore, LCBC together with Mr Raymond Lum (LCH Chairman) and Mr David Lum (LCH Managing Director) made a significant contribution to the Institute of Real Estate Studies at the National University of Singapore. The contribution will go towards establishing the Lum Chang Professorship, set up in honour of the late Mr Lum Chang, founder of the Lum Chang Group. The pledged gift of $2.0 million will go towards setting up an endowment with matching funds from the Singapore Government. The Professorship seeks to attract outstanding academic and intellectual leaders of international repute with a demonstrated ability to contribute substantially in the field of Sustainable Built Environment, engage in new lines of research, develop innovative teaching methods and mentor junior faculty members and students. Areas of focus will include sustainable development, urban planning and green buildings.

BCA-Industry Built Environment Scholarship Scheme 2014

LCBC was awarded the BCA Construction Excellence Award and BCA Construction Productivity Award - Projects (Gold) for The Metropolis

The establishment of Lum Chang Professorship

RESPONSIBILITY TOWARDS SOCIETY

Lum Chang is grateful for the support it receives and strongly believes in giving back to the larger community and to society. We make donations to the less fortunate, and contribute towards youth development, culture and the arts.

During the year under review, we supported community outreach programmes organised by various citizens' consultative committees including Queenstown, Pasir Ris, Whampoa, and Braddell Heights. We also donated to numerous other community organisations such as the Community Chest, Ren Ci, Kwong Wai Shiu Hospital and Kids Horizon.

We also continued with our *Helping Hands for Homes* project, extending our area of focus to include Henderson and Bukit Merah. Among the work done this year, was helping a needy family with some major repair work including the installation of doors, fixing of window frames and some general renovation. We also extended our service to two elderly and ill sisters whose home needed kitchen cabinets replaced, pest control, and also donated some furniture to make their home more comfortable.

Our charity and community service efforts involve both the company and our employees. Last year, our staff gathered to aid the APEX Club of Bukit Timah with their weekly food distribution to the elderly needy in Redhill. The group helped to pack fresh fruit, vegetables and other basic necessities, then set off to distribute the groceries to the elderly round the estate. Some went on foot, while others drove to homes that were further away to distribute more than 60 packs of groceries. In tandem with the staff's efforts, the company also made a donation to this worthy cause, to support and recognise the staff's undertaking.

Cleaning & repainting works at Henderson

APEX Food distribution project at Redhill

NETWORK OF OPERATIONS

SINGAPORE

14 Kung Chong Road
#08-01 Lum Chang Building
Singapore 159150
Tel: 6273 8888
Fax: 6933 6688

- Lum Chang Holdings Limited
- Lum Chang Asia Pacific Pte Ltd
- Lum Chang Building Contractors Pte Ltd
- Lum Chang Corporation Pte Ltd
- Lum Chang Orion Pte Ltd
- Lum Chang Property Investments Pte Ltd
- Lum Chang (Suzhou) Investments Pte Ltd
- Binjai Holdings Pte Ltd
- Kemensah Holdings Pte Ltd
- UK Property Investment Pte Ltd
- Wembley Properties Pte Ltd

SINGAPORE

438 Alexandra Road
#21-00, Alexandra Point
Singapore 119958
Tel: 6318 9393
Fax: 6271 0811

- FCL Compassvale Pte Ltd
- FCL Admiralty Pte Ltd

WEST MALAYSIA

Lot 10-02 & 10-03,
Level 10, Menara HLA
No. 3 Jalan Kia Peng
50450 Kuala Lumpur, Malaysia
Tel: 03 2171 2222
Fax: 03 2171 2333

- Lum Chang Sdn Bhd
- Fabulous Range Sdn Bhd
- Twin Palms Development Sdn Bhd
- Venus Capital Corporation Sdn Bhd

JERSEY, CHANNEL ISLANDS

47 Esplanade, St Helier,
Jersey, JE1 0BD,
Channel Islands
Tel: 44 (0) 1534 835600
Fax: 44 (0) 1534 835650

- 130 WS Holdings Limited
- 130 WS Investments Limited
- 130 Wood Street Unit Trust
- Kelaty Holdings Limited
- Kelaty Propco Limited
- Pembridge Palace Holdco Limited
- Pembridge Palace Propco Limited

GROUP FINANCIAL HIGHLIGHTS

	2015 $'000	2014 $'000	%
For the Year:			
Revenue	**312,394**	276,605	13
Profit			
Before income tax	**34,194**	30,275	13
After income tax	**29,713**	27,949	6
Attributable to equity holders of the Company	**29,811**	25,144	19
Profit attributable to equity holders of the Company as a percentage of:			
Total revenue	**9.54%**	9.09%	
Average shareholders' equity	**14.69%**	13.72%	
At 30 June:			
Shareholders' equity	**210,612**	195,122	8
Total equity	**211,971**	206,732	3
Total assets	**524,067**	543,907	-4
Per share:			
Earnings attributable to equity holders of the Company (Note 1)	**7.80¢**	6.73¢	16
Net asset value (Note 2)	**$0.55**	$0.52	6
Dividends paid & proposed (Note 3):			
Interim dividend	**0.75¢**	0.75¢	
Final dividend	**1.25¢**	1.25¢	

Notes:
1. Earnings per share (basic) is computed based on the weighted average capital (excluding treasury shares) during the year.
2. Net asset value per share is computed by dividing the shareholders' equity by the number of ordinary shares (excluding treasury shares) in issue at each year end.
3. Please refer to Note 31 of the Notes to the Financial Statements for the treatment of the proposed dividend in the accounts.

FIVE-YEAR FINANCIAL SUMMARY

	2015 $'000	2014 $'000	2013 $'000	2012 $'000	2011 $'000
Consolidated Income Statement					
Revenue	312,394	276,605	494,550	282,890	191,455
Profit before income tax	34,194	30,275	34,939	27,875	16,037
Profit after income tax	29,713	27,949	28,256	23,226	15,966
Profit attributable to equity holders of the Company	29,811	25,144	21,482	20,997	16,015
Consolidated Balance Sheet					
Property, plant and equipment & investment properties	235,809	219,353	156,158	54,710	32,237
Investments in associated companies & joint ventures	4,762	13,358	338	360	395
Other assets	283,496	311,196	338,086	323,681	295,871
Total assets	524,067	543,907	494,582	378,751	328,503
Total borrowings	81,858	133,350	99,020	31,045	35,098
Other liabilities	230,238	203,825	215,103	182,163	137,881
Total liabilities	312,096	337,175	314,123	213,208	172,979
Net assets	211,971	206,732	180,459	165,543	155,524
Share capital	86,604	84,311	84,060	83,895	83,889
Treasury shares	(253)	(1,324)	(2,194)	(3,046)	–
Capital and other reserves	20,163	25,209	20,346	20,869	14,962
Retained profits	104,098	86,926	69,249	55,177	50,122
Shareholders' equity	210,612	195,122	171,461	156,895	148,973
Non-controlling interests	1,359	11,610	8,998	8,648	6,551
Total equity	211,971	206,732	180,459	165,543	155,524

	2015	2014	2013	2012	2011
Ratios					
Profit attributable to equity holders of the Company as a percentage of:					
Total revenue	9.54%	9.09%	4.34%	7.42%	8.36%
Average shareholders' equity	14.69%	13.72%	13.08%	13.73%	10.81%
Per share:					
Earnings attributable to the equity holders of the Company (Note 1)	7.80¢	6.73¢	5.80¢	5.62¢	4.22¢
Net asset value (Note 2)	$0.55	$0.52	$0.46	$0.42	$0.39
Dividends paid & proposed (Note 3):					
Interim dividend	0.75¢	0.75¢	0.75¢	0.75¢	–
Final dividend	1.25¢	1.25¢	1.25¢	1.25¢	2.00¢

Notes:
1. Earnings per share (basic) is computed based on the weighted average capital (excluding treasury shares) during the year.
2. Net asset value per share is computed by dividing the shareholders' equity by the number of ordinary shares (excluding treasury shares) in issue at each year end.
3. Please refer to Note 31 of the Notes to the Financial Statements for the treatment of the proposed dividend in the accounts.

CORPORATE GOVERNANCE

INTRODUCTION

The Company recognises the importance of adhering to sound governance practices and processes to enhance shareholder value and is committed to upholding the standards set out in the revised Code of Corporate Governance 2012 (the "Code") issued by the Monetary Authority of Singapore on 2 May 2012. This report describes the Company's corporate governance framework and practices that the Group has adopted with reference to the Code. The Company has complied in all material aspects with the principles and guidelines set out in the Code where applicable, relevant and practical to the Group.

BOARD MATTERS

The Board's Conduct of Its Affairs (Principle 1)

The Board oversees the business affairs of the Group and is principally responsible for setting the Group's business direction, approving strategic plans, and monitoring and reviewing its financial performance. The Board also continually monitors and assesses the internal controls which enables risks to be properly assessed and managed.

The Board schedules regular meetings but *ad hoc* meetings are held as and when required. Otherwise, approvals from the Board are sought by way of circular board resolutions. Meetings by telephone and video conferencing are also allowed under the Company's Articles of Association ("Company's Articles").

The Company adheres to internal guidelines which set out specific authorisation and approval limits for borrowings, acquisitions, disposals, investments and capital or operational expenditure so that Board approval is only required when transactions exceed such limits. However, specific matters such as share issues, dividend distribution and share buybacks, always require the Board's approval.

Details of the attendance of the Board members at Board meetings and meetings of the various Board committees for the period 1 July 2014 to 30 June 2015 (FY2015) are set out in Table 1.

Table 1

NAME	BOARD	AUDIT AND RISK COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE
Number of Meetings held	**6**	**4**	**1**	**2**
	Number of Meetings attended			
Raymond Lum Kwan Sung	6	N.A.	1	N.A.
David Lum Kok Seng	5	N.A.	N.A.	N.A.
Tony Fong	6	N.A.	N.A.	N.A.
Peter Sim Swee Yam	6	4	1	2
Kenneth G R MacLennan*	6	4	1	2
Daniel Soh Chung Hian	6	4	1	N.A.
Dr Willie Lee Leng Ghee	6	4	N.A.	2

Notes: * The series of meetings held in February and June 2015 were conducted with Mr Kenneth G R MacLennan in attendance through teleconferencing and with the relevant papers and agenda circulated to him.

BOARD MATTERS (CONTINUED)

Members of the Board are regularly updated on new developments in the Group's business environment and are provided with opportunities to train and update themselves on corporate governance matters and new developments in the regulatory regimes.

New directors are briefed on the business activities, policies and internal controls of the Group and are issued a formal letter setting out their duties and obligations.

Board Composition and Guidance (Principle 2)

The composition of the Board is reviewed regularly and the current composition ensures that the mix of experience and expertise is appropriate as members of the Board collectively possess a wealth of expertise ranging from legal, financial, management, human resource and industry knowledge. The structure of the Board as well as its size, which currently stands at seven, is suitable given the nature and scope of the Group, ensuring that meetings and decision-making are effective and productive.

With seven members, four of whom are independent, the Board maintains a strong independent element as more than half its members are independent, within the meaning of the Code. This ensures that the Board is able to exercise its powers judiciously and objectively.

The Nominating Committee and the Board determine annually whether a director who has served on the Board for more than nine years from the date of his first appointment, is still independent within the meaning of the Code and can therefore continue to serve on the Board. The Board recognises the contribution of the independent directors who over time have developed deep insights into the Group's business and operations, and who are therefore able to provide invaluable contributions to the Board as a whole.

In determining the independence of directors who have served on the Board for more than nine years, the Nominating Committee and the Board give due consideration to the recommendation under Guideline 2.4 of the Code that the independence of any director who has served on the Board beyond nine years be subject to particularly rigorous review annually. The Board observes that the independent directors have consistently demonstrated a high level of autonomy and independence in the discharge of their fiduciary duties and have exercised their independent business judgement in the best interests of the Company and its minority shareholders. After due and careful rigorous review, the Board is of the view that the independent directors who have served on the Board for more than nine years remain independent and objective in their exercise of judgement in Board matters.

Mr Kenneth G R MacLennan had informed the Board that he would not be offering himself for re-election at the coming Annual General Meeting of the Company ("AGM"). The Board will give due consideration to the spirit of Guideline 2.2 of the Code and the recommendations of the Nominating Committee in considering whether a new independent director should be appointed to replace Mr MacLennan.

Chairman and Managing Director (Principle 3)

Mr Raymond Lum Kwan Sung is the Executive Chairman of the Company. Together with the Executive Committee ("EXCO"), the Chairman also provides overall leadership and strategic vision for the Group.

The Executive Chairman and Mr David Lum Kok Seng, the Managing Director, are siblings and their roles are not clearly separated. However, the Nominating Committee's view is that the Board remains independent since more than half the Board as well as its committees (excluding the EXCO) are independent up to the next AGM. In this respect also, and in accordance with the Code, the Lead Independent Director avails himself to the shareholders who may have concerns, and for which contact through normal channels cannot resolve or is inappropriate.

Board Membership (Principle 4)

Board Performance (Principle 5)

To assist the Board in the execution of its duties, the Board has established various Board committees, such as the EXCO, the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee. Apart from the EXCO, the other committees are led by and made up of a majority of independent directors. The composition of the Board committees and the dates of initial appointment and re-election of the directors to the Board are set out in Table 2.

Table 2

BOARD MEMBERS	EXECUTIVE COMMITTEE	AUDIT AND RISK COMMITTEE	NOMINATING COMMITTEE	REMUNERATION COMMITTEE	DATE OF INITIAL APPOINTMENT TO THE BOARD	DATE OF LAST RE-ELECTION TO THE BOARD
Raymond Lum Kwan Sung	C		M		18.09.1982	31.10.2013
David Lum Kok Seng	M				18.09.1982	28.10.2014
Tony Fong	M				02.07.2012	28.10.2014
Peter Sim Swee Yam		M	M	C	30.11.2001	31.10.2013
Kenneth G R MacLennan		M	C	M	30.11.2001	31.10.2012
Daniel Soh Chung Hian		C	M		09.01.2013	31.10.2013
Dr Willie Lee Leng Ghee		M		M	28.02.2006	31.10.2012

C – Chairman
M – Member

Executive Committee

The key responsibilities of the EXCO include the formulation of policies, the determination of business strategy and planning to execute and achieve targets and directives set by the Board; the execution of existing businesses and the management of funds and cashflow. The Members of the EXCO are the Executive Chairman, Mr Raymond Lum Kwan Sung; the Managing Director, Mr David Lum Kok Seng; and the Executive Director, Mr Tony Fong.

Nominating Committee

The Board and the Nominating Committee strive to ensure that directors on the Board possess the experience, knowledge and skills critical to the Group's business so as to enable the Board to make sound and well-considered decisions.

Mr Kenneth G R MacLennan is the Chairman of the Nominating Committee which comprises a majority of independent directors. The Nominating Committee's key responsibilities include:

(a) the review of board succession plans for directors;

(b) the development of a process for evaluation of the performance of the Board, its committees and directors;

(c) the review of training and professional development programs for the Board;

BOARD MATTERS (CONTINUED)

Nominating Committee (continued)

(d) assessing the effectiveness of the Board as a whole and the contribution by each individual director to the effectiveness of the Board;
(e) making recommendations on appointment and re-nomination of directors, having regard to the director's contribution and performance;
(f) reviewing each of the director's independence annually; and
(g) considering whether or not a director who has multiple board representations is able to and has been properly carrying out his duties as a director of the Company.

New directors are appointed by the Board upon the recommendation of the Nominating Committee but they must submit themselves for re-election at the next AGM in accordance with the Company's Articles.

The Company's Articles require that at each AGM, not less than one third of the directors for the time being (being those who have been longest in office since the last re-election) are required to retire from office by rotation and may seek re-appointment. The Company's Articles also require that every director of the Company shall retire at least once every three years.

Before making its recommendation to the Board for the re-appointment of a retiring director, the Nominating Committee takes into consideration the director's contribution and performance which are determined by factors such as attendance, preparedness, participation and candour (as well as contribution to the effectiveness of the Board). The director is also assessed based on his ability to adequately carry out the duties expected while performing his roles in other companies or in other appointments. This year, Mr Daniel Soh Chung Hian and Dr Willie Lee Leng Ghee will be seeking re-election as directors pursuant to Article 99 of the Company's Articles of Association. The Nominating Committee has reviewed and is satisfied with their contribution as directors, and has therefore endorsed their nomination for re-election.

In view of Mr Kenneth G R MacLennan's decision not to submit himself for re-election at the coming AGM, the Nominating Committee has determined that the reduction in the number of directors from seven to six, and the number of independent directors from four to three, will neither adversely affect the effectiveness nor objectivity of the Board. A new Chairman of the Nominating Committee will be appointed in due course.

The independence of each director is assessed and reviewed by the Nominating Committee. As part of the review, each independent director is required to complete a checklist to confirm his independence annually. The checklist is drawn up based on the guidelines provided in the Code. The Nominating Committee takes into account, among other things, whether a director has business relationships with the Company, its related companies, its 10% shareholders or its officers, and if so, whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. Based on the checklists received and reviewed by the Nominating Committee, the independent directors have no association with management that would compromise their independence.

The Nominating Committee also assessed the effectiveness of the Board as a whole by evaluating such factors as the adequacy and size of the Board, each individual director's contributions towards the effectiveness of the Board, the Board's access to information, Board processes and accountability and communication with senior management.

Each member of the Board is also assessed individually according to, amongst other things, his contributions, knowledge and abilities, teamwork, integrity and effectiveness. The Nominating Committee also reviews the criteria for evaluation annually, making changes where necessary. The Nominating Committee is of the view that directors who have multiple board representations have devoted sufficient time and attention to the affairs of the

Group. Their multiple board representations do not hinder their abilities to carry out their duties as directors of the Company. Such multiple board representations of the directors benefit the Group, as the directors are able to bring with them the experience and knowledge obtained from such board representations in other companies. In view of this, the Nominating Committee has not set any prescribed maximum number of listed company board representations which any Director may hold and is satisfied that the current criteria adopted is adequate and appropriate for the Group.

Key information, in particular, all the directorships in listed companies held by the directors, both current and those held over the preceding three years is found in pages 6 to 9 of this annual report.

Share Purchase Committee

At the AGM on 28 October 2014, the shareholders of the Company had granted a renewal of the mandate to the Company to carry out share buybacks as permitted by the Companies Act, Cap. 50 ("Share Purchase Mandate").

The Share Purchase Committee, comprising Mr Raymond Lum Kwan Sung, Mr David Lum Kok Seng and Mr Tony Fong, was authorised to purchase shares of the Company at such time as it deems suitable subject to the prescribed conditions in the Share Purchase Mandate. The Company did not purchase any of its own shares during FY2015.

Access to Information (Principle 6)

Prior to each Board Meeting, each director is supplied with relevant information by the management pertaining to matters to be brought before the Board for its decision as well as ongoing reports relating to operational and financial performance of the Group. In view of quarterly reporting requirements, the Company provides the Board with its accounts on a quarterly basis. Financial information, reports and assessments are provided for circular meetings as well to provide sufficient information to the Board to make their decisions.

The Board also has separate and independent access to senior management and the Company Secretary at all times. To assist the Board in fulfilling its responsibilities, the Board is fully aware that they may seek or direct management to seek independent professional advice, where appropriate. The Company Secretary ensures that the communication and flow of information between the Board, its committees and the management is maintained.

The Company Secretary also attends all Board meetings and is responsible for ensuring that Board procedures and relevant rules and regulations are complied with.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies (Principle 7)

Level and Mix of Remuneration (Principle 8)

Disclosure on Remuneration (Principle 9)

Remuneration Committee

The Remuneration Committee is comprised of non-executive independent directors only. The Chairman of the Remuneration Committee is Mr Peter Sim Swee Yam.

The Remuneration Committee is responsible for reviewing and approving the remuneration packages of the executive directors and key management personnel, and recommending to the Board the fees of the non-executive directors. No member of the Remuneration Committee is involved in deciding his own remuneration.

REMUNERATION MATTERS (CONTINUED)

Remuneration Committee (continued)

Directors' fees are set in accordance with a remuneration framework consisting of basic retainer fees and are benchmarked against fees paid by other companies in related industries. The framework and packages contain appropriate and meaningful measures to assess and evaluate the performance of the directors and key management. Non-executive directors' fees are subject to approval at the coming AGM.

The remuneration of the executive directors and key senior management consists of a basic component, a variable component, participation in share-based incentive schemes and other appropriate benefits in kind.

The Board is of the view that, given the highly competitive industry conditions coupled with the sensitivity and confidentiality of remuneration matters, the disclosure of the remuneration packages of directors and key management, including those who are immediate family members of the directors and the disclosure of remuneration of key management personnel on a named basis, as recommended by the Code would be prejudicial to the Company's interests.

A breakdown, showing the level and mix of each individual director's remuneration payable for FY2015, is set out in Table 3.

Table 3

	FEES	SALARY	BONUS	OTHER BENEFITS
	(%)	(%)	(%)	(%)
$2,200,000 to $2,399,999				
Raymond Lum Kwan Sung	-	40	58	2
$1,800,000 to $1,999,999				
David Lum Kok Seng	-	31	67	2
$800,000 to $999,999				
Tony Fong	-	31	66	3
Below $200,000				
Kenneth G R MacLennan	100	-	-	-
Peter Sim Swee Yam	100	-	-	-
Dr Willie Lee Leng Ghee	100	-	-	-
Daniel Soh Chung Hian	100	-	-	-

The Remuneration Committee and the Board are of the view that the remuneration of the directors is adequate and not excessive.

The remuneration of the Group's top 5 key executives for FY2015 is set out in Table 4.

Table 4

	FEES	SALARY	BONUS	OTHER BENEFITS
	(%)	(%)	(%)	(%)
$1,200,000 to $1,399,999	-	30	68	2
1				
$200,000 to $399,999	-	66	30	4
4				

Note: Remuneration of certain key executives above are partially borne by related companies through a shared service arrangement.

1. An immediate family member of the Chairman, Mr Raymond Lum Kwan Sung, had received remuneration in the $50,000 to $100,000 band during the financial year.
2. An immediate family member of the Managing Director, Mr David Lum Kok Seng, had received remuneration in the $250,000 to $300,000 band during the financial year.

For FY2015, the aggregate total remuneration paid to key management personnel, excluding the three executive directors, is S$2,515,207.

As the information on the remuneration of directors and key executives has already been disclosed, the Board is of the view that there is no need to prepare a separate Remuneration Report.

LCH Share Option Scheme 2007

The LCH Share Option Scheme 2007 ("Scheme") was approved by the shareholders on 26 October 2007. It is administered by the Employee Share Option Committee which is made up of the standing Remuneration Committee.

The purpose of the Scheme is to provide the opportunity for employees of the Group, who have contributed significantly to its growth and performance, to participate in the equity of the Company and to motivate them to greater dedication, loyalty and better performance. The Scheme also aims to attract the right talent, encourage loyalty and incentivise staff, and to align the interests of the employees with the interests of shareholders.

Employees must satisfy certain criteria before being allowed to participate in the Scheme. The controlling shareholders, Mr Raymond Lum Kwan Sung (the Executive Chairman), Mr David Lum Kok Seng (the Managing Director) and their associate, Mr Adrian Lum Wen Hong are eligible to participate and the independent shareholders of the Company have approved their participation in the Scheme.

The duration of the Scheme is 10 years from the date that it was adopted in October 2007. The Scheme allows options to be granted at a maximum discount of 20% of the Market Price (as defined under the Scheme). The aggregate number of shares when added with the number of shares that are issued or issuable in respect of other share-based incentive schemes of the Company shall not exceed 15% of the total number of issued shares (excluding treasury shares) on the day immediately preceding the date of the grant. The Company is also not allowed to grant more than 25% of the available shares under the Scheme to the controlling shareholders and their associates provided that individually their grant does not exceed 10% of the available shares under the Scheme.

The Company had not granted any further share options to the employees since the last grant in September 2013.

ACCOUNTABILITY AND AUDIT

Accountability (Principle 10)

To enable the directors to fulfill their duties properly, the management submits financial and business reports to the Board on a regular and timely basis. Such reports compare actual performance against the budget and provide explanatory notes on material variances.

For FY2015, the Executive Directors of the Company and the Finance Director provided written representations to the Board on the integrity of the quarterly financial statements announcements covering the Company and its subsidiaries. Pursuant to Rule 705(5) of the listing manual of Singapore Exchange Securities Trading Limited, the Board provided a negative assurance confirmation on the Group's quarterly financial statements announcements.

ACCOUNTABILITY AND AUDIT (CONTINUED)

Audit and Risk Committee (Principle 11)

The main responsibilities of the Audit and Risk Committee are to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, and business and financial risk management. The Audit and Risk Committee comprises four independent directors. It has explicit authority to investigate any matter within its terms of reference and full access to and the co-operation of management. It also has direct and independent access to the internal and external auditors.

The Audit and Risk Committee is chaired by Mr Daniel Soh Chung Hian and its members are all non-executive and independent directors. Half of the members of the Audit and Risk Committee are experienced either in the financial or accounting field. They meet on a regular basis to carry out their role of reviewing the financial reporting process, the systems of internal control, management of financial risks and the audit process.

The Audit and Risk Committee performs the following functions:

(a) Independent review of financial statements;
(b) Examination of the effectiveness of financial, operating, compliance and information technology controls;
(c) Review and approval of audit plans of the external and internal auditors of the Company;
(d) Review of the scope of internal audit reports as well as management's response to the findings;
(e) Review of interested person transactions;
(f) Review of the scope and results of the external audit, and the independence and objectivity of the external auditors;
(g) Review of the nature and extent of non-audit services performed by external auditors; and
(h) Review of procedures for detecting fraud and receive updates on whistle blowing reports.

The Audit and Risk Committee also makes a point of meeting the external auditors, PricewaterhouseCoopers LLP ("PwC"), at least once annually without the presence of management.

The Audit and Risk Committee reviewed the independence of the external auditors, PwC, including the non-audit services provided to the Group. The Audit and Risk Committee is satisfied that they have maintained their independence and the nature and extent of their non-audit services did not affect their objectivity. The Audit and Risk Committee has therefore recommended to the Board that PwC be nominated for re-appointment as auditors at the coming AGM of the Company.

The Group has complied with Rules 712 and Rule 715 or 716 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditors.

The Audit and Risk Committee held 4 meetings during FY2015. During these meetings and in the course of FY2015, the Audit and Risk Committee carried out its functions set out above and in doing so reviewed the whistle-blowing policy, the interested person transactions and material contracts amongst other activities.

For FY2015, the Board has received assurance from the Managing Director and Executive Director by way of a representation letter:

(a) That the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
(b) Regarding the effectiveness of the Company's risk management and internal control systems.

Whistle-Blowing Policy

The Company has in place whistle-blowing arrangements whereby staff may raise concerns about fraudulent activities, financial malpractices, conduct that would be considered as physically dangerous or harmful, unethical behaviour and harassment, sexual or otherwise. To ensure independent investigation of such matters and for appropriate follow up action, all whistle-blowing reports can be sent to any member of the whistle-blowing team. The Company also accepts anonymous reports. The members of the team are as follows:

– Director, Human Resources

– General Manager, Commercial

– Group Legal Counsel

The whistle-blowing team reports to the Chairman of the Audit and Risk Committee.

Interested Person Transactions

The Company has established a procedure for the recording and reporting of interested person transactions.

Name of Interested Person	Aggregate value of all IPTs during FY2015 (excluding transactions less than $100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under Shareholders' Mandate Pursuant to Rule 920 (excluding transactions less than $100,000)
LCD Global Investments Group	$'000	$'000
- Technical consultancy and project management services agreements	$360	N.A.
UK Property Investment Pte Ltd[1]		
- Company's 70% equity participation and shareholder's loans in a subsidiary company	$78,417	N.A.

[1] The non-controlling shareholders in UK Property Investment Pte Ltd are Lum Chang Investments Pte Ltd and Bevrian Pte Ltd, which are respectively controlled by Mr Raymond Lum Kwan Sung and Mr David Lum Kok Seng, who are directors and controlling shareholders of the Company.

Material Contracts

Other than disclosed in Interested Person Transactions above and elsewhere in the Annual Report, there were no other material contracts and loans entered into by the Company or any of its subsidiaries involving the interests of any director and/or the controlling shareholders and their associates, either still subsisting at the end of FY2015 or if not subsisting, which were entered into during FY2015.

Internal Controls (Principle 12)

Internal Audit (Principle 13)

The internal controls and systems of the Group have been designed to provide reasonable assurance that its assets are safeguarded, proper accounting records are maintained, and that financial information used within the business and for publication is reliable.

The Group has an internal audit function headed by an Internal Auditor who reports directly to the Chairman of the Audit and Risk Committee, with full and direct access to members of the Audit and Risk Committee at all times. The Internal Auditor is a member of the Singapore Chapter of the Institute of Internal Auditors ("IIA") and adopts the International Standards for the Professional Practice of Internal Auditing (the IIA Standards) laid down in the International Professional Practices Framework issued by the IIA. The functions of internal audit include the reviewing and evaluation of the Group's internal controls as well as financial, operational and compliance controls

ACCOUNTABILITY AND AUDIT (CONTINUED)

Internal Audit (Principle 13) (continued)

and risk management. The internal audit function performs regular audits of the Group's individual business units and operations, which include overseas subsidiaries and associates.

The Audit and Risk Committee, together with the internal audit function, ensure the identification of undue business risk and the implementation of effective remedial action through the internal audit process. The internal audit function plans its internal audit schedules, in consultation with, but independent of management and the audit plan is submitted to the Audit and Risk Committee for approval prior to the commencement of the internal audit work. Regular reports on the effectiveness of the systems of internal control are prepared and presented to senior management and the Board.

The Audit and Risk Committee regards the systems of internal control and risk management as necessary components to safeguard the Shareholders' investments and the Company's assets. The Audit and Risk Committee has assessed and is satisfied with the adequacy of the internal audit function.

Risk Management

The Audit and Risk Committee has the primary task of reviewing the risk controls implemented by the Group and at suitable intervals and, depending on developments in the business environment, conducts appropriate inquiry into the risks faced by the Group.

Internal auditors conduct audits that involve testing the material internal control systems in the Group. Any material non-compliance or lapses in internal controls together with corrective measures recommended by internal auditors are reported to the Audit and Risk Committee. The Audit and Risk Committee also reviews the effectiveness of the measures taken by management in response to the recommendations made by the internal auditors. The system of internal control and risk management is continually being refined by the management, the Audit and Risk Committee and the Board.

The Group has reviewed its key risk factors, which include financial, operational, regulatory and strategic risks and formalised them in a risk register, together with practical business and internal controls to manage or mitigate them.

A risk management framework on the Group's ongoing process in identifying, assessing and reporting risks was also formalised. Through the internal audit function under the supervision of the Audit and Risk Committee, the Board had monitored the design and implementation of the risk management and internal control systems to be in line with the risk policies and risk tolerance levels of the Group.

These initiatives would enable key business risks to be assessed so as to better manage the exposure of the Group's risks but at the same time allow the Group to leverage on growth and business opportunities when they arise.

The Group is committed to strengthening its risk management policies and procedures to keep abreast of the challenges and developments in the industry and will identify, monitor, manage and mitigate the key risks.

The ongoing process of identifying business risks and implementing suitable preventive or corrective measures continues to be carried out primarily by the Audit and Risk Committee together with the internal audit function with overall oversight by the Board and with participation by various stakeholders within the Group in their respective specific areas. The system of internal controls is regularly assessed for its effectiveness and the results are presented to the senior management and the Board.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group's assets and investments are safeguarded. The Board notes that no system of internal and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the management, the Board, with the concurrence of the Audit and Risk Committee, are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls, and risk management systems were adequate as at 30 June 2015.

Communication With Shareholders (Principle 14)

The Company updates its shareholders primarily through the SGXNET. Quarterly and full-year results are released within the prescribed periods and material and/or price-sensitive information are released promptly. Summary Financial Reports and/or Annual Reports of the Company and the notices of general meetings are sent directly to shareholders.

General meetings provide an excellent opportunity for the shareholders to query the directors with regard to the Company and their recommendations. The Company also avails the respective chairmen of the Audit and Risk, Nominating and Remuneration Committees, as well as the external auditors during the general meetings to address, or to assist the directors in addressing, any relevant queries by the shareholders.

To accord shareholders their rights proportionate to their shareholdings in voting, the Company will be conducting voting at its general meetings by poll and is working on using electronic polling going forward.

Minutes of general meetings are prepared and are available to shareholders for inspection upon their request. The Company's Articles place no limit on the number of proxies for nominee companies so that shareholders who hold shares through nominees can attend general meetings as proxies.

Voting in absentia is allowed under the Company's Articles but not implemented due to concerns on the integrity of information transmitted through the available media and concerns over the authenticity of the identity of shareholders.

DEALINGS IN SECURITIES

The Company has adopted an internal compliance code whereby Directors and affected staff are prohibited from dealing in the Company's shares during the "black-out" periods which are as prescribed under the Listing Manual, that is, for a period of two weeks before the announcement of its quarterly financial results and one month before the announcement of its full year results. The Directors and affected staff are also not allowed to deal in the Company's shares prior to the announcement of material price-sensitive information of which they are in possession.

Each year, the Company plans the release of the announcements of its quarterly and full year results and sets out the "black-out" periods. The Company ensures that each of the Directors and affected staff is informed of the "black-out" periods and is required to acknowledge and declare that he or she is fully aware of the same. Notwithstanding that the Directors and affected staff are permitted to trade in the Company's shares during the permitted periods, the Company also specifically highlights in its policy that the Directors and affected staff should not deal in the Company's shares on short-term considerations during the permitted periods.

The Company provides regular updates to the Directors and key management personnel on developments in insider trading regulations with particular focus on developments in local case law and changes in the regulatory framework, regularly highlighting the importance of safeguarding confidential information as well as the misuse of insider information.

DIRECTORS' REPORT

for the financial year ended 30 June 2015

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 30 June 2015 and the balance sheet of the Company as at 30 June 2015.

DIRECTORS

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

Mr Raymond Lum Kwan Sung

Mr David Lum Kok Seng

Mr Kenneth G R MacLennan

Mr Peter Sim Swee Yam

Dr Willie Lee Leng Ghee

Mr Tony Fong

Mr Daniel Soh Chung Hian

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" on pages 45 to 47 of this report.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee			**Holdings in which a director is deemed to have an interest**		
	At 21.7.2015	**At 30.6.2015**	**At 1.7.2014**	**At 21.7.2015**	**At 30.6.2015**	**At 1.7.2014**
The Company:						
Lum Chang Holdings Limited						
(Ordinary shares)						
Raymond Lum Kwan Sung	**13,401,397**	**13,401,397**	10,059,997	**59,839,742**	**59,839,742**	59,839,742
David Lum Kok Seng	**10,938,436**	**10,938,436**	7,588,436	**63,333,900**	**63,333,900**	61,891,000
Peter Sim Swee Yam	**10,000**	**10,000**	10,000	**-**	**-**	-
Tony Fong	**-**	**-**	300,000	**17,000**	**17,000**	17,000
Subsidiary of Lum Chang Holdings Limited:						
UK Property Investment Pte Ltd						
(Ordinary shares)						
Raymond Lum Kwan Sung	**-**	**-**	-	**15**	**15**	-
David Lum Kok Seng	**-**	**-**	-	**15**	**15**	-

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONTINUED)

(b) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Lum Chang Employee Share Option Scheme 2007 as set out below and under "Share options" on pages 45 to 47 of this report:

	Holdings registered in name of director or nominee		
	At 21.7.2015	**At 30.6.2015**	**At 1.7.2014**
Lum Chang Holdings Limited			
(Share options)			
Raymond Lum Kwan Sung	**-**	**-**	2,500,000
David Lum Kok Seng	**-**	**-**	2,500,000
Tony Fong	**300,000**	**300,000**	550,000

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

SHARE OPTIONS

(a) **Lum Chang Employee Share Option Scheme 2007 (the "Option Scheme 2007")**

The Option Scheme 2007 for key management personnel and employees of the Group was approved by members of the Company at an Extraordinary General Meeting on 26 October 2007.

The Scheme provides a means to retain and give recognition to employees who have contributed to the success and development of the Group.

The Option Scheme 2007 is administered by the Employee Share Option Committee comprising the following members from the standing Remuneration Committee:

Peter Sim Swee Yam

Kenneth G R MacLennan

Dr Willie Lee Leng Ghee

DIRECTORS' REPORT

for the financial year ended 30 June 2015

SHARE OPTIONS (CONTINUED)

(a) **Lum Chang Employee Share Option Scheme 2007 (the "Option Scheme 2007")** (continued)

Under the Option Scheme 2007, options to subscribe for the ordinary shares of the Company are granted to key management personnel and employees with more than 12 months of service with the Group. The exercise price of the options is determined at the Market Price or a price which is set at a discount to the Market Price, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the Market Price. The Market Price is defined as the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange for five market days immediately preceding the date of the grant. Options granted with the exercise price set at the Market Price are exercisable by the key management personnel or employees after another one year of service to the Group and once vested are exercisable during a period of four years. Options granted with the exercise price set at a discount to the Market Price are exercisable by the key management personnel or employees after another two years of service to the Group and once vested are exercisable during a period of three years. The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The aggregate number of shares over which options may be granted on any date, when added to the number of shares issued and issuable in respect of all options granted under the Scheme, shall not exceed 15% of the issued share capital of the Company on the day preceding the date of the grant.

The Option Scheme 2007 became operative upon the Company granting options to subscribe for 8,151,000 ordinary shares of the Company on 25 July 2008 ("2008 Options"). The Company also granted options to subscribe for 9,196,000, 4,495,000, 4,460,000, 5,000,000 and 5,330,000 ordinary shares of the Company on 10 September 2009 ("2009 Options"), 23 July 2010 ("2010 Options"), 21 July 2011 ("2011 Options"), 27 July 2012 ("2012 Options") and 20 September 2013 ("2013 Options") respectively. Particulars of the 2008 Options, 2009 Options, 2010 Options, 2011 Options, 2012 Options and 2013 Options were set out in the Directors' Report for the financial years ended 30 June 2009, 30 June 2010, 30 June 2011, 30 June 2012, 30 June 2013 and 30 June 2014 respectively.

The Company did not grant any options during the financial year.

SHARE OPTIONS (CONTINUED)

(a) **Lum Chang Employee Share Option Scheme 2007 (the "Option Scheme 2007")** (continued)

Details of the options granted to the directors of the Company and/or controlling shareholders and their associate are as follows:

	No. of unissued ordinary shares of the Company under option			
Name of participant	**Granted in financial year ended 30.6.2015**	**Aggregate granted since commencement of scheme to 30.6.2015**	**Aggregate exercised since commencement of scheme to 30.6.2015**	**Aggregate outstanding as at 30.6.2015**
Controlling shareholders and associate				
Raymond Lum Kwan Sung	-	5,000,000	5,000,000	-
David Lum Kok Seng	-	5,000,000	5,000,000	-
Adrian Lum Wen Hong	-	125,000	100,000	25,000
Director of the Company				
Tony Fong	-	1,200,000	900,000	300,000

Apart from the options disclosed above, no participant under the Option Scheme 2007 has received 5% or more of the total number of shares under option available under the Option Scheme 2007.

During the financial year, 3,667,000 treasury shares of the Company were reissued upon the exercise of the options by:

Holders of	**No. of ordinary shares**	**Exercise price $**
2009 Options	982,000	0.32
2010 Options	470,000	0.28
2011 Options	365,000	0.29
2012 Options	1,850,000	0.27
	3,667,000	

(b) **Share options outstanding**

The number of unissued ordinary shares of the Company under option in relation to the Option Scheme 2007 outstanding at the end of the financial year was as follows:

	No. of unissued ordinary shares under option at 30.6.2015	**Exercise price**	**Exercise period**
		$	
2010 Options	800,000	0.28	25 July 2011 - 23 July 2015
2011 Options	1,130,000	0.29	23 July 2012 - 21 July 2016
2012 Options	1,600,000	0.27	28 July 2014 - 27 July 2017
2013 Options	4,135,000	0.32	21 September 2015 - 20 September 2018
	7,665,000		

DIRECTORS' REPORT
for the financial year ended 30 June 2015

AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee at the end of the financial year were as follows:

Daniel Soh Chung Hian, Chairman

Kenneth G R MacLennan

Peter Sim Swee Yam

Dr Willie Lee Leng Ghee

The Audit and Risk Committee carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act. In performing those functions, the Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 30 June 2015 before their submission to the Board of Directors, as well as the Independent Auditor's Report on the balance sheet of the Company and the consolidated financial statements of the Group.

The Audit and Risk Committee has recommended to the Board of Directors that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Raymond Lum Kwan Sung Director	David Lum Kok Seng Director

14 September 2015

STATEMENT BY DIRECTORS

for the financial year ended 30 June 2015

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 51 to 133 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2015 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; 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.

On behalf of the directors

Raymond Lum Kwan Sung Director	David Lum Kok Seng Director

14 September 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUM CHANG HOLDINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Lum Chang Holdings Limited (the "Company") and its subsidiary corporations (the "Group") set out on pages 51 to 133, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 June 2015, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet 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 30 June 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

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 subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 14 September 2015

CONSOLIDATED INCOME STATEMENT

for the financial year ended 30 June 2015

	Note	Group 2015 $'000	Group 2014 $'000
Revenue	4	**312,394**	276,605
Cost of sales		**(268,301)**	(235,771)
Gross profit		**44,093**	40,834
Other income	5(a)	**3,000**	3,134
Other gains/(losses) - net	5(b)	**17,875**	3,075
Expenses			
- Distribution and marketing		**(2,646)**	(3,890)
- Administrative and general		**(25,456)**	(22,884)
- Finance	8	**(2,768)**	(3,014)
Share of profits of associated companies	20	**104**	13,044
Share of losses of joint venture	19	**(8)**	(24)
Profit before income tax		**34,194**	30,275
Income tax expense	9	**(4,481)**	(2,326)
Net profit		**29,713**	27,949
Net profit attributable to:			
Equity holders of the Company		**29,811**	25,144
Non-controlling interests		**(98)**	2,805
		29,713	27,949
Earnings per ordinary share attributable to the equity holders of the Company (cents per share)	10		
- Basic		**7.80**	6.73
- Diluted		**7.77**	6.69

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2015

	Note	Group 2015 $'000	Group 2014 $'000
Net profit		**29,713**	27,949
Other comprehensive (losses)/income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- (Losses)/gains	28(e)	**(4,451)**	4,214
- Reclassification	28(e)	**466**	-
Available-for-sale financial assets			
- Fair value gains	28(d)	**124**	519
- Reclassification	28(d)	**(710)**	-
Other comprehensive (losses)/income for the year, net of tax		**(4,571)**	4,733
Total comprehensive income for the year		**25,142**	32,682
Total comprehensive income attributable to:			
Equity holders of the Company		**25,198**	30,070
Non-controlling interests		**(56)**	2,612
		25,142	32,682

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET - GROUP
as at 30 June 2015

	Note	2015 $'000	2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents	11	**44,733**	94,056
Trade and other receivables	12(a)	**99,775**	57,936
Tax recoverable	9(b)	**496**	271
Properties held for sale	14	**1,833**	3,380
Development properties	15	**105,033**	107,010
Other current assets	17(a)	**1,997**	2,869
		253,867	265,522
Non-current assets			
Trade and other receivables	12(b)	**19,596**	34,849
Club memberships	18	**329**	401
Available-for-sale financial assets	16	**4,684**	5,732
Investment in joint venture	19	**306**	314
Investments in associated companies	20	**4,456**	13,044
Investment properties	22	**200,433**	178,934
Property, plant and equipment	23	**35,376**	40,419
Deferred income tax assets	9(c)	**4,118**	3,694
Other non-current assets	17(b)	**902**	998
		270,200	278,385
Total assets		**524,067**	543,907
LIABILITIES			
Current liabilities			
Trade and other payables	24(a)	**212,632**	190,997
Current income tax liabilities	9(b)	**3,002**	2,284
Borrowings	25	**23,193**	24,674
		238,827	217,955
Non-current liabilities			
Trade and other payables	24(b)	**13,148**	8,886
Borrowings	25	**58,665**	108,676
Deferred income tax liabilities	9(c)	**1,456**	1,658
		73,269	119,220
Total liabilities		**312,096**	337,175
NET ASSETS		**211,971**	206,732
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	27	**86,604**	84,311
Treasury shares	27	**(253)**	(1,324)
Capital and other reserves	28	**20,163**	25,209
Retained profits	29	**104,098**	86,926
		210,612	195,122
Non-controlling interests		**1,359**	11,610
Total equity		**211,971**	206,732

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET - COMPANY

as at 30 June 2015

	Note	2015 $'000	2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents	11	**6,988**	8,402
Trade and other receivables	12(a)	**40,306**	48,855
Other current assets	17(a)	**218**	129
		47,512	57,386
Non-current assets			
Trade and other receivables	12(b)	**187,893**	109,098
Club memberships	18	**232**	269
Available-for-sale financial assets	16	**-**	1,048
Investment in an associated company	20	**2,011**	-
Investments in subsidiaries	21	**33,994**	16,966
Property, plant and equipment	23	**1,364**	1,158
		225,494	128,539
Total assets		**273,006**	185,925
LIABILITIES			
Current liabilities			
Trade and other payables	24(a)	**146,483**	58,006
Current income tax liabilities	9(b)	**40**	19
Borrowings	25	**20,104**	10,147
		166,627	68,172
Non-current liabilities			
Borrowings	25	**223**	294
		223	294
Total liabilities		**166,850**	68,466
NET ASSETS		**106,156**	117,459
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	27	**86,604**	84,311
Treasury shares	27	**(253)**	(1,324)
Capital and other reserves	28	**3,429**	4,627
Retained profits	30	**16,376**	29,845
Total equity		**106,156**	117,459

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2015

		← Attributable to equity holders of the Company →						
	Note	Share capital $'000	Treasury shares $'000	Capital and other reserves $'000	Retained profits $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2015								
Balance as at 1 July 2014		84,311	(1,324)	25,209	86,926	195,122	11,610	206,732
Employee share option scheme	27							
- Value of employee services		-	-	99	-	99	-	99
- Treasury shares reissued		234	1,071	(252)	-	1,053	-	1,053
Issue of ordinary shares		2,059	-	(459)	-	1,600	-	1,600
Acquisition of non-controlling interest	21	-	-	-	(4,788)	(4,788)	(10,195)	(14,983)
Incorporation of a subsidiary with non-controlling interest		-	-	-	-	-	- *	- *
Transfer of reserves	28(f)	-	-	179	(179)	-	-	-
Interim dividend for FY2015	31	-	-	-	(2,877)	(2,877)	-	(2,877)
Final dividend for FY2014	31	-	-	-	(4,795)	(4,795)	-	(4,795)
Total comprehensive income:							-	
- Net profit		-	-	-	29,811	29,811	(98)	29,713
- Other comprehensive loss		-	-	(4,613)	-	(4,613)	42	(4,571)
Balance as at 30 June 2015		**86,604**	**(253)**	**20,163**	**104,098**	**210,612**	**1,359**	**211,971**
2014								
Balance as at 1 July 2013		84,060	(2,194)	20,346	69,249	171,461	8,998	180,459
Employee share option scheme	27							
- Value of employee services		-	-	158	-	158	-	158
- Treasury shares reissued		251	870	(221)	-	900	-	900
Interim dividend for FY2014	31	-	-	-	(2,804)	(2,804)	-	(2,804)
Final dividend for FY2013	31	-	-	-	(4,663)	(4,663)	-	(4,663)
Total comprehensive income:								
- Net profit		-	-	-	25,144	25,144	2,805	27,949
- Other comprehensive income		-	-	4,926	-	4,926	(193)	4,733
Balance as at 30 June 2014		**84,311**	**(1,324)**	**25,209**	**86,926**	**195,122**	**11,610**	**206,732**

* The non-controlling interest at the date of the incorporation is less than $1,000.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Net profit		**29,713**	27,949
Adjustments for:			
Income tax expense	9(a)	**4,481**	2,326
Share of profits of associated companies and joint venture		**(96)**	(13,020)
Amortisation of club memberships	6	**53**	58
Depreciation of property, plant and equipment	6	**5,924**	7,387
Dividend income from available-for-sale financial assets	4	**(202)**	(229)
Fair value gains on investment properties	5(b)	**(4,019)**	(4,716)
Gain on disposal of a subsidiary	5(b)	**(11,482)**	-
Loss on acquisition of a subsidiary	5(b)	**-**	6
(Gain)/Loss on disposal of club memberships	5(b)	**(17)**	4
Gain on disposal of property, plant and equipment – net	5(b)	**(304)**	(129)
(Write-back of impairment loss)/impairment loss on property, plant and equipment	6	**(52)**	265
Impairment loss on club memberships	6	**-**	11
Interest income	5(a)	**(981)**	(904)
Finance expense	8	**2,768**	3,014
Property, plant and equipment written off	6	**10**	-
Reclassification of fair value reserves to profit or loss on disposal of available-for-sale financial assets	5(b)	**(710)**	-
Share option expense	7	**99**	158
Operating cash flow before working capital changes		**25,185**	22,180
Change in working capital, net of effects from acquisition of a subsidiary:			
- Trade and other receivables		**(27,778)**	48,750
- Other current assets		**968**	845
- Development properties/properties held for sale		**3,695**	(1,430)
- Trade and other payables		**2,697**	(7,440)
- Unrealised currency translation differences		**(4,182)**	395
Cash generated from operations		**585**	63,300
Income tax paid	9(b)	**(4,682)**	(6,672)
Net cash (used in)/provided by operating activities		**(4,097)**	56,628

The accompanying notes form an integral part of these financial statements.

	Note	2015 $'000	2014 $'000
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired	37	**(75,849)**	-*
Dividends received from an associated company	20	**10,800**	-
Dividends received from available-for-sale financial assets		**202**	229
Expenditure on investment properties		**(74)**	(58,941)
Investment in an associated company	20	**(2,011)**	-
Interest income received		**846**	1,247
Proceeds from disposal of a subsidiary, net of selling expenses	11	**39,513**	-
Repayment of loan on disposal of a subsidiary	11	**8,283**	-
Proceeds from disposal of available-for-sale financial assets		**1,172**	-
Proceeds from disposal of club memberships		**36**	30
Proceeds from disposal of property, plant and equipment		**2,055**	3,156
Purchase of property, plant and equipment		**(2,652)**	(4,301)
Advances and repayment from an associated company		**400**	14,253
Advances to associated companies		**-**	(600)
Net cash used in investing activities		**(17,279)**	(44,927)
Cash flows from financing activities			
Cash and cash equivalents released from pledge/(pledged)		**665**	(1,173)
Acquisition of non-controlling interests in a subsidiary	21	**(14,983)**	-
Repayment of loan assumed on the acquisition of non-controlling interests in a subsidiary	21	**(6,498)**	-
Dividends paid		**(7,672)**	(7,467)
Bank facility fees		**(119)**	(416)
Interest paid		**(2,575)**	(3,283)
Proceeds from bank loans		**39,327**	96,552
Proceeds from issuance of ordinary shares	27	**1,600**	-
Proceeds from re-issuance of treasury shares	27	**1,053**	900
Repayment of bank loans		**(35,318)**	(65,217)
Repayment of finance lease liabilities		**(903)**	(1,589)
Advance from non-controlling shareholders of a subsidiary		**794**	-
Repayment to a non-controlling shareholder of a subsidiary		**(42)**	(54)
Net cash (used in)/provided by financing activities		**(24,671)**	18,253
Net (decrease)/increase in cash and cash equivalents		**(46,047)**	29,954
Cash and cash equivalents at beginning of financial year		**92,454**	63,219
Effect of changes in currency translation rates on cash and cash equivalents		**(2,611)**	(719)
Cash and cash equivalents at end of financial year	11	**43,796**	92,454

* The consideration paid for the acquisition in the financial year ended 30 June 2014 is less than $1,000.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Lum Chang Holdings Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 14 Kung Chong Road, #08-01 Lum Chang Building, Singapore 159150.

The principal activities of the Company are the holding of investments and provision of management services to the Group.

The principal activities of its subsidiaries during the financial year consist of construction, project management, property development for sale and property investment.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2015

On 1 July 2014, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except the following:

FRS 112 *Disclosures of Interests in Other Entities*

The Group has adopted the above new FRS on 1 July 2014. The amendment is applicable for annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new FRS 110 *Consolidated Financial Statements* and FRS 111 *Joint Arrangements*, and replaces the disclosure requirements currently found in FRS 27 (revised 2011) *Separate Financial Statements* and FRS 28 (revised 2011) *Investments in Associates and Joint Ventures*.

The Group has applied FRS 112 retrospectively in accordance with the transitional provisions (as amended subsequent to the issue of FRS 112 in September 2011) in FRS 112 and amended for consolidation exceptions for 'investment entity' from 1 July 2014. The Group has incorporated the additional required disclosures into the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of value-added tax, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and the specific criteria for each of the Group's activities are met as follows:

(a) *Construction contracts*

Revenue and profits from construction are recognised based on the percentage-of-completion method. Please refer to the paragraph "Construction contracts" for the accounting policy on revenue from construction contracts.

(b) *Development properties*

Revenue and profits from development properties within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 – *Agreements for the Construction of Real Estate* continues to be recognised on a percentage-of-completion method. Revenue and profits from other properties is recognised only upon completion of construction. Please refer to the paragraph "Development properties" for the accounting policy on revenue from development properties.

(c) *Properties held for sale*

Revenue from sale of completed properties is recognised upon completion of the sales and purchase agreements, which essentially means that the risks and rewards of the completed properties have passed from the Group to the customers, the customers have accepted taking over the titles of the completed properties and collectability of the related receivables is reasonably assured.

(d) *Rendering of services*

Management and technical assistance fees are recognised over the period in which these services are rendered.

(e) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) on investment properties and property, plant and equipment is recognised on a straight-line basis over the lease term.

(f) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(g) *Interest income*

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to Note 2.7 for the accounting policy on goodwill on acquisition of subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 **Group accounting** (continued)

(a) *Subsidiaries (continued)*

(iii) *Disposals of subsidiaries or businesses*

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2.11 for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in revenue reserve within equity attributable to the equity holders of the Company.

(c) *Associated companies and joint ventures*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisitions*

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 **Group accounting** (continued)

(c) Associated companies and joint ventures (continued)

(i) Acquisitions (continued)

Investments in associated companies and joint ventures in the consolidated balance sheet include goodwill (net of accumulated impairment loss) identified on acquisition, where applicable. Goodwill represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of the fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' and joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies or joint ventures are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals to or exceeds its interest in the associated company or joint venture, the Group does not recognise further losses, unless it has legal or constructive obligations to make or has made payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the asset transferred. The accounting policies of associated companies or joint ventures are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company or joint venture is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to Note 2.11 for the accounting policy on investments in associated companies and joint ventures in the separate financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment

(a) *Measurement*

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses (Note 2.12).

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (refer to Note 2.8).

(b) *Depreciation*

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold buildings	14 to 42 years
Plant and machinery	5 to 10 years
Furniture, office equipment and fittings	2 to 5 years
Motor vehicles	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within other gains/(losses).

2.5 Properties held for sale

Properties held for sale are those completed properties which are intended for sale in the ordinary course of business. They are stated at the lower of cost and net realisable value. Costs capitalised include cost of land and other directly related development expenditure, including borrowing costs incurred in developing the properties. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Development properties

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

Unsold development properties:

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 costs to complete the development and selling expenses.

Sold development properties:

Sales of development properties under construction in respect of sale and purchase agreements entered into prior to completion of construction are recognised when the properties are delivered to the buyers, except for in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 - *Agreements for the Construction of Real Estate*, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties.

The stage of completion is measured by reference to the development costs incurred to date to the estimated total costs for the property. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as expense immediately.

The aggregated costs incurred and the profit/(loss) recognised in each development property that has been sold are compared against progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers on development properties, within "trade and other receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on development properties, within "trade and other payables".

2.7 Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries and businesses on or after 1 July 2010 represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiaries and businesses prior to 1 July 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Intangible assets (continued)

Goodwill (continued)

Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 July 2001. Such goodwill was adjusted against capital reserves in the year of acquisition and is not recognised in profit or loss on disposal.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the completion of construction projects or the issuance of the temporary occupation permit are capitalised in the construction project costs or the cost of the property under development respectively. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings, where applicable.

2.9 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Contract costs are recognised when incurred.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognised as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

The stage of completion is measured by reference to the value of work performed relative to the total contract value as determined by surveys of work performed. If the surveys of work performed is not a reliable measure of the work performed due to the nature of the construction contract, the stage of completion is

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Construction contracts (continued)

measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Costs incurred during the financial year in connection with future activity on a contract are excluded from the costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction work-in-progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

At the balance sheet date, the cumulative costs incurred plus recognised profits (less recognised losses) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognised profits (less recognised losses) exceed progress billings, the balance is presented as due from customers on construction contracts, within “trade and other receivables”. Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts, within “trade and other payables”.

Progress billings not yet paid by customers and retentions by customers are included within “trade and other receivables”. Advances received and retention sums payable are included within “trade and other payables”.

2.10 Investment properties

Investment properties of the Group include those land and buildings and portions of building that are held for long-term rental yields and/or for capital appreciation. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.11 Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries, joint ventures and associated companies are carried at cost less accumulated impairment losses (Note 2.12) in the Company’s balance sheet.

On disposal of such investments, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in associated company and joint venture is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Club memberships*
Property, plant and equipment
Investments in subsidiaries, associated companies and joint ventures

Club memberships, property, plant and equipment and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *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 are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

(ii) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

(d) *Subsequent measurement*

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Dividend income on available-for-sale financial assets is recognised separately in income. Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (continued)

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.13(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.14 Financial guarantees

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

Financial guarantees are initially recognised at their fair values (if material) plus transaction costs in the Company's balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial guarantees (continued)

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' and the joint venture's borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

2.15 Club memberships

Club memberships are stated at cost less accumulated amortisation and accumulated impairment losses (Note 2.12). Amortisation is calculated on a straight-line basis to write off the cost of club memberships over their expected useful lives of between 12 to 86 years.

2.16 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.17 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

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

2.18 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions that are existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as estimated discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases

(a) When the Group is the lessee:

The Group leases certain property, plant and equipment, offices and warehouses from non-related parties.

(i) Lessee - Finance leases

Leases of property, plant and equipment where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present values of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Lessee - Operating leases

Leases of offices and warehouses where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(b) When the Group is the lessor:

The Group leases out certain property, plant and equipment and investment properties to non-related parties and related parties.

Lessor - Operating leases

Leases of property, plant and equipment and 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 lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 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 balance sheet date.

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 nor 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 balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

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

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Employee compensation

Employee benefits are recognised as employee compensation expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(c) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are reissued to the employees.

2.23 Currency translation

(a) *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 financial statements are presented in Singapore Dollars, which is the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 **Currency translation** (continued)

(b) *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 closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from 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 loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

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.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) 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 reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using 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 foreign currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.24 **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.26 Share capital and treasury shares

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

When an entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to an employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the share capital account of the Company.

2.27 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.28 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Construction contracts

The Group uses the percentage-of-completion method to account for its revenue from construction contracts where it is probable that contract costs are recoverable. The stage of completion is measured by reference to the value of work performed relative to the total contract value as determined by surveys of work performed. If the surveys of work performed is not a reliable measure of the stage of completion due to the nature of the construction contract, the stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Significant assumptions and judgements are also required to estimate the total contract costs, as well as the recoverable variation works and liquidated damages that will affect the stage of completion and the revenue from these construction contracts. In making these estimates, management has relied on past experience and the work of specialists.

If the total contract value for uncompleted contracts as at balance sheet date had increased/decreased by 1% (2014: 1%), the Group's revenue and gross profit before income tax would have been higher/lower by $8,268,000 (2014: $5,771,000).

If the remaining estimated contract costs for uncompleted contracts as at balance sheet date increased/decreased by 1% (2014: 1%), the Group's gross profit before income tax would decrease/increase by approximately $1,875,000 (2014: $1,264,000).

(b) Valuation of investment properties

The Group's investment properties, with a carrying amount of $200,433,000 (2014: $178,934,000) (Note 22) as at 30 June 2015 are stated at fair value, representing the open market values determined on an annual basis by the directors, based on the highest-and-best-use basis. In determining the open market values, an independent professional valuation is carried out annually using the Direct Market Comparison, Income Capitalisation and Discounted Cash Flow Method which involves assumptions and estimates in the light of current market conditions. The directors have exercised their judgement in relying on the valuation reports and are satisfied that the valuation method, assumptions and estimates are reflective of current market situations.

4. REVENUE

	Group 2015 $'000	Group 2014 $'000
Revenue from construction contracts		
- Non-related parties	**254,427**	232,984
- Associated company	**2,236**	3,815
Revenue from sale of properties	**47,840**	33,770
Management and technical assistance fees from		
- Non-related parties	**565**	-
- Joint venture	**18**	31
Rental income		
- Non-related parties	**6,996**	5,334
- Related parties (a)	**110**	442
Dividend income from available-for-sale financial assets	**202**	229
	312,394	276,605

(a) Related parties refer to LCD Global Investments Ltd and certain of its subsidiaries ("LCDGI Group") [Note 35(a)(i)]. LCDGI Group ceased to be a related party during the financial year ended 30 June 2015.

5(a). OTHER INCOME

	Group 2015 $'000	Group 2014 $'000
Interest income		
- Advances to associated companies	**321**	301
- Others	**660**	603
	981	904
Government grants	**664**	1,003
Others - net	**1,355**	1,227
	3,000	3,134

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2015

5(b). OTHER GAINS/(LOSSES) - NET

	Group	
	2015	2014
	$'000	$'000
Currency translation gains/(losses) – net	**1,343**	(1,760)
Fair value gains on investment properties – net (Note 22)	**4,019**	4,716
Loss on acquisition of a subsidiary	**-**	(6)
Gain on disposal of a subsidiary (Note 11)	**11,482**	-
Gain on disposal of property, plant and equipment – net	**304**	129
Gain/(loss) on disposal of club membership	**17**	(4)
Reclassification from other comprehensive income on disposal of available-for-sale financial assets [Note 28(d)]	**710**	-
	17,875	3,075

6. EXPENSES BY NATURE

	Group	
	2015	2014
	$'000	$'000
Subcontractor and other construction costs	**247,118**	210,948
Depreciation of property, plant and equipment (Note 23)	**5,924**	7,387
Employee compensation (Note 7)	**33,201**	32,969
Directors' fees	**255**	255
Auditors fees:		
Fees on audit services paid/payable to:		
- Auditor of the Company	**280**	285
- Other auditors	**108**	133
Fees on non-audit services paid/payable to:		
- Auditor of the Company	**16**	32
- Other auditors	**21**	19
Legal and professional fees	**1,887**	1,473
Rental on operating leases	**320**	389
Amortisation of club memberships	**53**	58
Impairment loss on club memberships	**-**	11
Property, plant and equipment written off	**10**	-
(Write-back of impairment)/impairment loss on property, plant and equipment (Note 23)	**(52)**	265
Other	**7,262**	8,321
Total cost of sales, distribution and marketing costs, administrative and general expenses	**296,403**	262,545

7. EMPLOYEE COMPENSATION

	Group	
	2015	**2014**
	$'000	**$'000**
Wages and salaries	**33,045**	32,064
Employer's contribution to defined contribution plans including Central Provident Fund	**1,852**	1,786
Other benefits	**527**	389
Share option expense [Note 28(c)]	**99**	158
	35,523	34,397
Less: Government grant – Jobs Credit Scheme	**(94)**	(97)
	35,429	34,300
Less: Staff costs capitalised in construction contract work-in-progress	**(2,228)**	(1,331)
Staff costs recognised in profit or loss (Note 6)	**33,201**	32,969

Key management remuneration is disclosed in Note 35(b).

8. FINANCE EXPENSES

	Group	
	2015	**2014**
	$'000	**$'000**
Interest expense:		
- Bank borrowings	**2,733**	3,404
- Finance lease liabilities	**41**	71
- Other	**73**	81
	2,847	3,556
Bank facility fees	**119**	416
	2,966	3,972
Less: Amount capitalised in:		
- Development properties	**(183)**	(867)
- Construction contract work-in-progress	**(15)**	(91)
Finance expenses recognised in profit or loss	**2,768**	3,014

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for the financial year ended 30 June 2015

9. INCOME TAXES

(a) Income tax expense

	Group	
	2015	**2014**
	$'000	**$'000**
Tax expense attributable to profit is made up of:		
Current income tax		
- Singapore	**2,262**	2,115
- Foreign	**3,172**	3,246
	5,434	5,361
Deferred income tax	**(593)**	(1,398)
	4,841	3,963
Under/(over) provision in prior financial years		
- Current income tax	**13**	(1,640)
- Deferred income tax	**(373)**	3
	4,481	2,326

In the previous financial year, the over provision of current income tax in respect of prior financial years of $1,640,000 was mainly due to the agreement reached with the Inland Revenue Authority of Singapore with respect to the tax matters of certain subsidiaries of the Group.

The tax on the Group's profit before tax differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	Group	
	2015	**2014**
	$'000	**$'000**
Profit before income tax	**34,194**	30,275
Share of profits of associated companies and joint ventures	**(96)**	(13,020)
	34,098	17,255
Tax calculated at tax rate of 17% (2014: 17%)	**5,797**	2,933
Effects of:		
- Statutory stepped income exemption	**(105)**	(88)
- Different tax rates in other countries	**889**	626
- Tax incentives	**(445)**	(315)
- Income not subject to tax	**(3,518)**	(735)
- Expenses not deductible for tax purposes	**2,288**	1,707
- Utilisation of previously unrecognised deferred tax assets	**(161)**	(300)
- Deferred tax assets not recognised	**96**	135
- Over provision of tax	**(360)**	(1,637)
	4,481	2,326

9. INCOME TAXES (CONTINUED)

(b) **Movement in current income tax liabilities, net of tax recoverable**

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Beginning of financial year	**2,013**	4,970	**19**	-
Currency translation differences	**(159)**	(6)	**-**	-
Income tax paid	**(4,682)**	(6,672)	**(19)**	-
Tax expense	**5,434**	5,361	**40**	5
Disposal of a subsidiary (Note 11)	**(113)**	-	**-**	-
Under/(over) provision in prior financial years	**13**	(1,640)	**-**	14
End of financial year	**2,506**	2,013	**40**	19
Representing:				
Current income tax liabilities	**3,002**	2,284	**40**	19
Tax recoverable	**(496)**	(271)	**-**	-
	2,506	2,013	**40**	19

(c) **Deferred income taxes**

The movement in deferred income tax liability/(asset) account is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Beginning of financial year	**(2,036)**	(702)	**-**	58
Currency translation differences	**340**	61	**-**	-
Credited to profit or loss	**(593)**	(1,398)	**-**	-
(Over)/under provision in prior financial years	**(373)**	3	**-**	(58)
End of financial year	**(2,662)**	(2,036)	**-**	-

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for the financial year ended 30 June 2015

9. INCOME TAXES (CONTINUED)

(c) **Deferred income taxes** (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Deferred income tax assets				
- to be recovered within one year	**(2,888)**	(1,232)	**-**	-
- to be recovered after one year	**(1,230)**	(2,462)	**-**	-
	(4,118)	(3,694)	**-**	-
Deferred income tax liabilities				
- to be settled within one year	**8**	9	**-**	-
- to be settled after one year	**1,448**	1,649	**-**	-
	1,456	1,658	**-**	-

The movements in deferred income tax liabilities and assets are as follows:

Group	**Accelerated tax depreciation $'000**	**Profits on sale of development properties $'000**	**Tax losses and others $'000**	**Total $'000**
2015				
Beginning of financial year	1,658	(3,445)	(249)	(2,036)
Currency translation differences	(1)	320	21	340
Charged to profit or loss	(201)	(392)	(373)	(966)
End of financial year	1,456	(3,517)	(601)	(2,662)
2014				
Beginning of financial year	1,780	(2,360)	(122)	(702)
Currency translation differences	-	57	4	61
Charged to profit or loss	(122)	(1,142)	(131)	(1,395)
End of financial year	1,658	(3,445)	(249)	(2,036)

9. INCOME TAXES (CONTINUED)

(c) **Deferred income taxes** (continued)

Company	**Others $'000**
2015	
Beginning of financial year	-
Charged to profit or loss	-
End of financial year	-
2014	
Beginning of financial year	58
Charged to profit or loss	(58)
End of financial year	-

Deferred income tax assets are recognised for temporary differences to the extent that realisation of the related income tax benefits through future taxable profits is probable.

Deferred income tax assets have not been recognised on the following temporary differences:

	Group	
	2015 $'000	**2014 $'000**
Unutilised tax losses	**40,694**	43,951
Unabsorbed capital allowances	**144**	153
	40,838	44,104

The unrecognised unutilised tax losses and unabsorbed capital allowances of the companies within the Group can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies in their respective countries of incorporation. These unrecognised tax losses and unabsorbed capital allowances do not have any expiry dates.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

10. EARNINGS PER SHARE

	Group	
	2015	**2014**
Net profit attributable to equity holders of the Company ($'000)	**29,811**	25,144
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**382,131**	373,389
Adjustments for share options ('000)	**1,746**	2,635
Weighted average number of ordinary shares for diluted earnings per share ('000)	**383,877**	376,024
Earnings per share (in cents per share)		
- Basic	**7.80**	6.73
- Diluted	**7.77**	6.69

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 30 June 2015 and 30 June 2014, the Company has one category of dilutive potential ordinary shares in the form of share options under the Option Scheme 2007.

For share options, the weighted average number of shares in issue is adjusted for the number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds. No adjustment is made to the net profit.

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and on hand	**38,327**	80,905	**6,985**	8,399
Short-term bank deposits	**6,406**	13,151	**3**	3
	44,733	94,056	**6,988**	8,402

11. CASH AND CASH EQUIVALENTS (CONTINUED)

Included in cash and cash equivalents of the Group is an amount of approximately $1,397,000 (2014: $13,960,000) held under the Malaysia's Housing Developers (Control and Licensing) Act 1966, withdrawals from which are restricted to payments for expenditure incurred on the project.

As at 30 June 2015, cash at bank of $1,000 (2014: $591,000) and short-term bank deposits of $936,000 (2014: $1,011,000) were pledged as security for bank facilities.

For the purposes of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	2015	**2014**
	$'000	**$'000**
Cash and bank balances (as above)	**44,733**	94,056
Less: Cash and cash equivalents pledged	**(937)**	(1,602)
Cash and cash equivalents per consolidated statement of cash flows	**43,796**	92,454

Acquisition and disposal of subsidiaries

Please refer to Note 37 for the effects of acquisitions of subsidiaries on the cash flows of the Group.

On 9 February 2015, the Group disposed its entire interest in Old Court House Propco Limited to a third party for a cash consideration of $41.0 million. The effects of the disposal on the cash flows of the Group were:

	Group
	2015
	$'000
Carrying amounts of assets and liabilities disposed of	
Investment property	**88,803**
Trade and other receivables	**1,236**
Total assets	**90,039**
Trade and other payables	**9,515**
Current income tax liabilities	**113**
Borrowings	**52,366**
Total liabilities	**61,994**
Net assets disposed of	**28,045**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

11. CASH AND CASH EQUIVALENTS (CONTINUED)

The aggregate cash inflows arising from the disposal of Old Court House Propco Limited were:

	Group 2015 $'000
Net assets disposed of (as above)	28,045
Reclassification of currency translation reserve	(14)
	28,031
Gain on disposal [Note 5(b)]	11,482
Net cash inflows on disposal as reflected in the consolidated statement of cash flows	39,513
Add: Professional fee incurred	1,514
Total cash consideration	41,027

Arising from the disposal, the Group also received a repayment of its loan to Old Court House Propco Limited of $8,283,000.

12. TRADE AND OTHER RECEIVABLES

(a) **Current**

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Trade receivables				
- Non-related parties	**39,309**	31,830	**74**	-
- Joint venture and associated companies	**5**	5	**-**	-
- Related parties [Note 12(c)]	**-**	138	**-**	112
	39,314	31,973	**74**	112
Less: Allowance for impairment of receivables				
- Non-related parties	**(9)**	(9)	**-**	-
Trade receivables - net	**39,305**	31,964	**74**	112
Construction contracts (Note 13)				
Due from customers				
- Non-related parties	**23,910**	10,253	**-**	-
Retention sums receivable				
- Non-related parties	**17,563**	10,840	**-**	-
- Joint venture and associated company	**100**	2,986	**-**	-
	17,663	13,826	**-**	-
Advance to subsidiaries (i)	**-**	-	**68,084**	76,590
Less: Allowance for impairment	**-**	-	**(27,852)**	(27,847)
	-	-	**40,232**	48,743
Advances to an associated company [Note 12(b)(i)]	**18,204**	-	**-**	-
Interest receivable	**96**	68	**-**	-
Other receivables	**322**	762	**-**	-
Accrued income	**275**	1,063	**-**	-
	99,775	57,936	**40,306**	48,855

(i) The advances to subsidiaries are unsecured, repayable on demand and interest-free except for an amount of $443,000 (2014: $486,000) which bears interest at an effective interest rate of 0.5% (2014: 0.5%) per annum at the balance sheet date.

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for the financial year ended 30 June 2015

12. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) **Non-current**

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Advance to an associated company (i)	**-**	18,204	**-**	-
Construction contracts (Note 13)				
Retention sums receivable				
- Non-related parties	**19,596**	16,645	**-**	-
Advances to subsidiaries (ii)	**-**	-	**187,893**	109,098
	19,596	34,849	**187,893**	109,098

(i) The advance to an associated company of $18,204,000 (2014: $18,204,000) is unsecured, bears variable interest rate ranging from 1.34% to 2.13% (2014: 1.34% to 1.39%) per annum and is subordinated to the bank loan of the associated company. As the advance is expected to be repaid by May 2016, accordingly it is re-classified to current asset at 30 June 2015 [Note 12(a)].

(ii) The advances to subsidiaries amounting to $187,893,000 (2014: $109,098,000) are unsecured, interest-free and have no fixed terms of repayment. Settlement of these loans is neither planned nor likely to occur in the foreseeable future. As a result, management considers these loans to be in substance part of the Company's net investment in the subsidiaries, and has stated them at cost in accordance to Note 2.11.

(c) Related parties as at 30 June 2014 refer to certain entities within LCDGI Group [Note 35(a)(i)]. They ceased to be related parties during the financial year ended 30 June 2015.

(d) The fair values of the non-current trade and other receivables of the Group approximate their carrying amounts as at the balance sheet date.

13. CONSTRUCTION CONTRACT WORK-IN-PROGRESS

	Group 2015 $'000	Group 2014 $'000
Aggregate contract costs incurred and profits recognised (less losses recognised) to date on uncompleted construction contracts	**1,159,703**	1,004,399
Less: Progress billings	**(1,135,793)**	(994,146)
	23,910	10,253
Presented as:		
Due from customers on construction contracts (Note 12)		
- Non-related parties	**23,910**	10,253
Retention sums receivable (Note 12):		
- Current	**17,663**	13,826
- Non-current	**19,596**	16,645
Retention sums payable (Note 24):		
- Current	**10,250**	12,353
- Non-current	**10,604**	8,519

Borrowing costs of approximately $15,000 (2014: $91,000) arising from finance leases specifically entered into for the construction projects were capitalised during the financial year and are included in aggregated contract costs recognised.

14. PROPERTIES HELD FOR SALE

	Group 2015 $'000	Group 2014 $'000
Properties held for sale – at cost	**1,833**	3,380

15. DEVELOPMENT PROPERTIES

	Group 2015 $'000	Group 2014 $'000
Properties under construction	**105,033**	107,010

Sale and purchase agreements on certain properties under construction have been signed. Advances from customers amounting to $34,596,000 (2014: $41,015,000) on these agreements are presented within "trade and other payables".

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2015

15. DEVELOPMENT PROPERTIES (CONTINUED)

(a) Details of the development properties as of 30 June 2015 are as follows:

Location	Description of development	Tenure/ Group's interest in property	Site area sq.m.	Estimated gross floor area sq.m.	Stage of completion/ Expected date of completion
5 contiguous pieces of land at Lot No. 616, 667, 668, 774 and 775 Mukim of Ulu Kelang, District of Gombak, State of Selangor, Malaysia	Residential development	Freehold/ 100%	120,153	48,941	91%/ December 2016
2 parcels of land at Lot No. 990 and 1308 Mukim Cheras, Daerah Hulu Langat, State of Selangor, Malaysia*	Residential development	Freehold/ 100%	622,703	225,082	56%/ December 2017
GM7799 Lot 62391 Mukim Cheras, Daerah Hulu Langat, Negeri Selangor	Residential development#	Freehold/ 100%	11,767	-#	-#

* The development property is charged by way of a mortgage in favour of banks for bank loans as disclosed in Note 25 to the financial statements.

The Group is still in the process of obtaining approval from the authorities to convert the land acquired into residential development.

(b) Borrowing costs of $183,000 (2014: $867,000) arising on financing specifically entered into for the development properties were capitalised during the financial year and are included in development expenditure.

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS (NON-CURRENT)

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Beginning of financial year	**5,732**	5,213	**1,048**	529
Fair value gains recognised in other comprehensive income [Note 28(d)]	**124**	519	**124**	519
Disposal	**(1,172)**	-	**(1,172)**	-
End of financial year	**4,684**	5,732	**-**	1,048

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS (NON-CURRENT) (CONTINUED)

At the balance sheet date, available-for-sale financial assets include the following:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Singapore				
Listed equity investment	**-**	1,048	**-**	1,048
Unlisted equity investments	**4,684**	4,684	**-**	-
	4,684	5,732	**-**	1,048

The unlisted equity investments of the Group are measured at cost. The directors are of the view that the fair values of these investments cannot be reliably measured. There are no active markets and no recent transactions for these unlisted equity investments and their fair values cannot currently be estimated within a reasonable range using valuation techniques.

17. OTHER ASSETS

(a) **Current**

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Deposits	**1,526**	2,121	**216**	124
Prepayments	**471**	748	**2**	5
	1,997	2,869	**218**	129

(b) **Non-current**

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Prepayments	**902**	998	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
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18. CLUB MEMBERSHIPS

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Club memberships, at cost	**1,119**	1,220	**822**	903
Less: Accumulated amortisation	**(693)**	(688)	**(550)**	(560)
Accumulated impairment losses	**(97)**	(131)	**(40)**	(74)
	329	401	**232**	269

19. INVESTMENT IN JOINT VENTURE

	Group	
	2015	**2014**
	$'000	**$'000**
Beginning of financial year	**314**	338
Share of results, net of tax	**(8)**	(24)
End of financial year	**306**	314

In the opinion of the directors, the investment in joint venture is not material to the Group. Accordingly, the additional disclosure requirements under FRS 112 *Disclosure of Interests in Other Entities* for material joint ventures are not required for the Group's investment in the joint venture.

The Group's share of the results, assets and liabilities of the joint venture based on unaudited management accounts as at 30 June 2015 is as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Current assets	**309**	318
Current liabilities	**(3)**	(4)
Net assets	**306**	314
Expenses	**(8)**	(24)
Loss before income tax	**(8)**	(24)
Income tax expense	**-**	-
Loss after income tax	**(8)**	(24)

(i) There are no capital commitments and contingent liabilities relating to the Group's interest in the joint venture.

(ii) Details of the joint venture is provided in Note 40.

20. INVESTMENTS IN ASSOCIATED COMPANIES

	Group	
	2015	**2014**
	$'000	**$'000**
Beginning of financial year	**13,044**	-
Acquisition	**2,011**	-
Share of profits, net of tax	**104**	13,044
Dividend received	**(10,800)**	-
Currency translation differences	**97**	-
End of financial year	**4,456**	13,044

	Company	
	2015	**2014**
	$'000	**$'000**
Equity investment at cost	**2,011**	-

Set out below are the associated companies of the Group as at 30 June 2015. The associated companies as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

Name of entity	**Place of business/ country of incorporation**	**% of ownership interest**
FCL Compassvale Pte Ltd	Singapore	20.00
FCL Admiralty Pte Ltd	Singapore	30.00
Faith Global Ventures Inc	British Virgin Islands	23.52

FCL Compassvale Pte Ltd and FCL Admiralty Pte Ltd are property development companies in Singapore. The principal activities of the companies are the development of executive condominium housing units for sale in Singapore. FCL Compassvale Pte Ltd and FCL Admiralty Pte Ltd are strategic partnerships for the Group, providing the Group with access to construction contracts and the development of executive condominiums in Singapore.

Faith Global Ventures Inc is an investment holding company with an interest in a mixed use property in the United Kingdom. Faith Global Ventures Inc is a strategic partnership for the Group, providing the Group with access to the development of mixed use property in the United Kingdom.

The carrying amount of the Group's interest was $4,456,000 (2014: $13,044,000).

There are no contingent liabilities relating to the Group's interest in the associated companies.

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for the financial year ended 30 June 2015

20. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised financial information for associated companies

Set out below are the summarised financial information for FCL Compassvale Pte Ltd, FCL Admiralty Pte Ltd and Faith Global Ventures Inc.

Summarised balance sheet

	FCL Compassvale Pte Ltd		FCL Admiralty Pte Ltd		Faith Global Ventures Inc		Total	
	As at 30 June		As at 30 June		As at 30 June		As at 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current assets	**32,035**	93,049	**11,623**	18,544	**93**	-	**43,751**	111,593
Includes:								
- Cash and cash equivalents	**2,635**	2,326	**11,432**	6,275	**93**	-	**14,160**	8,601
Current liabilities	**(19,164)**	(27,830)	**(76,383)**	(71,781)	**-**	-	**(95,547)**	(99,611)
Includes:								
- Financial liabilities (excluding trade payables)	**-**	-	**(60,973)**	(60,868)	**-**	-	**(60,973)**	(60,868)
Non-current assets	**-**	-	**112,113**	110,043	**7,921**	-	**120,034**	110,043
Non-current liabilities	**-**	-	**(55,761)**	(64,300)	**(18)**	-	**(55,779)**	(64,300)
Includes:								
- Financial liabilities	**-**	-	**(55,761)**	(64,300)	**-**	-	**(55,761)**	(64,300)
Net assets	**12,871**	65,219	**(8,408)**	(7,494)	**7,996**	-	**12,459**	57,725

20. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Summarised statement of comprehensive income

	FCL Compassvale Pte Ltd		FCL Admiralty Pte Ltd		Faith Global Ventures Inc		Total	
	For the year ended 30 June		For the year ended 30 June		For the year ended 30 June		For the year ended 30 June	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	**4,455**	450,190	**-**	-	**-**	-	**4,455**	450,190
Interest income	**82**	58	**-**	-	**-**	-	**82**	58
Expenses Includes:								
- Depreciation and amortisation	**-**	-	**-**	-	**-**	-	**-**	-
- Interest expense	**-**	(170)	**-**	-	**-**	-	**-**	(170)
Profit/(loss) from continuing operations	**1,271**	91,096	**(914)**	(4,867)	**(963)**	-	**(606)**	86,229
Income tax credit / (expense)	**381**	(17,360)	**-**	-	**-**	-	**381**	(17,360)
Total comprehensive income/(loss)	**1,652**	73,736	**(914)**	(4,867)	**(963)**	-	**(225)**	(68,869)
Dividends distributed	**(54,000)**	-	**-**	-	**-**	-	**(54,000)**	-

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated companies.

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20. INVESTMENTS IN ASSOCIATED COMPANIES (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in associated companies.

	FCL Compassvale Pte Ltd As at 30 June		FCL Admiralty Pte Ltd As at 30 June		Faith Global Ventures Inc As at 30 June		Total As at 30 June	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Net Assets	**65,219**	(8,517)	**(7,494)**	(2,627)	**-**	-	**57,725**	(11,144)
Beginning of financial year								
Acquisition in the year #	**-**	-	**-**	-	**8,981**	-	**8,981**	8,981
Profit /(loss) for the year	**1,652**	73,736	**(914)**	(4,867)	**(963)**	-	**(225)**	68,869
Foreign exchange differences	**-**	-	**-**	-	**(22)**	-	**(22)**	(22)
Dividends distributed	**(54,000)**	-	**-**	-	**-**	-	**(54,000)**	-
End of financial year	**12,871**	65,219	**(8,408)**	(7,494)	**7,996**	-	**12,459**	57,725
Interest in associated companies (20.00%; 30.00%; 23.52%)	**2,575**	13,044	**(2,522)**	(2,248)	**1,881**	-	**1,934**	10,796
Share of loss of associate not recognised*	**-**	-	**2,522**	2,248	**-**	-	**2,522**	2,248
Carrying value	**2,575**	13,044	**-**	-	**1,881**	-	**4,456**	13,044
Carrying value of Group's interest in associated companies							**4,456**	13,044

* In accordance with FRS 28 paragraph 38, if an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the entity discontinues recognising its share of further losses.

On 20 April 2015, the Group acquired 23.52% interest in Faith Global Ventures Inc ("FGVI").

Details of associated companies are provided in Note 40.

21. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015	**2014**
	$'000	**$'000**
Equity investment at cost	**65,494**	49,527
Less: Allowance for impairment losses	**(31,500)**	(32,561)
	33,994	16,966

Details of subsidiaries are provided in Note 40.

21. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of additional interest in a subsidiary

On 26 September 2014, the Company acquired the remaining 49% of the issued shares of Kemensah Holdings Pte Ltd for a purchase consideration of $14,983,000. The Group now holds 100% of the equity share capital of Kemensah Holdings Pte Ltd. As a result, the Group also holds 100% effective interest in the subsidiaries of Kemensah Holdings Pte Ltd, namely Venus Capital Corporation Sdn Bhd, Fabulous Range Sdn Bhd, Sungei Long Holdings Pte Ltd and LC Sungei Long (M) Sdn Bhd.

The carrying amount of the non-controlling interests in Kemensah Holdings Pte Ltd on the date of acquisition was $10,195,000. The Group derecognised non-controlling interests of $10,195,000 and recorded a decrease in equity attributable to owners of the parent of $4,788,000. Arising from the acquisition, the Company also assumed the loan of $37,190,000 (RM95,068,000) extended by the non-controlling interests to Kemensah. As at 30 June 2015, the Company has made repayment of $6,498,000 (RM19,500,000) towards this loan and the outstanding loan amount as at 30 June 2015 amounted to $26,878,000 (RM75,568,000).

The effect of changes in the ownership interest of Kemensah Holdings Pte Ltd on the equity attributable to owners of the Company during the year is summarised as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Carrying amount of non-controlling interests acquired	**10,195**	-
Consideration paid to non-controlling interests	**(14,983)**	-
Excess of consideration paid recognised in parent's equity	**(4,788)**	-

(b) Effects of transactions with non-controlling interests on the equity attributable to owners of the parent for the year ended 30 June 2015

	$'000
Changes in equity attributable to shareholders of the Company arising from:	
- Acquisition of additional interests in a subsidiary	**(4,788)**
Net effect on parent's equity	**(4,788)**

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for the financial year ended 30 June 2015

22. INVESTMENT PROPERTIES

	Group 2015 $'000	Group 2014 $'000
Beginning of financial year	**178,934**	108,437
Acquisition of subsidiary (Note 37)	**109,600**	-
Additions	**-**	57,624
Disposal of subsidiary (Note 11)	**(88,803)**	-
Fair value gains recognised in profit or loss - net [Note 5(b)]	**4,019**	4,716
Currency translation differences	**(3,096)**	8,157
Others	**(221)**	-
End of financial year	**200,433**	178,934

(a) At the balance sheet date, the investment properties of the Group are leased out for rental income for uses as stated:

(i) Located in Singapore:

	Description/Existing use	Tenure of land
8 Kim Tian Road	Ground floor shop unit	9,999-year lease from 1960
14 Kung Chong Road	Light industrial building*	99-year lease from 1954

* A portion of the building which is designated to house the Group's corporate offices is classified as property, plant and equipment.

(ii) Located in the United Kingdom:

	Description/Existing use	Tenure of land
52 to 57 Prince's Square	Hotel	Freehold
130 Wood Street	Office Building	Freehold

(b) At 30 June 2015, certain investment properties with total carrying value of $85,778,000 (2014: $175,574,000) are charged by way of mortgages in favour of banks for bank loans as disclosed in Note 25 to the financial statements.

22. INVESTMENT PROPERTIES (CONTINUED)

(c) The following amounts are derived from investment properties and recognised in profit or loss:

	Group	
	2015	**2014**
	$'000	**$'000**
Rental income	**7,016**	5,776
Fair value gains recognised in profit or loss	**4,019**	4,716
Direct operating expenses arising from:		
- Investment properties that generated rental income	**(905)**	(1,077)

(d) Fair value hierarchy

Description	**Fair value measurements using significant unobservable inputs (Level 3) $'000**
Recurring fair value measurements	
30 June 2015	
Singapore:	
- Light industrial building	27,665
- Ground floor shop unit	3,500
United Kingdom:	
- Hotel	58,113
- Office building	111,155
Recurring fair value measurements	
30 June 2014	
Singapore:	
- Light industrial building	26,559
- Ground floor shop unit	3,360
United Kingdom:	
- Hotel	57,388
- Office building	91,627

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties annually based on the properties' highest and best use.

Changes in Level 3 fair values as assessed at each reporting date by the external valuers are reviewed by the Directors.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

22. INVESTMENT PROPERTIES (CONTINUED)

(d) Fair value hierarchy (continued)

Valuation techniques used to derive Level 3 fair values

Level 3 fair values of the Group's completed investment properties have been generally derived using one or more of the following valuation approach:

(i) the Direct Comparison Method where properties are valued using transacted prices for comparable properties in the vicinity and elsewhere with necessary adjustments made for differences in location, tenure, size, design, layout, age and condition of the buildings, availability of car parking facilities, dates of transactions and the prevailing market conditions. The most significant input to the valuation approach would be the adopted value per square feet.

(ii) the Discounted Cash Flow Method where the future income stream over a period is discounted to arrive at a present value. Significant inputs to the valuation approach would be the growth rate, capitalisation rate and discount rate.

(iii) the Income Capitalisation Method where the net rental income after property tax is capitalised at a rate which reflects the present and potential income growth and over the unexpired lease term. The most significant input to the valuation approach would be the capitalisation rate.

Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy at 30 June 2015:

Description	Fair value at 30 June 2015 ($'000)	Valuation technique (s)	Unobservable inputs	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Singapore					
Light industrial building	27,665 (2014: 26,559)	Direct Comparison Method	Adopted value per square meter of net lettable area (2014: Adopted value per square meter of gross floor area)	$7,803 per sq. m. (2014: $6,460 per sq. m.)	The higher the adopted value, the higher the fair value
Ground floor shop unit	3,500 (2014: 3,360)	Direct Comparison Method	Adopted value per square meter of gross floor area	$28,000 per sq. m. (2014: $26,900 per sq. m.)	The higher the adopted value, the higher the fair value

22. INVESTMENT PROPERTIES (CONTINUED)

(d) Fair value hierarchy (continued)

Valuation techniques and inputs used in Level 3 fair value measurements (continued)

Description	Fair value at 30 June 2015 ($'000)	Valuation technique (s)	Unobservable inputs	Range of unobservable inputs (probability weighted average)	Relationship of unobservable inputs to fair value
United Kingdom					
Hotel	58,113 (2014: 57,388)	Discounted Cash Flows	Growth rate	2% to 5% (2014: 2% to 5%)	The higher the growth rate, the higher the fair value
			Capitalisation rate	5% (2014: 5%)	The lower the capitalisation rate, the higher the fair value
			Discount rate	8% (2014: 8%)	The lower the discount rate, the higher the fair value
Office building	111,155 (2014:#)	Income Capitalisation	Capitalisation rate	5% (2014:#)	The lower the capitalisation rate, the higher the fair value

The Property was only acquired during the current financial year ended 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

23. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings $'000	Plant and machinery $'000	Furniture, office equipment and fittings $'000	Motor vehicles $'000	Total $'000
Group					
2015					
Cost					
Beginning of financial year	23,088	20,967	6,391	5,051	55,497
Currency translation differences	-	-	(32)	(41)	(73)
Additions	94	92	1,102	1,484	2,772
Disposals	-	(2,618)	(173)	(1,159)	(3,950)
Others	(178)	-	-	-	(178)
End of financial year	23,004	18,441	7,288	5,335	54,068
Accumulated depreciation and impairment losses					
Beginning of financial year	1,732	8,397	2,914	2,035	15,078
Currency translation differences	-	-	(31)	(28)	(59)
Depreciation charge (Note 6)	953	3,090	1,223	658	5,924
Write-back of impairment (Note 6)	-	(52)	-	-	(52)
Disposals	-	(1,505)	(71)	(623)	(2,199)
End of financial year	2,685	9,930	4,035	2,042	18,692
Net book value					
End of financial year	**20,319**	**8,511**	**3,253**	**3,293**	**35,376**
2014					
Cost					
Beginning of financial year	22,968	23,478	5,627	5,498	57,571
Currency translation differences	-	-	(9)	(12)	(21)
Additions	120	1,477	1,179	609	3,385
Disposals	-	(3,988)	(406)	(1,044)	(5,438)
End of financial year	23,088	20,967	6,391	5,051	55,497
Accumulated depreciation and impairment losses					
Beginning of financial year	815	5,185	2,166	1,684	9,850
Currency translation differences	-	-	(8)	(5)	(13)
Depreciation charge (Note 6)	917	4,580	1,162	728	7,387
Impairment (Note 6)	-	265	-	-	265
Disposals	-	(1,633)	(406)	(372)	(2,411)
End of financial year	1,732	8,397	2,914	2,035	15,078
Net book value					
End of financial year	**21,356**	**12,570**	**3,477**	**3,016**	**40,419**

23. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Furniture, office equipment and fittings $'000	Motor vehicles $'000	Total $'000
Company			
2015			
Cost			
Beginning of financial year	363	1,386	1,749
Additions	60	649	709
Disposals	(3)	(330)	(333)
End of financial year	420	1,705	2,125
Accumulated depreciation			
Beginning of financial year	169	422	591
Depreciation charge	69	232	301
Disposals	(1)	(130)	(131)
End of financial year	237	524	761
Net book value			
End of financial year	**183**	**1,181**	**1,364**
2014			
Cost			
Beginning of financial year	285	1,794	2,079
Additions	81	-	81
Disposals	(3)	(408)	(411)
End of financial year	363	1,386	1,749
Accumulated depreciation			
Beginning of financial year	114	269	383
Depreciation charge	58	208	266
Disposals	(3)	(55)	(58)
End of financial year	169	422	591
Net book value			
End of financial year	**194**	**964**	**1,158**

(a) Included in additions of the Group are motor vehicles acquired under finance leases (Note 26) amounting to $180,000 (2014: $90,000). As at 30 June 2015, the Group has motor vehicles and plant and machinery acquired under finance leases with a net book value of $1,577,000 (2014: $1,779,000) and $1,219,000 (2014: $1,377,000) respectively.

Included in additions of the Company are motor vehicles acquired under finance leases (Note 26) amounting to $150,000 (2014: $ Nil). As at 30 June 2015, the Company has motor vehicles under finance leases with a net book value of $902,000 (2014: $964,000).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

23. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) An amount of $3,314,000 (2014: $4,947,000) included in the Group's depreciation charge for leasehold buildings, plant and machinery, furniture, office equipment and fittings, and motor vehicles has been included in direct construction costs during the financial year.

(c) One of the leasehold buildings is charged by way of a mortgage in favour of a bank for bank loan as disclosed in Note 25 to the financial statements.

24. TRADE AND OTHER PAYABLES

(a) **Current**

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables				
- Non-related parties	**90,607**	83,164	**-**	-
- Related parties*	**-**	5	**-**	5
Construction contracts (Note 13)				
Retention sums payable	**10,250**	12,353	**-**	-
Development projects				
Due to customers				
- Advances from customers for development properties (Note 15)	**34,596**	41,015	**-**	-
Retention sums payable	**497**	2,896	**-**	-
Loans and advances from:				
- Subsidiaries (c)	**-**	-	**116,755**	55,979
- Non-controlling shareholders of subsidiaries (d)	**34,406**	37,534	**-**	-
- Associated company (c)	**2,830**	2,430	**-**	-
- Third party [Note 21(a)]	**26,878**	-	**26,878**	-
Accruals for development costs	**-**	26	**-**	-
Accruals for operating expenses	**6,275**	6,240	**2,440**	1,607
Other payables	**1,445**	1,010	**333**	328
Deposits	**3,240**	2,940	**-**	-
Advances received	**72**	45	**-**	-
Rent received in advance	**1,215**	831	**-**	-
Loan interest payable	**244**	431	**-**	10
Unclaimed dividends	**77**	77	**77**	77
	212,632	190,997	**146,483**	58,006

* Related parties refer to certain entities within LCDGI Group [Note 35(a)(i)]. They ceased to be related parties during the financial year ended 30 June 2015.

24. TRADE AND OTHER PAYABLES (CONTINUED)

(b) **Non-current**

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Deposits	**29**	367	**-**	-
Construction contracts (Note 13)				
Retention sums payable	**10,604**	8,519	**-**	-
Development projects				
Retention sums payable	**2,515**	-	**-**	-
	13,148	8,886	**-**	-

(c) Loans and advances from subsidiaries and associated company are unsecured, interest-free and repayable on demand.

(d) The loans from the non-controlling shareholders of subsidiaries are unsecured and interest-free, except for an amount of $425,000 (2014: $467,000) which bears interest at an effective interest rate of 0.5% (2014: 0.5%) per annum at the balance sheet date. The loans are expected to be repaid within the next financial year. Included in the loans from the non-controlling shareholders of subsidiaries are amounts totalling $33,981,000 (2014 : $Nil) from the non-controlling interests in 130 Wood Street Unit Trust (Note 37). Of this amount, $33,186,000 (2014 : $Nil) relates to the acquisition of 130 Wood Street Unit Trust and the balance is provided for working capital purposes.

(e) The fair values of the financial liabilities included in non-current trade and other payables approximate their carrying amounts as at the balance sheet date.

25. BORROWINGS

	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Current				
Bank loans	**22,720**	23,930	**20,000**	10,000
Finance lease liabilities (Note 26)	**473**	744	**104**	147
	23,193	24,674	**20,104**	10,147
Non-current				
Bank loans	**58,278**	107,825	**-**	-
Finance lease liabilities (Note 26)	**387**	851	**223**	294
	58,665	108,676	**223**	294
Total borrowings	**81,858**	133,350	**20,327**	10,441

Refer to Note 34(c)(ii) for the exposure of borrowings to interest rate risk.

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25. BORROWINGS (CONTINUED)

(a) **Security granted**

Total borrowings as at 30 June 2015 included the following:

(i) Term loans and revolving development loans amounting to $1,146,000 (2014: $5,981,000) of the Group are secured by a legal mortgage over development properties of one subsidiary (2014: two subsidiaries) (Note 15) and a fixed and floating charge over all the assets of the subsidiary (2014: two subsidiaries).

(ii) Certain revolving and term loans amounting to $59,852,000 (2014: $105,808,000) are secured over the Group's investment properties (Note 22), leasehold buildings (Note 23) and the assignment of sales and rental proceeds and insurance policies relating to the properties.

(b) **Carrying amounts and fair values**

At the balance sheet date, the carrying amounts of borrowings approximate their fair values.

26. FINANCE LEASE LIABILITIES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Minimum lease payments due:				
- not later than 1 year	**512**	784	**104**	160
- between 1 and 5 years	**383**	864	**245**	291
- later than 5 years	**-**	23	**-**	23
	895	1,671	**349**	474
Less: Future finance charges	**(35)**	(76)	**(22)**	(33)
Present value of lease liabilities	**860**	1,595	**327**	441
The present value of finance lease liabilities are analysed as follows:				
- not later than 1 year (Note 25)	**473**	744	**104**	147
- between 1 and 5 years	**387**	828	**223**	271
- later than 5 years	**-**	23	**-**	23
Total non-current liabilities (Note 25)	**387**	851	**223**	294
	860	1,595	**327**	441

Finance leases are in respect of motor vehicles and plant and machinery.

27. SHARE CAPITAL AND TREASURY SHARES

	No. of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Issued share capital $'000	Treasury shares $'000
Group and Company				
2015				
Beginning of financial year	380,030	(4,493)	84,311	(1,324)
Shares issued	5,000	-	2,059	-
Treasury shares reissued	-	3,667	234	1,071
End of financial year	**385,030**	**(826)**	**86,604**	**(253)**
2014				
Beginning of financial year	380,030	(7,565)	84,060	(2,194)
Treasury shares reissued	-	3,072	251	870
End of financial year	**380,030**	**(4,493)**	**84,311**	**(1,324)**

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

During the financial year ended 30 June 2015, the Company issued 5,000,000 (2014: nil) ordinary shares for a total cash consideration of $1,600,000 pursuant to the Option Scheme 2007. The newly issued shares rank pari passu in all respects with the previously issued shares.

(a) Treasury shares

During the financial year ended 30 June 2015, 3,667,000 (2014: 3,072,000) treasury shares of the Company were reissued pursuant to the Option Scheme 2007 for a total cash consideration of $1,053,000 (2014: $900,000) upon the exercise of options by:

Holders of	No. of ordinary shares 2015	2014	Exercise price $
2008 Options	**-**	192,000	0.23
2009 Options	**982,000**	935,000	0.32
2010 Options	**470,000**	710,000	0.28
2011 Options	**365,000**	1,235,000	0.29
2012 Options	**1,850,000**	-	0.27
	3,667,000	3,072,000	

The cost of treasury shares reissued amounted to $1,071,000 (2014: $870,000). The gain on reissue of the treasury shares is recognised directly in share capital account.

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27. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(b) **Share options**

Share options were granted to key management personnel and employees with more than 12 months of service with the Group under the Option Scheme 2007 which became operative on 26 October 2007.

The exercise price of the options is determined at the Market Price or a price which is set at a discount to the Market Price, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the Market Price. The Market Price is defined as the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange for five market days immediately preceding the date of the grant.

Options granted with the exercise price set at the Market Price are exercisable by the key management personnel or employees after another one year of service to the Group and once vested are exercisable during a period of four years. Options granted with the exercise price set at a discount to the Market Price are exercisable by the key management personnel or employees after another two years of service to the Group and once vested are exercisable during a period of three years. The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

The Company did not grant any options during the financial year.

27. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(b) **Share options** (continued)

Movement in the number of unissued ordinary shares under option and their exercise prices are as follows:

	No. of ordinary shares under option						
	Beginning of financial year	**Granted during financial year**	**Forfeited during financial year**	**Exercised during financial year**	**End of financial year**	**Exercise price**	**Exercise Period**
Group and Company							
2015							
2013 Options	4,600,000	-	(465,000)	-	4,135,000	$0.32	21.09.2015 to 20.09.2018
2012 Options	3,640,000	-	(190,000)	(1,850,000)	1,600,000	$0.27	28.07.2014 to 27.07.2017
2011 Options	1,560,000	-	(65,000)	(365,000)	1,130,000	$0.29	23.07.2012 to 21.07.2016
2010 Options	1,295,000	-	(25,000)	(470,000)	800,000	$0.28	25.07.2011 to 23.07.2015
2009 Options	6,838,000	-	(856,000)	(5,982,000)	-	$0.32	13.09.2010 to 10.09.2014
	17,933,000	-	(1,601,000)	(8,667,000)	7,665,000		
2014							
2013 Options	-	5,330,000	(730,000)	-	4,600,000	$0.32	21.09.2015 to 20.09.2018
2012 Options	4,080,000	-	(440,000)	-	3,640,000	$0.27	28.07.2014 to 27.07.2017
2011 Options	3,020,000	-	(225,000)	(1,235,000)	1,560,000	$0.29	23.07.2012 to 21.07.2016
2010 Options	2,100,000	-	(95,000)	(710,000)	1,295,000	$0.28	25.07.2011 to 23.07.2015
2009 Options	7,900,000	-	(127,000)	(935,000)	6,838,000	$0.32	13.09.2010 to 10.09.2014
2008 Options	264,000	-	(72,000)	(192,000)	-	$0.23	27.07.2009 to 25.07.2013
	17,364,000	5,330,000	(1,689,000)	(3,072,000)	17,933,000		

Out of the unexercised options for 7,665,000 (2014: 17,933,000) shares, options for 3,530,000 (2014: 9,693,000) shares are exercisable at the balance sheet date. Options exercised during the financial year ended 30 June 2015 resulted in nil (2014: 192,000), 982,000 (2014: 935,000), 470,000 (2014: 710,000), 365,000 (2014: 1,235,000) and 1,850,000 (2014: nil) treasury shares being reissued at the exercise price of $0.23, $0.32, $0.28, $0.29 and $0.27 per share respectively and 5,000,000 new ordinary shares being issued at the exercise price of $0.32 per share. The weighted average share price during the year was $0.38 (2014: $0.36) per share.

NOTES TO THE FINANCIAL STATEMENTS

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27. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(b) **Share options** (continued)

There were no options granted during the financial year ended 30 June 2015. During the financial year ended 30 June 2014, the fair value of options granted on 20 September 2013 during the previous financial year determined using the Trinomial Option Valuation Model was $224,000. The significant inputs into the model were average share price of $0.35 at the grant date, exercise price of $0.32, standard deviation of expected share price returns of 19%, the option life shown above, annual risk-free interest rate of 0.5% and expected dividend yield of 5.98%. The volatility measured as the standard deviation of expected share price returns was based on statistical analysis of share prices over the last 3 - 4 years.

28. CAPITAL AND OTHER RESERVES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
(a) **Composition**				
Capital reserves	**19,131**	19,131	**2,800**	2,800
Share option reserve	**629**	1,241	**629**	1,241
Fair value reserve	**-**	586	**-**	586
Foreign currency translation reserve	**224**	4,251	**-**	-
Capital redemption reserve	**179**	-	**-**	-
	20,163	25,209	**3,429**	4,627
(b) **Movement in capital reserves**				
Beginning and end of financial year	**19,131**	19,131	**2,800**	2,800

The capital reserves arise mainly from negative goodwill on the acquisition of subsidiaries and capitalisation of retained profits of subsidiaries.

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
(c) **Movement in share option reserve**				
Beginning of financial year	**1,241**	1,304	**1,241**	1,304
Employee share option scheme				
- Value of employee services (Note 7)	**99**	158	**99**	158
- Treasury shares reissued on exercise of share options	**(252)**	(221)	**(252)**	(221)
- Issue of ordinary shares pursuant to exercise of share options	**(459)**	-	**(459)**	-
End of financial year	**629**	1,241	**629**	1,241

28. CAPITAL AND OTHER RESERVES (CONTINUED)

		Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
(d)	**Movement in fair value reserve**				
	Beginning of financial year	**586**	67	**586**	67
	Fair value gains	**124**	519	**124**	519
	Reclassification to profit or loss [Note 5(b)]	**(710)**	-	**(710)**	-
	End of financial year	**-**	586	**-**	586
(e)	**Movement in foreign currency translation reserve**				
	Beginning of financial year	**4,251**	(156)	**-**	-
	Net currency translation differences of financial statements of foreign subsidiaries, a joint venture and associated companies	**(4,451)**	4,214	**-**	-
	Reclassification on repayment of quasi-equity loans	**466**	-	**-**	-
	Less: Non-controlling interests	**(42)**	193	**-**	-
	End of financial year	**224**	4,251	**-**	-
(f)	**Movement in capital redemption reserve**				
	Beginning of financial year	**-**	-	**-**	-
	Transfer of reserves	**179**	-	**-**	-
	End of financial year	**179**	-	**-**	-

On 9 December 2014, two wholly-owned Malaysian subsidiaries of the Group redeemed their Class "B" redeemable non-cumulative preference shares out of profits. When the shares were redeemed, an amount which is not available for distribution as dividends to the shareholder was transferred from retained profits to capital redemption reserve as required by the Malaysia Companies Act.

(g) All capital and other reserves are non-distributable.

29. RETAINED PROFITS OF THE GROUP

Retained profits of the Group are distributable except for the retained profits of associated companies and joint venture amounting to $2,138,000 (2014: $12,848,000). Retained profits of the Company are distributable.

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30. RETAINED PROFITS OF THE COMPANY

Movements in retained profits of the Company are as follows:

	Company	
	2015	2014
	$'000	$'000
Beginning of financial year	**29,845**	18,851
(Loss)/profit for the financial year	**(5,797)**	18,461
Dividends paid (Note 31)	**(7,672)**	(7,467)
End of financial year	**16,376**	29,845

31. DIVIDENDS

	Group and Company	
	2015	2014
	$'000	$'000
Interim dividend of 0.75 cents (2014: 0.75 cents) per ordinary share, paid in respect of the financial year ended 30 June 2015 (2014: 30 June 2014)	**2,877**	2,804
Final dividend of 1.25 cents (2014: 1.25 cents) per ordinary share, paid in respect of the financial year ended 30 June 2014 (2014: 30 June 2013)	**4,795**	4,663
Total dividends paid	**7,672**	7,467

The directors have proposed a final dividend for 2015 of 1.25 cents per share, amounting to approximately $4,803,000. These financial statements do not reflect these proposed dividends, which will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 30 June 2016.

32. CONTINGENCIES

(a) **Guarantees (unsecured)**

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Financial guarantees given to banks and finance companies in connection with facilities given to subsidiaries	**-**	-	**140,166**	80,695

At the date these financial statements are authorised for issue, the directors are of the view that no material liabilities will arise from the guarantees.

32. CONTINGENCIES (CONTINUED)

(b) **Legal and arbitration proceedings**

In 2013, Lum Chang Building Contractors Pte Ltd ("LCBC"), a subsidiary of the Group, commenced arbitration proceedings against a third party subcontractor. The claim by LCBC is approximately $32 million (2014: $32 million) and the related counterclaim by the subcontractor is approximately $19 million (2014: $19 million).

As at the date of these financial statements, the arbitration proceedings are still on-going with no significant developments since the end of the previous financial year. Based on information available and advice received from its legal advisors, the management is of the view that it is unlikely that any significant liability will arise and no provision for any loss has been made in the financial statements for the financial year ended 30 June 2015. The related effects of this arbitration, if any, will be recognised in the financial statements of the future period when the eventual outcome is determined.

33. COMMITMENTS

		Group	
		2015	**2014**
		$'000	**$'000**
(a)	Commitments not provided for in the financial statements excluding those held by associated companies (Note 20) and joint ventures (Note 19) are as follows:		
	Development expenditure contracted for development properties	**18,977**	42,108
	Investment commitments	**5,312**	4,915
	Purchase of property, plant and equipment	**222**	349
		24,511	47,372

(b) **Operating lease commitments – where the Group is a lessee**

The Group leases office premises and office equipment under non-cancellable operating lease agreements. The leases have varying terms and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Not later than 1 year	**142**	169	**705**	794
Between 1 and 5 years	**4**	160	**-**	492
	146	329	**705**	1,286

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33. COMMITMENTS (CONTINUED)

(c) **Operating lease commitments – where the Group is a lessor**

The Group leases out retail space and office premises to non-related parties and related parties* under non-cancellable operating leases. The leases have varying terms and renewal rights.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Not later than 1 year		
- Non-related parties	**6,352**	5,689
- Related parties	**-**	412
	6,352	6,101
Between 1 and 5 years		
- Non-related parties	**13,883**	13,995
- Related parties	**-**	270
	13,883	14,265
Later than 5 years		
- Non-related parties	**13,742**	6,613
	33,977	26,979

* In 2014, related parties refer to certain entities within LCDGI Group. These entities are no longer considered as related parties as at 30 June 2015 [Note 35(a)(i)].

34. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

Financial risk factors

The Group is exposed to financial risks arising from its operations and the key financial risks identified include credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

The Group's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the Group's financial performance in a timely manner. The Group does not hold or issue derivative financial instruments for speculative purposes.

(a) **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. Credit evaluations are performed on all customers who require credit over a certain amount.

34. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(a) **Credit risk** (continued)

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instrument presented on the balance sheet, except for corporate guarantees provided by the Company as disclosed in Note 32.

The Group's and Company's major classes of financial assets are cash and cash equivalents and trade and other receivables.

The trade receivables of the Group comprise seven debtors (2014: four debtors) that individually represented 7% to 20% (2014: 8% to 21%) of trade receivables.

The credit risk for trade receivables (net of allowance for impairment) based on the information provided to key management is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
By types of customers				
Related parties*	**-**	138	**-**	112
Associated and joint venture companies	**5**	5	**-**	-
Non-related parties	**39,300**	31,821	**74**	-
	39,305	31,964	**74**	112

* Related parties refer to certain entities within LCDGI Group [Note 35(a)(i)]. They ceased to be related parties during the financial year ended 30 June 2015.

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

Bank balances that are neither past due nor impaired are mainly balances with banks with high credit-ratings assigned by international credit-rating agencies. Trade and retention sum receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group. Advances to associated companies, joint venture and subsidiaries are made to entities with potential profitable growth in the future.

(ii) *Financial assets that are past due and/or impaired*

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Past due less than 3 months	**7,113**	4,656	**-**	-
Past due 3 to 6 months	**65**	-	**-**	-
Past due over 6 months	**24**	462	**-**	-

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for the financial year ended 30 June 2015

34. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(a) **Credit risk** (continued)

(ii) *Financial assets that are past due and/or impaired (continued)*

The carrying amount of trade and other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables				
Gross amount	**9**	9	**-**	-
Less: Allowance for impairment	**(9)**	(9)	**-**	-
	-	-	**-**	-
Other receivables				
Gross amount	**-**	-	**27,852**	27,847
Less: Allowance for impairment	**-**	-	**(27,852)**	(27,847)
	-	-	**-**	-
Total	**-**	-	**-**	-
Beginning of financial year	**9**	11	**27,847**	27,660
Allowance made	**-**	-	**5**	187
Allowance utilised	**-**	(2)	**-**	-
Allowance written back	**-**	-	**-**	-
End of financial year	**9**	9	**27,852**	27,847

The impaired trade receivables of the Group mainly relate to customers that are in financial difficulties and whose payments are not forthcoming.

The impaired other receivables of the Company mainly relate to advances to subsidiaries that are in net liabilities positions and whose payments are not forthcoming.

(b) **Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure of the Group and the Company to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company manage the liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of committed stand-by credit facilities.

34. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(b) **Liquidity risk** (continued)

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 5 years $'000	Over 5 years $'000	Total $'000
Group				
At 30 June 2015				
Trade and other payables	**176,749**	**13,148**	**-**	**189,897**
Borrowings	**24,952**	**61,804**	**-**	**86,756**
At 30 June 2014				
Trade and other payables	149,106	8,886	-	157,992
Borrowings	27,847	116,773	23	144,643
Company				
At 30 June 2015				
Trade and other payables	**146,483**	**-**	**-**	**146,483**
Borrowings	**20,185**	**245**	**-**	**20,430**
Financial guarantee contracts	**140,166**	**-**	**-**	**140,166**
At 30 June 2014				
Trade and other payables	58,005	-	-	58,005
Borrowings	10,164	291	23	10,478
Financial guarantee contracts	80,695	-	-	80,695

(c) **Market risk**

(i) Currency risk

The Group operates predominantly in Singapore, Malaysia and the United Kingdom and the functional currencies of the entities in each of the countries are the Singapore Dollar ("SGD"), the Malaysian Ringgit ("RM") and Pound Sterling ("GBP") respectively. Entities in the Group transact predominantly in their functional currencies and hold matching currency assets and liabilities to the extent possible to achieve a natural hedging effect.

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34. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(c) **Market risk** (continued)

(i) Currency risk (continued)

The currency exposure of the Group and the Company based on the information provided to key management is as follows:

	RM $'000	GBP $'000
Group		
At 30 June 2015		
Financial assets		
Cash and cash equivalents and available-for-sale financial assets	7,755	8,645
Trade and other receivables	4,419	1,970
Intercompany receivables	7,046	200,311
Other financial assets	489	-
	19,709	210,926
Financial liabilities		
Borrowings	(1,197)	(35,222)
Trade and other payables, excluding construction contracts and development projects	(71,300)	(36,277)
Intercompany payables	(7,046)	(200,311)
	(79,543)	(271,810)
Net financial liabilities	**(59,834)**	**(60,884)**
Less: Net financial liabilities denominated in the respective entities' functional currencies	33,004	62,295
Currency exposure	**(26,830)**	**1,411**

34. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(c) **Market risk** (continued)

(i) Currency risk (continued)

	RM $'000	GBP $'000
Group		
At 30 June 2014		
Financial assets		
Cash and cash equivalents and available-for-sale financial assets	30,384	15,112
Trade and other receivables	7,899	1,710
Intercompany receivables	12,602	38,088
Other financial assets	501	-
	51,386	54,910
Financial liabilities		
Borrowings	(6,144)	(90,308)
Trade and other payables, excluding construction contracts and development projects	(45,859)	(1,874)
Intercompany payables	(12,602)	(38,088)
	(64,605)	(130,270)
Net financial liabilities	**(13,219)**	**(75,360)**
Less: Net financial liabilities denominated in the respective entities' functional currencies	18,151	75,589
Currency exposure	**4,932**	**229**

	RM $'000	GBP $'000
Company		
At 30 June 2015		
Financial assets		
Cash and cash equivalents and available-for-sale financial assets	48	1,411
Financial liabilities		
Trade and other payables	(26,878)	(49,315)
Currency exposure	**(26,830)**	**(47,904)**
At 30 June 2014		
Financial assets		
Cash and cash equivalents and available-for-sale financial assets	34	-
Trade and other receivables	4,892	228
	4,926	228
Currency exposure	**4,926**	**228**

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for the financial year ended 30 June 2015

34. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(c) **Market risk** (continued)

(i) Currency risk (continued)

Sensitivity analysis for currency risk

If the RM changes against the SGD by 4% (2014: 3%) and the GBP changes against the SGD by 4% (2014: 5%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	Increase/(decrease) Profit after tax	
	2015	**2014**
	$'000	**$'000**
Group		
RM against SGD		
- strengthened	**(891)**	123
- weakened	**891**	(123)
GBP against SGD		
- strengthened	**47**	-
- weakened	**(47)**	-
Company		
RM against SGD		
- strengthened	**(891)**	123
- weakened	**891**	(123)
GBP against SGD		
- strengthened	**(1,590)**	-
- weakened	**1,590**	-

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group is exposed to interest rate risk primarily due to changes in interest rates arising from its interest-bearing assets and debt obligations. The Group manages its interest rate risks by maintaining a mix of fixed and variable rate debt instruments with varying maturities.

The material interest-bearing assets of the Group are short-term bank deposits and advances to associated companies. Short term bank deposits and advances to associated companies bear interest at the market interest rate. An interest rate movement of 0.5% will not have a substantial impact on the net profit of the Group.

34. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(c) **Market risk** (continued)

(ii) Cash flow and fair value interest rate risks (continued)

The Group's and Company's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD, RM and GBP. If the SGD interest rate increases / decreases by 1.0% (2014: 0.5%) and the RM and GBP interest rates increase / decrease by 0.5% (2014: 0.5%) with all other variables including tax rate being held constant, the profit after tax of the Group and the Company will be lower / higher by $562,000 (2014: $556,000) and $85,000 (2014: $58,000) respectively as a result of higher / lower interest expense on these borrowings.

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	Variable rates			Fixed rates				
	Less than 6 months	**6 to 12 months**	**1 to 5 years**	**Less than 6 months**	**6 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Group								
At 30 June 2015	**79,852**	**1,147**	**51**	**-**	**481**	**327**	**-**	**81,858**
At 30 June 2014	121,789	-	-	9,977	1,044	283	257	133,350
Company								
At 30 June 2015	**20,000**	**-**	**-**	**-**	**-**	**327**	**-**	**20,327**
At 30 June 2014	10,000	-	-	12	52	120	257	10,441

(d) **Capital risk**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2015 and 2014.

(e) **Fair value measurements**

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy.

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

(ii) 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 2); and

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

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for the financial year ended 30 June 2015

34. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(e) **Fair value measurements** (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2015				
Group				
Available-for-sale financial assets	-	-	-	-
Company				
Available-for-sale financial assets	-	-	-	-
2014				
Group				
Available-for-sale financial assets	1,048	-	-	1,048
Company				
Available-for-sale financial assets	1,048	-	-	1,048

The fair value of available-for-sale financial assets traded in active markets and stated at fair value is based on quoted market prices at the balance sheet date. These investments are included in Level 1.

The fair value hierarchy for investment properties is disclosed in Note 22.

The fair values of borrowings, non-current trade and other receivables and non-current trade and other payables as disclosed in Note 25, Note 12 and Note 24 respectively approximate to their carrying amounts.

(f) **Financial instruments by category**

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 16 to the financial statements, except for the following:

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Loans and receivables	**165,630**	188,375	**47,510**	57,382
Financial liabilities at amortised cost	**271,755**	291,342	**166,810**	68,447

35. RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in the financial statements, the following transactions between the Group and related parties took place during the financial year:

(a) **Sales and purchases of goods and services**

	Group	
	2015	**2014**
	$'000	**$'000**
Joint ventures and associated companies		
Management services fees	**18**	31
Reimbursements received for payments on behalf	**-**	14
Revenue from construction contracts	**-**	3,815
Interest income on advances to associated companies	**321**	301
LCDGI Group [see note (i) below]		
- Fees and commissions paid/payable	**-**	(90)
- Fees and commissions received/receivable	**10**	-
- Rental income received/receivable	**110**	442
- Purchase of property, plant and equipment paid/payable	**-**	(186)
- Sale of property, plant and equipment received/receivable	**-**	596
- Reimbursements received for payments on behalf	**203**	706
- Reimbursements made for payments on behalf	**(92)**	(664)

Outstanding balances at 30 June 2015, arising from sale/purchase of goods and services, are set out in Notes 12 and 24.

(i) Companies in the LCDGI Group were related parties by virtue of them having the same substantial shareholders as the Company. LCDGI Group ceased to be a related party during the financial year ended 30 June 2015.

(b) **Key management remuneration**

The key management remuneration includes fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or the Company did not incur any costs, the value of the benefit. The key management remuneration is as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Salaries and other short-term employee benefits	**7,290**	6,768
Post-employment benefits – contribution to CPF	**92**	79
Share option expense	**26**	49
	7,408	6,896

Included in above is total remuneration to directors of the Company amounting to $4,884,000 (2014: $4,587,000).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2015

36. SEGMENT INFORMATION

Management has determined the operating segment based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Executive Chairman, the Managing Director, and the Executive Director of the Company.

The Exco considers the business primarily from a business segment perspective. Revenue from investment holding, provision of management services, construction and property investment are derived mainly from Singapore and the United Kingdom. Revenue from property development are derived mainly from Malaysia.

The segment information provided to the Exco for the reportable segments for the financial years ended 30 June 2015 and 30 June 2014 are as follows:

	Construction	Property development and investment	Investment holding and others	Total
	$'000	$'000	$'000	$'000
Financial year ended 30 June 2015				
Revenue from external customers	257,733	54,459	202	312,394
Inter-segment revenue	-	2,222	2,926	5,148
	257,733	56,681	3,128	317,542
Elimination				(5,148)
Revenue				312,394
Segment results	11,123	29,297	(2,838)	37,582
Elimination				(620)
				36,962
Finance expense				(2,768)
Profit before income tax				34,194
Income tax expense				(4,481)
Net profit				29,713
Segment results include:				
Depreciation of property, plant and equipment	4,439	1,184	301	5,924
Share of (losses)/profits of associated companies and joint venture	(8)	104	-	96

36. SEGMENT INFORMATION (CONTINUED)

	Construction $'000	Property development and investment $'000	Investment holding and others $'000	Total $'000
Financial year ended 30 June 2014				
Revenue from external customers	236,949	39,427	229	276,605
Inter-segment revenue	617	2,126	17,919	20,662
	237,566	41,553	18,148	297,267
Elimination				(20,662)
Revenue				276,605
Segment results	12,128	28,505	9,471	50,104
Elimination				(16,815)
				33,289
Finance expense				(3,014)
Profit before income tax				30,275
Income tax expense				(2,326)
Net profit				27,949
Segment results include:				
Depreciation of property, plant and equipment	5,953	1,164	270	7,387
Share of (losses)/profits of associated companies and joint venture	(24)	13,044	-	13,020

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

36. SEGMENT INFORMATION (CONTINUED)

	Construction $'000	Property development and investment $'000	Investment holding and others $'000	Elimination $'000	Total $'000
As at 30 June 2015					
Segment assets	138,195	370,376	13,971	(3,089)	519,453
Tax recoverable					496
Deferred income tax assets					4,118
Consolidated total assets					524,067
Segment assets include:					
Investment in associates and joint venture	306	4,456	-	-	4,762
Capital expenditure on property, plant and equipment	1,325	560	709	-	2,594
Segment liabilities	(114,048)	(81,838)	(30,177)	283	(225,780)
Borrowings					(81,858)
Deferred income tax liabilities and current income tax liabilities					(4,458)
Consolidated total liabilities					(312,096)
As at 30 June 2014					
Segment assets	130,427	396,016	16,464	(2,965)	539,942
Tax recoverable					271
Deferred income tax assets					3,694
Consolidated total assets					543,907
Segment assets include:					
Investment in associates and joint venture	314	13,044	-	-	13,358
Capital expenditure on property, plant and equipment	2,834	470	81	-	3,385
Segment liabilities	(107,919)	(89,715)	(2,522)	273	(199,883)
Borrowings					(133,350)
Deferred income tax liabilities and current income tax liabilities					(3,942)
Consolidated total liabilities					(337,175)

36. SEGMENT INFORMATION (CONTINUED)

The Group is organised into three main business segments:

(a)	Construction	- construction of buildings and building extensions, additions and alterations, refurbishment and restoration of buildings.
(b)	Property development and investment	- develops property for sale and/or holds properties for its own investment purposes.
(c)	Investment holding and other	- holding of investments and provision of management services to the companies within the Group.

The amounts reported to the Exco with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than tax recoverable and deferred tax assets.

The amounts provided to the Exco with respect to total liabilites are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segments. All liabilities are allocated to the reportable segments other than current and deferred income tax liabilities and borrowings.

Inter-segment pricing is on a "fair value" basis.

Geographical information

The Group's three business segments operate in three main geographical areas:

Singapore	- the country where the headquarters of the Group and the Company is located. The areas of operation are principally investment holding, provision of management services, construction, property development and investment.
Malaysia	- the area of operation is mainly property development.
United Kingdom	- the area of operation is mainly property investment.

Revenue and non-current segment assets are shown by the geographical area where the assets are located.

	Total sales		Non-current assets	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	**259,895**	238,363	**91,879**	112,077
Malaysia	**47,841**	33,771	**173**	241
United Kingdom	**4,658**	4,471	**169,268**	149,015
	312,394	276,605	**261,320**	261,333
Investment in associated companies and joint venture			**4,762**	13,358
			266,082	274,691

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

37. BUSINESS COMBINATIONS

On 13 May 2015, the Group entered into a sales and purchase agreement with LS 130 Wood St Limited and College Green (Jersey) Limited to acquire the entire units of 130 Wood Street Unit Trust, a Jersey incorporated Unit Trust. The Unit Trust's main asset is a freehold commercial property, 130 Wood Street which is located at 130 to 133 Cheapside 1, 2 and 2a, Gutter Lane, and 128 to 130 Wood Street, London.

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(a) Purchase consideration

	$'000
Purchase consideration - cash paid	77,434
Consideration transferred for the business	77,434

(b) Effect on cash flows of the Group

Cash paid (as above)	77,434
Less: Cash and cash equivalents in subsidiary acquired	(1,585)
Cash outflow on acquisition	75,849

(c) Identifiable assets acquired and liabilities assumed

	At fair value $'000
Investment property	109,600
Cash and cash equivalents	1,585
Total assets	111,185
Trade and other payables	(565)
Total liability	(565)
Total identifiable net assets	110,620
Less: Non-controlling interests at 30%	(33,186)
Consideration transferred for the business	77,434

Non-controlling interests comprise the following:

	$'000
Shareholder loan included in trade and other payables	33,186#
Share capital included in equity	-*
	33,186

The non-controlling interests have contributed a total amount of $33,186,000 in the form of shareholders' loans which are included as "Loans and advances from: - Non-controlling shareholders of subsidiaries" within the current portion of trade and other payables (Note 24).

* The non-controlling interests have contributed a total amount of $30 in the form of share capital which is included in equity.

37. BUSINESS COMBINATIONS (CONTINUED)

(d) Acquisition-related costs

Acquisition-related costs of $1,376,629 are included in "administrative expenses" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(e) Non-controlling interests

The non-controlling interests relate to interests held by Lum Chang Investments Pte Ltd and Bevrian Pte Ltd, companies incorporated in Singapore which are respectively controlled by Mr Raymond Lum Kwan Sung and Mr David Lum Kok Seng who are directors and controlling shareholders of the Company. The funds provided by non-controlling interests comprises $30 in capital and $33,186,000 in the form of shareholders loans. The shareholders loans are included in Note 24(a).

(f) Revenue and profit contribution

The acquired business contributed revenue of $562,000 and net profit of $2,081,000, which includes fair value gain on investment properties amounting to $1,519,000, to the Group from the period from 13 May 2015 to 30 June 2015.

Had 130 Wood Street Unit Trust been consolidated from 1 July 2014, consolidated revenue and consolidated profit excluding fair value gain on investment properties for the year ended 30 June 2015 would have been $3,900,000 and $3,329,000 respectively.

38. EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 14 August 2015, the Group entered into a sale and purchase agreement with UKI (Wembley) Limited to acquire the freehold commercial property known as "Kelaty House", which is located at First Way, Wembley HA9 0JD for a cash consideration of approximately $55,590,000 (£25,500,000). The Group is in the process of assessing the accounting treatment for this transaction. Details of the assets acquired and liabilities assumed, revenue and profit contribution of Kelaty House, where applicable, and the effects on the cash flows of the Group are not disclosed, as the accounting for this transaction is still incomplete at the time these financial statements have been authorised for issue.

39. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2015 or later periods and which the Group has not early adopted:

- FRS 115 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2017)

  This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces FRS 18 *Revenue* and FRS 11 *Construction Contracts* and related interpretations.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

39. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

- FRS 109 *Financial Instruments* (effective for annual periods beginning on or after 1 January 2018)

  This standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in FRS 39 that relates to the classification and measurement of financial instruments.

  This standard retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable options at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

40. COMPANIES IN THE GROUP

(a) The subsidiaries are as follows:

	Name	Principal activities	Place of incorporation and business	Effective equity interest held by Group	
				2015 %	2014 %
	Held by the Company				
	Unquoted equity shares				
	Glaxton Trading Pte Ltd	Liquidated	Singapore	**-**	100
1	Lum Chang Asia Pacific Pte Ltd	Investment holding	Singapore	**100**	100
1	Lum Chang Corporation Pte Ltd	Investment holding	Singapore	**100**	100
1	Lum Chang Properties Ltd	Investment holding	Singapore	**100**	100
1	Lum Chang (Suzhou) Investments Pte Ltd	Investment holding	Singapore	**51**	51
2	Nexus Sdn Bhd	Property development	Malaysia	**100**	100
2	Urban Assignment Sdn Bhd	Dormant	Malaysia	**100**	100
	River Springs Pte Ltd	Liquidated	Singapore	**-**	100
1	Binjai Holdings Pte Ltd	Investment holding	Singapore	**100**	100
1	Kemensah Holdings Pte Ltd	Investment holding	Singapore	**100**	51

40. COMPANIES IN THE GROUP (CONTINUED)

(a) The subsidiaries are as follows: (continued)

	Name	Principal activities	Place of incorporation and business	Effective equity interest held by Group 2015 %	2014 %
[1]	Lum Chang Realty Pte Ltd	Investment holding	Singapore	**100**	100
[1]	Lum Chang Orion Pte Ltd	Investment holding	Singapore	**100**	100
[3]	Twin Palms Development Sdn Bhd	Property development	Malaysia	**100**	100
[8]	Edu Genus Pte Ltd	Dormant	Singapore	**100**	100
[11]	UK Property Investment Pte Ltd	Investment holding	Singapore	**70**	-
	Held by subsidiaries				
	Unquoted equity shares				
[4]	Boon Lay Executive Condominiums Pte Ltd	Dormant	Singapore	**100**	100
[1]	Lum Chang Property Investments Pte Ltd	Property investment	Singapore	**100**	100
[1]	Lum Chang Building Contractors Pte Ltd	Building construction	Singapore	**100**	100
[5]	Lum Chang Sdn Bhd	Dormant	Malaysia	**100**	100
[2]	Uptown Viewpoint Sdn Bhd	Dormant	Malaysia	**100**	100
	LED System Technology Pte Ltd	Liquidated	Singapore	**-**	100
[3]	Venus Capital Corporation Sdn Bhd	Property development	Malaysia	**100**	51
[3]	Fabulous Range Sdn Bhd	Property development	Malaysia	**100**	51
[1]	Sungei Long Holdings Pte Ltd	Investment holding	Singapore	**100**	51
[9]	LC Sungei Long (M) Sdn Bhd	In member's voluntary liquidation	Malaysia	**100**	51
[7]	Lum Chang UK Properties Limited	Investment holding	Jersey, Channel Islands	**100**	100
	Old Court House Propco Limited	Property investment	Jersey, Channel Islands	**-**	100
[7]	Pembridge Palace Holdco Limited	Investment holding	Jersey, Channel Islands	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2015

40. COMPANIES IN THE GROUP (CONTINUED)

(a) The subsidiaries are as follows: (continued)

	Name	Principal activities	Place of incorporation and business	Effective equity interest held by Group 2015 %	Effective equity interest held by Group 2014 %
	Held by subsidiaries				
	Unquoted equity shares				
7	Pembridge Palace Propco Limited	Property investment	Jersey, Channel Islands	**100**	100
12	130 WS Holdings Limited	Investment holding	Jersey, Channel Islands	**70**	-
12	130 WS Investments Limited	Investment holding	Jersey, Channel Islands	**70**	-
13	130 Wood Street Unit Trust	Property investment	Jersey, Channel Islands	**70**	-

(b) The associated companies are as follows:

	Name	Principal activities	Place of incorporation and business	Effective equity interest held by Group 2015 %	Effective equity interest held by Group 2014 %
	Held by the Company				
	Unquoted equity shares				
10	Faith Global Ventures Inc	Investment holding	British Virgin Islands	**24**	-
	Held by subsidiaries				
	Unquoted equity shares				
4	FCL Compassvale Pte Ltd	Property development	Singapore	**20**	20
4	FCL Admiralty Pte Ltd	Property development	Singapore	**30**	30

40. COMPANIES IN THE GROUP (CONTINUED)

(c) The joint venture is as follows:

	Name	Principal activities	Place of incorporation and business	Effective equity interest held by Group	
				2015 %	2014 %
	Held by a subsidiary				
[6, 8]	Nishimatsu – Lum Chang JV	Dormant	Singapore	**50**	50

[1] Audited by PricewaterhouseCoopers LLP, Singapore.

[2] Audited by LT Lim & Associates, Malaysia.

[3] Audited by PricewaterhouseCoopers, Malaysia.

[4] Audited by Ernst & Young LLP, Singapore.

[5] Audited by S Y Kwong, Foong & Co., Malaysia.

[6] Unincorporated jointly – controlled partnerships.

[7] Audited by PricewaterhouseCoopers LLP, United Kingdom.

[8] Not audited in 2015 as entity is dormant.

[9] Not audited in 2015 as entity is in member's voluntary liquidation.

[10] Audit not required in the place of incorporation.

[11] Incorporated during the financial year. Audit not required in the financial year.

[12] Incorporated during the financial year. Audit not required in the country of incorporation.

[13] Acquired during the financial year. Audit not required in the country of incorporation.

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

41. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Lum Chang Holdings Limited on 14 September 2015.

STATISTICS OF SHAREHOLDINGS

As at 7 September 2015

Issued and Fully Paid-Up Capital	- $86,624,792
Class of Shares	- Ordinary Shares
	- 384,808,604 (with voting rights)
Voting Rights	- 1 vote per share

DISTRIBUTION OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	% (1)
1 - 99	219	1.88	9,927	0.00
100 - 1,000	1,600	13.71	847,082	0.22
1,001 - 10,000	6,760	57.91	32,402,950	8.42
10,001 - 1,000,000	3,070	26.30	121,532,837	31.58
1,000,001 and above	24	0.20	230,015,808	59.78
TOTAL	**11,673**	**100.00**	**384,808,604**	**100.00**

TWENTY LARGEST SHAREHOLDERS	NO. OF SHARES	% (1)
Hong Leong Finance Nominees Pte Ltd	64,206,000	16.69
United Overseas Bank Nominees Pte Ltd	34,872,834	9.06
Four Seas Nominees Pte Ltd	29,000,000	7.54
Raffles Nominees (Pte) Ltd	17,814,819	4.63
Lum Kwan Sung	14,401,278	3.74
DBS Nominees Pte Ltd	14,216,442	3.69
Lum Kok Seng	10,944,964	2.84
OCBC Nominees Singapore Pte Ltd	6,944,401	1.80
Lum Chang Investments Pte Ltd	6,839,742	1.78
Leung Kai Fook Medical Company (Pte) Ltd	4,591,000	1.19
Citibank Nominees Singapore Pte Ltd	4,088,532	1.06
Beverian Holdings Pte Ltd	3,333,900	0.87
Loh Tee Pheng	2,700,000	0.70
Loh Tee Yang	2,000,000	0.52
ABN AMRO Nominees Singapore Pte Ltd	1,702,910	0.44
OCBC Securities Private Ltd	1,658,986	0.43
Chiam Hock Poh	1,586,700	0.41
Leong Heng Keng	1,568,000	0.41
Ow Yong Heng Leong	1,482,000	0.39
Chiang Kok Meng	1,469,000	0.38
	225,421,508	**58.57**

SUBSTANTIAL SHAREHOLDERS (INCLUDING DEEMED INTERESTS)	NO. OF SHARES	%
Raymond Lum Kwan Sung	74,541,139 (2)	19.37
Lum Chang Investments Pte Ltd	6,839,742	1.78
David Lum Kok Seng	74,362,336 (3)	19.32
Beverian Holdings Pte Ltd	3,333,900	0.87

Based on information available to the Company as at 7 September 2015, approximately 61% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Notes:
(1) Percentage computed is based on 384,808,604 shares (excluding treasury shares which have no voting rights).
(2) Raymond Lum Kwan Sung is deemed interested in 6,839,742 shares beneficially owned by Lum Chang Investments Pte Ltd.
(3) David Lum Kok Seng is deemed interested in 3,333,900 shares beneficially owned by Beverian Holdings Pte Ltd.

NOTICE OF ANNUAL GENERAL MEETING AND BOOKS CLOSURE

Lum Chang Holdings Limited (incorporated in the Republic of Singapore)
Company Registration No. 198203949N

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **33rd Annual General Meeting** of the Company will be held at Orchard Parade Hotel, Antica I & II, Level 2, 1 Tanglin Road, Singapore 247905 on **30 October 2015, Friday** at **10.00 a.m.** to transact the following business:-

As Ordinary Business:

1. To receive and adopt the Audited Accounts for the year ended 30 June 2015 and the reports of the Directors and Independent Auditor thereon.

2. To declare a Final tax exempt (one-tier) Dividend of 1.25 cents per share as recommended by the Directors for the year ended 30 June 2015.

3. To approve the amount of S$255,000 proposed as Directors' fees for the year ended 30 June 2015 (year ended 30 June 2014: S$255,000).

4. To re-elect the following Directors, retiring by rotation under Article 99 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:-

   (a) Mr Daniel Soh Chung Hian

   (b) Dr Willie Lee Leng Ghee

   Note: (a) Mr Daniel Soh Chung Hian, an independent Director, upon re-election, will remain as the Chairman of the Audit and Risk Committee and a member of the Nominating Committee.

   (b) Dr Willie Lee Leng Ghee, an independent Director, upon re-election, will remain as a member of the Audit and Risk Committee and the Remuneration Committee.

   (See Explanatory Note 1)

5. To re-appoint PricewaterhouseCoopers LLP as independent auditors of the Company and to authorise the Directors to fix their remuneration.

As Special Business:

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

6. Authority to Directors to issue Shares

"That pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore, the Articles of Association of the Company and the listing rules of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (including any supplemental measures thereto from time to time), the Directors of the Company be and are hereby authorised to:-

(a) (i) allot and issue shares in the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively the "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of options, warrants, debentures or other instruments convertible into Shares, at any time to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit; and

(b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force:-

(i) issue additional Instruments as adjustments in accordance with the terms and conditions of the Instruments made or granted by the Directors while this Resolution was in force; and

(ii) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force or such additional Instruments in b(i) above,

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 total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution (as calculated in accordance with subparagraph (II) below), of which the aggregate number of Shares issued other than on a pro rata basis to existing shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with subparagraph (II) below);

(II) subject to such manner of calculation as may be prescribed by SGX-ST, for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (I) above, the total number of the issued Shares is based on the Company's total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the SGX-ST Listing Manual; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(III) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(IV) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(See Explanatory Note 2)

7. Authority to Directors to issue shares pursuant to the Option Scheme

"That approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of ordinary shares in the capital of the Company (the "**Shares**") as may be required to be issued pursuant to the exercise of share options granted under the LCH Share Option Scheme 2007 (the "**Option Scheme**") in accordance with the provisions of the Option Scheme, PROVIDED ALWAYS THAT:-

(a) the aggregate number of Shares over which the committee may offer to grant options on any date, when added to the number of new Shares issued and/or issuable and/or existing Shares transferred and/or transferable in respect of the options granted under the Option Scheme and in respect of all other share-based incentive schemes of the Company (if any), shall not exceed 15% of the total number of issued Shares (excluding treasury shares) from time to time; and

(b) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(See Explanatory Note 3)

8. **Approval for renewal of Share Purchase Mandate**

(a) "That for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 of Singapore (the "**Act**"), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchases (each an "**On-Market Share Purchase**") on the Singapore Exchange Securities Trading Limited (the "SGX-ST"); and/or

(ii) off-market purchases (each an "**Off-Market Share Purchase**") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held; or

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or

(iii) the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated;

(c) in this Resolution:

"**Prescribed Limit**" means 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last 5 Market Days ("**Market Day**" being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, before the day on which the On-Market Share Purchase was made or before the date of the Company's announcement of an offer for the Off-Market Share Purchase, as the case may be, and deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Days; and

(d) the Directors of the Company and/or each of them be and are/is hereby authorised to complete and do all such acts and things as they and/or he may consider necessary, desirable, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."

(See Explanatory Note 4)

9. Any Other Business

To transact any other business which may properly be transacted at an Annual General Meeting.

NOTICE OF BOOKS CLOSURE

NOTICE IS ALSO HEREBY GIVEN THAT subject to shareholders' approval being obtained for the proposed Final tax exempt (one-tier) Dividend of 1.25 cents per share for the financial year ended 30 June 2015 (the "**Dividend**"), the Share Transfer Books and the Register of Members of the Company will be closed on **12 November 2015** for the purpose of determining shareholders' entitlements to the Dividend.

Duly completed transfers received by the Company's Share Registrars, Tricor Barbinder Share Registration Services of **80 Robinson Road #02-00 Singapore 068898**, up to 5.00 p.m. on **11 November 2015** will be registered to determine shareholders' entitlements to the Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with the shares as at 5.00 p.m. on **11 November 2015** will be entitled to the Dividend.

Payment of the Dividend, if approved by shareholders, will be paid on **25 November 2015**.

BY ORDER OF THE BOARD

TONY FONG

Company Secretary

Singapore

28 September 2015

Notes:

1) A shareholder entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead save that no such limit shall be imposed on the number of proxies appointed by shareholders which are nominee companies. A proxy need not be a shareholder of the Company.
2) Where a shareholder appoints two or more proxies, the appointment shall be invalid unless the shareholder specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3) The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 14 Kung Chong Road, #08-01 Lum Chang Building, Singapore 159150 not less than 48 hours before the time appointed for holding the Annual General Meeting.
4) The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

Explanatory Notes to the Resolutions:

1. Detailed information on these Directors can be found under "Board of Directors", "Present and Past Directorships" and "Corporate Governance" sections in the Company's 2015 Annual Report.
2. The ordinary resolution proposed in item 6 above, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting until the next Annual General Meeting of the Company, to issue Shares up to an amount not exceeding (i) 50% of the total number of issued Shares (excluding treasury shares), of which up to 20% may be issued other than on a pro rata basis to shareholders. The aggregate number of Shares which may be issued shall be based on the total number of issued Shares at the time that ordinary resolution 6 is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that ordinary resolution 6 is passed, and any subsequent bonus issue or 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, or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
3. The ordinary resolution proposed in item 7 above, if passed, will enable the Directors of the Company, unless varied or revoked by the Company in general meeting, from the date of the above Annual General Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to issue Shares pursuant to the exercise of options under the Option Scheme provided that the aggregate number of Shares over which the committee may offer to grant options on any date, when added to the number of new Shares issued and/or issuable and/or existing Shares transferred and/or transferable in respect of the options granted under the Option Scheme and in respect of all other share-based incentive schemes of the Company (if any), shall not exceed 15% of the total number of issued Shares (excluding treasury shares) from time to time.

Explanatory Notes to the Resolutions: (continued)

4. The ordinary resolution proposed in item 8 above, if passed, will enable the Directors of the Company, unless varied or revoked by the Company in general meeting, from the date of the above Annual General Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held, or the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated, whichever is the earliest, to purchase Shares by way of On-Market Share Purchases and/or Off-Market Share Purchases of up to 10% of the total number of issued Shares (excluding treasury shares) at the time of the passing of the ordinary resolution and up to the Maximum Price. The Company intends to use internal sources of funds or external borrowings, or a combination of both, to finance its purchase of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from purchase of Shares cannot be ascertained as at the date of this Notice as these will depend on, inter alia, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and the amount (if any) borrowed by the Company to fund the purchase. The rationale for, the authority and the limits on, and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial year ended 30 June 2015 (for illustrative purposes only) are set out in greater detail in the Appendix to the Notice of Annual General Meeting dated 28 September 2015 in relation to the proposed renewal of the Share Purchase Mandate.

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PROXY FORM FOR ANNUAL GENERAL MEETING

Lum Chang Holdings Limited (Incorporated in the Republic of Singapore)

Company Registration No. 198203949N (the **"Company"**)

Important:

1. For investors who have used their CPF monies to buy the Company's shares, the Summary Financial Report/Annual Report is forwarded to them at the request of their CPF Approved Nominees solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We ______________________ NRIC/ Passport No./ Company Registration No. ______________

of ____

being a member/members of LUM CHANG HOLDINGS LIMITED hereby appoint:

Name	Address	NRIC/ Passport No.	Number of Shares Represented	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Number of Shares Represented	Proportion of Shareholdings (%)

or failing him/her, the Chairman of the Annual General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Orchard Parade Hotel, Antica I & II, Level 2, 1 Tanglin Road, Singapore 247905 on Friday, 30 October 2015 at 10.00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided below whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting).

Ordinary Resolutions		For*	Against*
1.	Adoption of Directors' Report and Accounts		
2.	Declaration of proposed Final Dividend		
3.	Approval of Directors' Fees		
4(a).	Re-election of Mr Daniel Soh Chung Hian as a Director retiring under Article 99 of the Company's Articles of Association		
4(b).	Re-election of Dr Willie Lee Leng Ghee as a Director retiring under Article 99 of the Company's Articles of Association		
5.	Re-appointment of Independent Auditor		
6.	Authority to Directors to issue shares pursuant to Section 161 of the Companies Act, Cap. 50		
7.	Authority to Directors to issue shares pursuant to the Option Scheme		
8.	Approval for the renewal of the Share Purchase Mandate		

* If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise please indicate number of votes.

Dated this __________ day of __________ 2015

Total No. of shares in	No. of shares
CDP Register	
Register of Members	

____

Signature(s) of Member(s) or Common Seal

IMPORTANT (PLEASE READ NOTES BELOW BEFORE COMPLETING THIS PROXY FORM)

Notes:

1) Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by you.
2) A shareholder entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote on his behalf save that no such limit shall be imposed on the number of proxies appointed by shareholders which are nominee companies. A proxy need not be a shareholder of the Company.
3) The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 14 Kung Chong Road, #08-01 Lum Chang Building, Singapore 159150 not less than 48 hours before the time appointed for holding the Annual General Meeting.
4) Where a shareholder appoints two or more proxies, the appointment shall be invalid unless the shareholder specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5) The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
6) Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7) A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.
8) The Company shall be entitled to reject this instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy lodged if such shareholder is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
9) The Chairman of the Annual General Meeting will be exercising his right under Article 64(i) of the Company's Articles of Association to demand a poll in respect of each of the resolutions to be put to the vote of members at the Annual General Meeting and at any adjournment thereof. Accordingly, each resolution at the Annual General Meeting will be voted on by way of a poll.

Personal data privacy:

By submitting a proxy form 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), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by 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.

14 Kung Chong Road #08-01 Lum Chang Building Singapore 159150
www.lumchang.com.sg