



偉合控股有限公司  
WEE HUR HOLDINGS LTD.

# FRUITION

ANNUAL REPORT 2014



## Our Vision

Being one of the leading providers of reliable and quality construction services and to enlarge our presence in the property development market in Singapore and beyond.

## Our Mission

“Prudence in our ways;  
Excellence is our aim.”

步步為營  
精益求精

# Contents

|    |                                 |     |                                  |
|----|---------------------------------|-----|----------------------------------|
| 02 | Our 35 Years' Journey           | 18  | Key Management                   |
| 04 | Corporate Overview              | 19  | Property Development             |
| 06 | Corporate Structure             | 23  | Construction                     |
| 07 | Awards and Accolades            | 33  | Dormitory                        |
| 08 | Chairman's Message              | 36  | Corporate Information            |
| 10 | Financial Highlights            | 37  | Corporate Governance Report      |
| 12 | Operations and Financial Review | 49  | Financial Statements             |
| 15 | Corporate Social Responsibility | 117 | Shareholders' Information        |
| 16 | Board of Directors              | 119 | Notice of Annual General Meeting |
|    |                                 |     | Proxy Form                       |



# OUR 35 YEARS' JOURNEY

## 1980

Wee Hur Construction Company was established.

## 1980 to 1989

This was our 'growing up' period during which we undertook various building contracts of less than \$10 million in value. In 1988, Wee Hur Construction Pte Ltd was incorporated.

## 1990 to 1999

This was our 'harvest' era as we attained many achievements. We not only secured our largest contract so far, worth \$63 million from Ascendas Group, we further strengthened our track records in completing many projects comprising institutional, industrial, conservation and HDB Upgrading. We were the first G6 contractor to obtain ISO 9002 certification in 1995. We won our first CIDB (now known as BCA) Construction Excellence Award (Certificate of Merit). We became CIDB G8 (the highest grade) registered contractor in 1998.

## 2000 to 2007

We grew stronger as we emerged unscathed from this period of recession in the construction sector. We partnered with Ascendas Group as contractor for several Build-To-Suit (BTS) projects. We have built up an impressive track records for high-end residential projects, commercial and industrial projects. A remarkable project completed by us during this period was the SARS Emergency Facilities. We were awarded four BCA Construction Excellence Awards and three URA Heritage Awards. We also won Enterprise 50 awards for five consecutive years commencing year 2000 and a five-year award.

## 2008

**January** - In a restructuring exercise in preparation for listing, Wee Hur Construction Pte Ltd became a wholly-owned subsidiary of Wee Hur Holdings Ltd which was successfully listed on the Mainboard of Singapore Exchange.

**February** - Awarded the main contract for Trilight, a 205 units luxury condominium by Ho Bee Group. This was our largest private residential project secured thus far.

**December** - Secured our first Built-To-Order (BTO) project, Compassvale Pearl in Sengkang. This paved the way for our active participation in the Public Housing Programme subsequently.



# OUR 35 YEARS' JOURNEY

## 2009

**May** - Obtained shareholders' mandate to include property development as core business.

**July** - Secured our first industrial land parcel on which Harvest@Woodlands was developed.

**October** - Allotted 160,519,500 warrants at \$0.01 for each warrant. 160,052,453 warrants were subscribed and total amount of \$44.8 million were raised from the conversion of warrants.

**December** - Completed the acquisition of 70% stake in Villas@Gilstead Pte Ltd. This marked our maiden foray into residential development project.

## 2010

**March** - Awarded to build our first shopping mall project, JCube by Capitaland Group.

**September** - Secured our second industrial land parcel on which Premier@Kaki Bukit was developed.

## 2011

**January** - Rewarded shareholders with 215.9 million bonus shares and warrants. Total \$53.5 million were raised from the conversion of warrants.

**December** - Secured the residential land parcel on which Parc Centros is being developed.

## 2012

**September** - Acquired Thomson View for \$590 million via collective sale but was aborted in 2013 due to High Court nullified the collective sale.

## 2013

**February** - Announced record net profit of \$95.7 million attributable to shareholders for FY2012 since IPO.

**August** - Recognised by Forbes Asia's 200 Best under a Billion.

**October** - Ventured into dormitory business with 60% stake in Tuas View Dormitory.

## 2014

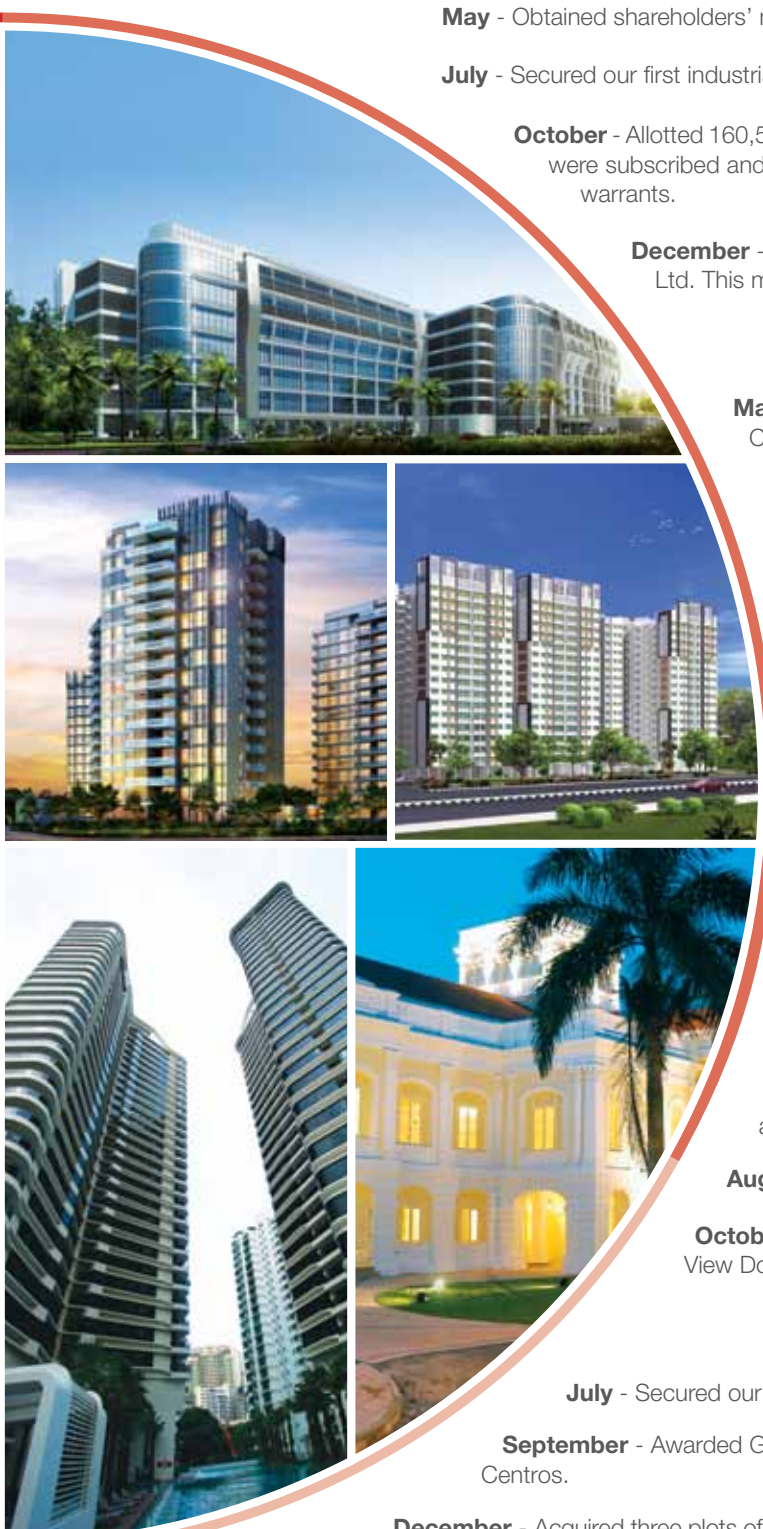
**July** - Secured our third industrial land parcel at Woodlands Avenue 12.

**September** - Awarded Green Mark GoldPlus Award for our condominium project, Parc Centros.

**December** - Acquired three plots of land in Brisbane, Australia for mixed development. This acquisition marks our first venture beyond Singapore.

## 2015

**February** - Announced another record net profit of \$112.3 million attributable to shareholders for FY2014 since IPO.



# CORPORATE OVERVIEW

Wee Hur Holdings Ltd is listed on the Singapore Exchange Mainboard since 2008. We have been progressing well since then and now our core business has been expanded from Construction to Property Development and Dormitory. We have also ventured beyond Singapore.

## Our History

The history of the Group dates back to 1980 when Goh Yeow Lian, our Executive Chairman and Managing Director established 'Wee Hur Construction Co' with his brothers, Goh Yeu Toh, Goh Yeo Hwa, Goh Yew Tee and brothers-in-law, Sua Nam Heng and Cheng Kiang Huat. The partnership company was subsequently incorporated as 'Wee Hur Construction Pte Ltd' in 1988 to cater to its growing business.

Through the years, the Company grew from strength to strength, handling construction projects of higher values and greater diversity and complexity.

In mid-January 2008, the Company underwent a restructuring exercise where Wee Hur Construction Pte Ltd became a wholly-owned subsidiary of Wee Hur Holdings Ltd which was later listed on Singapore Exchange Mainboard on 30 January 2008.

## Property Development Business

In order to enhance shareholders' value after listing, we explored various business opportunities besides organic growth of our Construction business. We decided to venture into property development as a natural progress along our value chain and obtained shareholders' mandate in May 2009. Wee Hur Development Pte Ltd, the property development arm of the Group was incorporated in June 2009.

In July 2009, we successfully secured a land parcel in Woodlands Industrial Park E5 under Government Land Sales ("GLS") programme. The land parcel was developed into a multi-users industrial development which comprises 469 units of strata titled units. The development, Harvest@Woodlands was fully sold in 2011 and obtained Temporary Occupation Permit ("TOP") in 2012.

In 2010, we completed the acquisition of 70% stake in Villas@Gilstead Pte Ltd which has undertaken residential development comprising 18 units of landed cluster housing at Gilstead Road. The development, Villas@Gilstead was our first residential project and was fully sold and obtained TOP in 2011.

Following the good take up rates at Harvest@Woodlands, we had successfully secured another industrial land parcel in Kaki Bukit Industrial Park in 2010. The multi-users industrial development, Premier@Kaki Bukit comprises 482 units strata titled units is almost fully sold and obtained TOP in 2014.

In 2010, we acquired our second land parcel along Lorong Ah Soo for residential development. The development, Urban Residences, which comprises 47 dwelling units is fully sold and obtained TOP in 2014.

In 2011, we also completed the purchase of two blocks of existing buildings which the Group currently occupies. The two properties also serve as our land bank for industrial or residential development in future.

The success of our two large scale industrial projects and two small size residential projects provided us a platform to look for land parcels for sizable residential developments. On 15 December 2011, we emerged the top bid in a GLS land tender for a residential land parcel at Junction of Punggol Central and Punggol Place. We are developing this land parcel into our first large scale residential development which comprises 618 dwelling units ranging from one bedroom to five bedrooms and penthouses. The development, Parc Centros, located just 200 metres away from the Punggol MRT station and upcoming Watertown Shopping Mall is fully sold and is expected to obtain TOP in 2016.

On 4 September 2012, we surprised the market with the collective purchase of Thomson View for \$590 million via en bloc purchase. The purchase was made together with our 49% stake partner, Lucrum Capital. Unfortunately, the purchase was rejected by the High Court on 4 September 2013.

On 4 July 2014, we were awarded the tender for an industrial land parcel at Woodlands Avenue 12 by Urban Redevelopment Authority ("URA"). With the land size of 39,229 square metres and Gross Floor Area of 98,072 square metres, this will be one of the largest industrial land parcel sold by the Government in recent years. It is also our largest industrial development so far. We intend to develop this land parcel into an industrial complex comprises more than 500 strata titled industrial units. We expect to launch the sale of this development in 2015.

## Construction Business

Our construction business which has been with us since 1980 has also made remarkable growth since listed. The revenue rose from \$127 million in 2008 to \$250 million in 2014. We have made our foray in the public housing sector in 2009 and so far we have secured Built-To-Order ("BTO") projects for more than 4,500 units. Besides our own development projects, we have completed Trilight, largest high-end condominium for Ho Bee Group, JCube, our first shopping mall project for Capitaland Group, Parkview Eclat, a high-end condominium project for Stream Ahead, Studio M Hotel for CDL Group as well as DBS Asia Hub, Standard Chartered@Changi, Unilever and Fusionopolis for Ascendas Group.

## Dormitory Business

Besides property development business and construction business, we have also ventured into dormitory business by taking a 60% stake in Active System Engineering Pte Ltd ("ASE") in 2013. ASE builds and operates a dormitory complex, Tuas View Dormitory at Tuas South Avenue 1 which comprises 16,800 beds to cater to foreign workers from process, marine, manufacturing and construction industry. This venture will provide us a steady stream of income in years to come. The dormitory has started operation since August 2014.

## Financial Performance

We have shown a stellar financial performance with a total profit attributable to shareholders of \$277 million from 2008 to 2014. We have rewarded shareholders handsomely by giving out a total dividend of approximate \$119 million (included proposed dividends for FY2014 which are subject to shareholders' approval) which represents a 43% dividend payout ratio.

Our share capital has enlarged from \$27 million during IPO to \$126 million at end of 2014 from conversion of warrants. With the retained earnings, the equity attributable to shareholders has also increased from \$35 million during IPO to \$310 million at end of 2014.

## Awards

In 2013, we received a prestigious award 'Best under a Billion' from Forbes Asia in recognition of our stellar financial performance.

## Investment Beyond Singapore

In view of challenging local real estate market, we started to explore overseas business opportunities at the beginning of 2014.

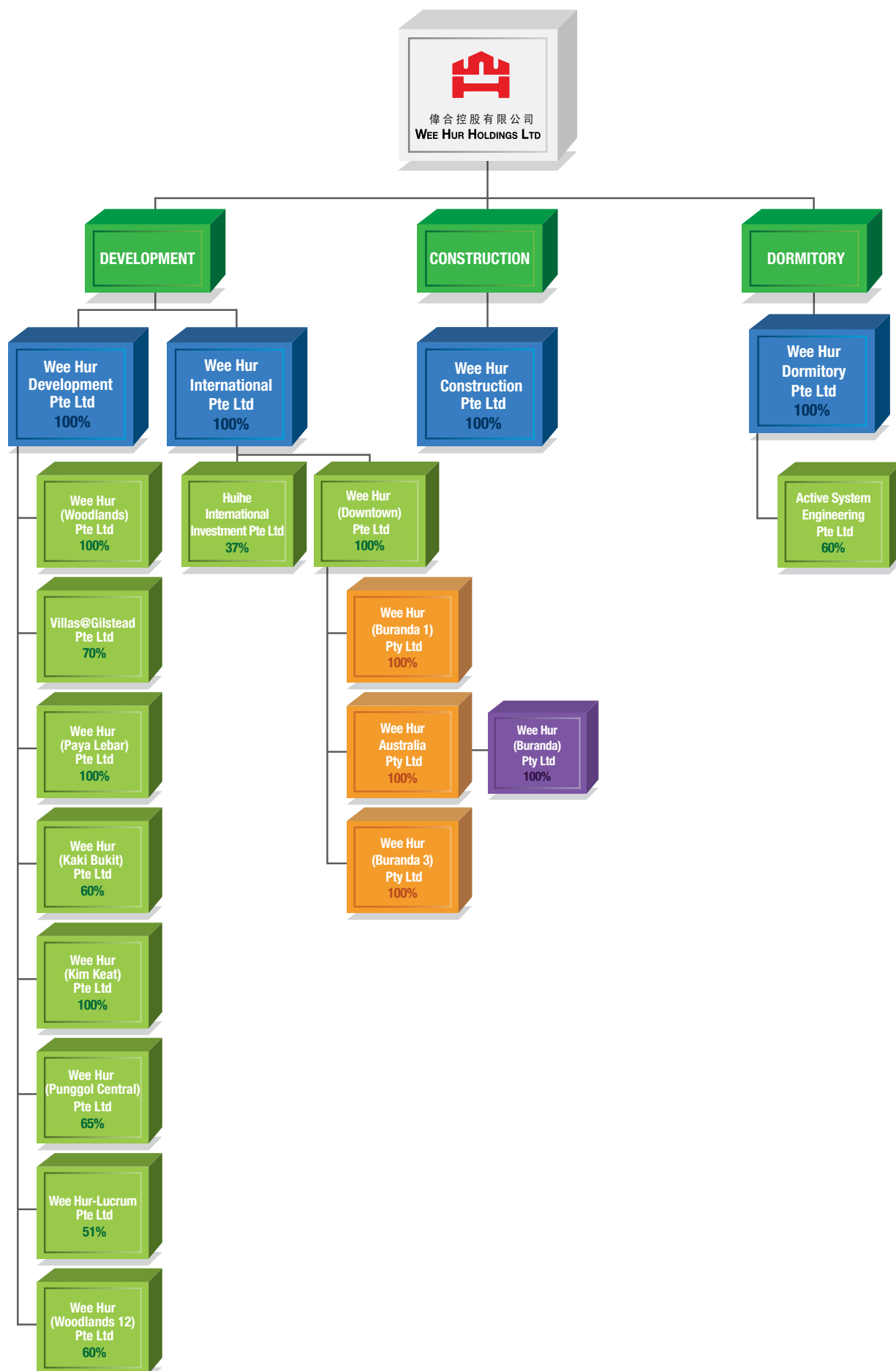
In August 2014, Wee Hur entered into two agreements with four individuals in relation to a proposed investment of 37% stake in two projects in Huai'an, Jiangsu, PRC. In February 2015, the agreements pertaining to the above proposed investment were terminated as the proposed investment did not take off.

In December 2014, the Group acquired three parcels of land totalling 1.69 hectares in Brisbane, Australia for A\$51.3 million (approximately \$55.2 million)<sup>1</sup>, marking the Group's first foray into property development in Australia. It will acquire an additional 2,194 square metres of land for A\$5.2 million (approximately \$5.6 million)<sup>1</sup> at a later date, bringing the total acquisition amount to A\$56.5 million (approximately \$60.8 million)<sup>1</sup> and the total land area to 1.91 hectares. These plots are located at Woolloongabba, suburb of Brisbane. The Group intends to use these land for a mixed-use development comprising residential, retail and office units. The development will be carried out in several phases and construction is expected to commence in the second half of 2015.



<sup>1</sup> The \$ equivalent is based on the exchange rate as at 24 December 2014.

# CORPORATE STRUCTURE (As at 27 March 2015)



## AWARDS AND ACCOLADES

Wee Hur was selected to be among **Forbes Asia's 200 Best under a Billion** for 2013. We made it into this prestigious list, among just a few other companies from Singapore. These 200 companies were selected among thousands from Asia Pacific. This accolade serves as a testament to our strong growth and financial performance through the years.

Besides, we were selected to be among Top 100 Singapore Brands in 2012, 2013 and 2014 ranking by Brand Finance.



**Forbes Asia's 200 Best under a Billion 2013**



Our landmark condominium, **Parc Centros**, was awarded the **Green Mark GoldPlus Award** by the Building and Construction Authority. The BCA Green Mark Scheme was launched in January 2005 as an initiative to drive Singapore's construction industry towards more environment-friendly buildings. It is intended to promote sustainability in the built environment and raise environmental awareness among developers, designers and builders when they start project conceptualisation and design, as well as during construction.



**Building and Construction Authority (BCA) Construction Excellence Award**



**Urban Redevelopment Authority (URA) Architectural Heritage Award**



**Enterprise 50 Awards**

Our construction arm had also garnered several prestigious awards and accolades from local government agencies:

- We received four awards for **Construction Excellence** and one award for **Certificate of Merit** from the Building and Construction Authority and Construction Industry Development Board, respectively. These awards are testimony to our high standard of workmanship, project management and technical input in completed projects.
- We received three **Architectural Heritage Awards** conferred by Urban Redevelopment Authority in recognition of our outstanding performance in carrying out restoration and conservations projects.
- We were ranked amongst the **Enterprise 50** list which represents the cream of Singapore entrepreneurship for five consecutive years. We were bestowed the honour of **Enterprise 50 Five Years Award** for winning the **Enterprise 50** for five times in a row.

## CHAIRMAN'S MESSAGE



### Dear Shareholders,

The year 2014 has been exceptional and extraordinary for Wee Hur. In terms of financial performance, we achieved **record revenue and net profit** for the reporting year ended 31 December 2014 ("FY2014"). In terms of business expansion, the year marks our **first foray** into an overseas market with the acquisition of three land parcels in Brisbane, Australia. Also in 2014, the first phase of **Tuas View Dormitory** obtained its Temporary Occupation Permit ("TOP") and started operation. The record financial performance, overseas expansion and other commendable progress in our business are the best gifts we gave ourselves as Wee Hur enters 2015 to celebrate our **35th anniversary**.

#### Sterling Financial Performance

We achieved a record turnover of \$713.5 million and record profit to shareholders of \$112.3 million for FY2014 mainly due to the recognition of profits from the Group's 60%-owned industrial property development project, **Premier@Kaki Bukit**, which has received its TOP in August 2014, and also the progressive recognition of profits from our fully-sold 65%-owned residential property development project, **Parc Centros**.

The exceptional financial results brought the Group's cash and cash equivalents to \$259.9 million as at 31 December 2014, providing us a sizable war chest to explore business opportunities for further expansion.

#### Promising Business Progress

Our property development business has been progressing well. We acquired a 30-year lease industrial land parcel at Woodlands Avenue 12 via a successful tender in July 2014 and have already started to develop on this plot a multi-users industrial complex which, at an estimated permissible Gross Floor Area of 98,072 square metres, will be one of the largest multi-users industrial development projects in recent years. Construction work is expected to commence in April 2015 and to complete by end-2017. We are targeting to launch this development in the first half of 2015.

Our industrial development project, **Premier@Kaki Bukit**, and residential project, **Urban Residences**, have both received their respective TOPs in 2014. Our current fully-sold residential project, **Parc Centros**, which is expected to receive TOP in 2016, will continue to contribute revenue progressively.

We laid an **important milestone** in December 2014 with the acquisition of three land parcels totalling 1.91 hectares in Brisbane, Australia for A\$56.5 million (approximately \$60.8 million)<sup>1</sup> which includes A\$5.2 million (approximately \$5.6 million)<sup>1</sup> for additional acquisition of 2,194 square metres of land at a later date.

<sup>1</sup> The \$ equivalent is based on the exchange rate as at 24 December 2014.

We intend to develop a mixed development comprising residential, retail and office on these land parcels. We are optimistic of this new venture in view of the good location of the acquired land parcels which are just beside a transit station and the growth potential of Brisbane city in both population and economy. My team and I are resolved to make our first overseas project successful.

On our construction business, we replenished our order book by securing two public housing building contracts in 2014 from the Housing and Development Board ("HDB"). The first contract of \$103.6 million was awarded in January 2014 to build a precinct named **Fernvale Riverwalk** comprising four residential blocks, a multi-storey car park and related amenities at Sengkang Neighbourhood 4. The second contract of \$157.7 million was awarded to build a mega HDB precinct, named **Matilda Court**, comprising ten residential blocks and a multi-storey car park at Punggol West.

In 2014, we completed **Urban Residences, Premier@Kaki Bukit, Vista Spring@Yishun** HDB precinct and **HDB Lift Upgrading Programme** projects. In the first quarter of 2015, we completed **Fernvale Riverbow** HDB precinct and **Tuas View Dormitory** projects.

The two newly projects secured, together with our current on-going projects, brought our construction order book to approximately **\$356.5 million** as at 31 December 2014, which will provide us a continuous flow of activity through FY2017.

I am pleased to share with shareholders that our **Tuas View Dormitory**, currently **largest purpose-built workers' dormitory complex** in Singapore has commenced operation in August 2014. As of 23 March 2015, the contractual signed tenancy agreements occupancy rate for Phase 1, comprising 8,400 beds, is about 96%. Phase 2 of the dormitory, comprising the remaining 8,400 beds, has just obtained TOP in mid-February 2015. We are currently ramping up the occupancy of this newly operational Phase 2. With the entire dormitory in full operation, we can expect the dormitory business to contribute significant recurring income going forward.

## Bountiful Harvest

The record financial performance for FY2014 allows us to share the harvest

with our shareholders. We are proposing a final dividend of \$0.01 per share and a special dividend of \$0.01 per share. Together with the interim dividend paid in August 2014, the total dividends given add up to \$0.03 per share, representing an attractive dividend yield of about 7.9%<sup>2</sup>.

## Sharing with Our Community

As in the previous years, we kept our tradition to participate in charity events and donate to worthy causes. We made donations to several organisations which include the Sengkang West CCC Community Development and Welfare Fund, Assumption English School and Gan Eng Seng School. In addition, we supported charity golf events such as the Ren Ci Charity Golf Tournament 2014 and Lee Hsien Loong Cup Charity Golf Tournament 2014.

## 2015 – A Year to Celebrate

Marking our **35 years of establishment in 2015**, we have planned a series of programmes to bring all our staff together to celebrate this joyous moment. The Group has signed up as Corporate Friends of the Singapore Zoo and Night Safari, and will also be sponsoring tickets and entries to Universal Studio Singapore, movies, sports events and other outings so that our staff can all enjoy the fun and build greater camaraderie at the same time.

As part of the celebration, we also intend to intensify our corporate social responsibility efforts. We have so far donated to and supported organisations and events such as the Handicaps Welfare Association in support of its Wheel Walk or Jog event, the Ren Ci Charity Golf Tournament 2015, and Love from the STARS, a charity gala dinner and concert to raise fund for various charities.

## Going Forward

The local real estate environment looks increasing challenging. According to the real estate statistics released by Urban Redevelopment Authority ("URA"), prices and sales volume of private residential properties are showing a downward trend, clearly a result of the rounds of property market cooling measures. Also, recent reports by Colliers International, Savills, Singapore Institute of Surveyors and Valuers REALink all expect a subdued outlook for Singapore's industrial property market in 2015.

In view of such prevailing market conditions, we need to be more focussed on our marketing and pricing strategies

as we prepare to launch the sale of our new development at Woodlands Avenue 12. The overall depressed local property market also poses much challenge for us in acquiring land for development. We have to be cautious and prudent so as to bid at appropriate price levels to safeguard margins. Apart from seeking local opportunities, we will also continue to explore opportunities overseas to further broaden our sources of income.

According to the Building and Construction Authority's construction demand estimates, private sector construction demand for 2015 is likely to shrink to between \$11-15 billion from \$18 billion in 2014 and public housing projects are anticipated to moderate this year as well<sup>3</sup>. Thus, we expect to see more intense competition in the construction sector. In 2015, besides undertaking the construction work for the industrial project at Woodlands Avenue 12, we will participate in more tenders to strengthen our order book.

In a bid by the government to move workers from temporary housing to purpose-built dormitories, the URA has instructed that new temporary dormitories are not allowed to be built in 12 industrial estates. Workers from the marine and process sectors will also not be allowed to live in public housing from 2015. These measures augur well for us as we are in the midst to ramp up the occupancy of the now fully-completed Tuas View Dormitory.

## Thanking the Team

Many parties have contributed to our record breaking FY2014. Words of gratitude in this Annual Report are inadequate and cannot commensurate with the efforts and dedication they put in and the success they have brought. I would like to thank our business associates, consultants, sub-contractors and suppliers for working closely with us to serve our clients. I would also like to thank the Board for the guidance and the diligence from Wee Hur staff.

From a contractor and builder, we expanded to engage in property development, and then to take on as a dormitory developer and operator, and now we are developing our first overseas property project. My team and I will not rest on our laurels and will continue to work hard to bring bigger successes in future.

**Goh Yeow Lian**  
Executive Chairman and  
Managing Director

<sup>2</sup> Based on share price of \$0.38 as at 31 December 2014.

<sup>3</sup> [http://www.bca.gov.sg/Newsroom/pr08012015\\_BCA.html](http://www.bca.gov.sg/Newsroom/pr08012015_BCA.html) Public sector projects to sustain construction demand in 2015, dated 8 January 2015.

# FINANCIAL HIGHLIGHTS



## PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME HIGHLIGHTS

|                                                    | FY 2009 | FY 2010 Restated* | FY 2011 | FY 2012 | FY 2013 | FY 2014             |
|----------------------------------------------------|---------|-------------------|---------|---------|---------|---------------------|
| Revenue (\$'000)                                   | 206,867 | 137,853           | 189,675 | 465,739 | 321,572 | 713,536             |
| Gross Profit (\$'000)                              | 28,882  | 24,714            | 26,094  | 144,256 | 48,406  | 255,577             |
| Profit Before Tax (\$'000)                         | 20,017  | 16,121            | 12,260  | 111,290 | 30,496  | 218,482             |
| Net Profit Attributable to Equity Holders (\$'000) | 16,334  | 13,100            | 11,109  | 95,660  | 20,086  | 112,257             |
| Net Profit Margin                                  | 7.9%    | 9.5%              | 5.9%    | 20.5%   | 6.2%    | 15.7%               |
| Dividend Payout (\$'000)                           | 8,645   | 10,220            | 13,266  | 34,360  | 18,300  | 27,577 <sup>^</sup> |
| Dividend Payout Ratio                              | 52.9%   | 78.0%             | 119.4%  | 35.9%   | 91.1%   | 24.6% <sup>^</sup>  |
| Earnings Per Share** (cents)                       | 5.09    | 3.34              | 1.72    | 13.15   | 2.20    | 12.21               |

\* The 2010 comparative figures have been restated to take into account the retrospective adjustments arising from the adoption of INT FRS 115 - Agreements for the Construction of Real Estate and under recognition of costs pertaining to fair value adjustment.

\*\* Earnings per share is calculated based on number of shares in issue. The number of shares for the respective reporting years was based on shares in issue (excluding treasury shares) as at end of the reporting years.

## FINANCIAL HIGHLIGHTS



## STATEMENTS OF FINANCIAL POSITION HIGHLIGHTS

|                                        | FY 2009 | FY 2010 Restated* | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|----------------------------------------|---------|-------------------|---------|---------|---------|---------|
| Property, Plant and Equipment (\$'000) | 3,777   | 5,339             | 10,363  | 15,016  | 14,004  | 15,488  |
| Trade and Other Receivables (\$'000)   | 63,439  | 50,732            | 42,153  | 62,535  | 35,603  | 106,577 |
| Cash and Cash Equivalents (\$'000)     | 31,376  | 62,954            | 115,994 | 200,982 | 243,429 | 259,892 |
| Trade and Other Payables (\$'000)      | 52,560  | 61,609            | 83,903  | 154,671 | 125,320 | 167,293 |
| Net Current Assets (\$'000)            | 46,648  | 83,559            | 90,135  | 283,540 | 290,304 | 386,573 |
| Total Equity^^ (\$'000)                | 50,885  | 80,008            | 89,152  | 181,431 | 216,095 | 339,107 |

^ Included final and special dividends with estimated amount and percentage calculated based on 919,245,086 shares (excluding treasury shares) in issue as at 27 March 2015.

^^ Included non-controlling interests.

# OPERATIONS AND FINANCIAL REVIEW

## Operations Review

### PROPERTY DEVELOPMENT BUSINESS

#### On-going Development Projects

- **Parc Centros** – This 99-year leasehold residential development project is located adjacent to Punggol Town's transport hub comprising Punggol MRT station, LRT station and bus interchange. Developed via a joint venture ("JV") with Wee Hur holding a 65% stake, this fully-sold 618-unit condominium is the Group's largest residential development project to date. Construction work has commenced in 2013 and is currently progressing well. The Temporary Occupation Permit ("TOP") of this project is expected to be obtained no later than 18 December 2016.

#### Completed Development Projects

- **Urban Residences** – This is a 47-unit boutique residential project located at 10, Lorong Ah Soo. This project was awarded the Quality Mark ("QM") "Star" rating for both the Developer and Builder categories by the Building and Construction Authority of Singapore. The "Star" rating is the highest rating under the Quality Mark Tiered Rating system. The Tiered Rating System for Quality Mark recognises developers and builders for achieving quality excellence and distinguishes developers and builders who have achieved quality excellence beyond the high minimum standard specified in the QM scheme. The TOP of this project was obtained in June 2014.
- **Premier@Kaki Bukit** – This is a 482-unit industrial development project located at Kaki Bukit Avenue 4, developed via a JV with Wee Hur holding a 60% stake. This project obtained its TOP in August 2014.

### Land Acquisitions Update

- In July 2014, the Group's wholly-owned subsidiary, Wee Hur Development Pte Ltd secured a 30-year lease land parcel at Woodlands Avenue 12 for \$76.9 million. The Group has commenced the development of this 39,229 square metres land parcel with permissible Gross Floor Area of 98,072 square metres into an industrial development comprising multi-users strata titled units. The Group plans to launch this development in the first half of 2015. The construction of the project is expected to commence in April 2015 and to complete by end-2017.
- In December 2014, the Group acquired three plots of land totalling 1.69 hectares in Brisbane, Australia for A\$51.3 million (approximately \$55.2 million)<sup>1</sup>, marking the Group's first foray into property development in Australia. It will acquire an additional 2,194 square metres of land for A\$5.2 million (approximately \$5.6 million)<sup>1</sup> at a later date, bringing the total acquisition amount to A\$56.5 million (approximately \$60.8 million)<sup>1</sup> and the total land area to 1.91 hectares. These plots are located at Woolloongabba, suburb of Brisbane. The Group intends to use these land for a mixed-use development comprising residential, retail and office units. The development will be carried out in several phases and construction is expected to commence in the second half of 2015.
- In August 2014, Wee Hur entered into two agreements with four individuals in relation to a proposed investment of 37% stake in two projects in Huai'an, Jiangsu, PRC. In February 2015, the agreements pertaining to the above proposed investment were terminated as the proposed investment did not take off.

### CONSTRUCTION BUSINESS

The Group currently has on-going projects worth approximately \$356.5 million in its order book as at 31 December 2014 with completion dates ranging between FY2015 and FY2017.

#### Projects Completed in 2014 & 1Q 2015

- **Urban Residences** – A \$12.5 million construction contract for the Group's own residential property development. The project consists of a 47-unit 5-storey private apartment with attic, basement car park and communal facilities.
- **Premier@Kaki Bukit** – This \$89.5 million contract is for the construction of the Group's own industrial property development. Housing a total of 482 units, the project will comprise two blocks, one of which will be an 8-storey ramp-up factory while the other a 9-storey flatted factory.
- **Vista Spring@Yishun** – A \$109.0 million public housing building works project which includes the construction of eight residential blocks, an electrical sub-station, a multi-storey car park, minor sewer services and landscaping works.
- **Fernvale Riverbow** – A \$159.3 million public housing building works project which includes the construction of eight residential blocks, a basement car park and communal facilities such as pavilions, playgrounds, fitness stations and multi-purpose courts.
- **HDB LUP project** – A \$47.9 million project under the Housing and Development Board ("HDB") Lift Upgrading Projects ("LUP") for G5B (Stage 2) is for the construction of new lift shafts and upgrade of existing lift shafts and lift lobbies to existing HDB blocks in estates such as Tampines, Telok Blangah, Marine Parade, Ubi Avenue and Everton Park.

<sup>1</sup> The \$ equivalent is based on the exchange rate as at 24 December 2014.

# OPERATIONS AND FINANCIAL REVIEW

- **Tuas View Dormitory** – This is a \$65.4 million contract to construct the 16,800-bed purpose-built mega workers' dormitory complex at Tuas South Avenue 1.

## New Projects Secured

- **Fernvale Riverwalk** – A \$103.6 million HDB project which involves the construction of four residential blocks comprising 727 units and a multi-storey car park at Sengkang Neighbourhood 4. This precinct will come with shops, eating house, supermarket, childcare centre and other communal facilities. Other construction works within the contract includes the construction of green roof on the car park block, linkways, service roads, external landscaping, minor sewers and roadside drains. This project commenced in February 2014 and is expected to complete in 2017.
- **Matilda Court** – A mega HDB precinct with at contract value of \$157.7 million comprising ten residential blocks, a multi-storey car park, linkways, roof gardens, driveways, service roads and landscaping works at Punggol West.

This precinct will come with a commercial block which houses shops, eateries and supermarket, and other communal facilities. This project commenced in October 2014 and is expected to complete in 2017.

## Other On-going Projects

- **Parc Centros** – This is a \$150.0 million construction contract for the Group's own residential property development to build a 618-unit condominium consisting of eight blocks of 16-storey buildings with full communal facilities. This project is expected to complete by December 2015.
- **DBS Asia Hub (Phase 2)** – This is a \$13.2 million contract for the design, construction, completion and maintenance of the 6-storey DBS Asia Hub (Phase 2) at Changi Business Park. This project is expected to complete in April 2015.

*Note: The contract amounts for the above construction projects are based on awarded contract values.*

## DORMITORY BUSINESS

- In August 2014, Phase 1 of **Tuas View Dormitory**, of which the Group owns 60%, obtained TOP and commenced operation. This mega complex at Tuas South Avenue 1 is a 16,800-bed purpose-built workers' dormitory, presently largest in Singapore. It is equipped with amenities such as common toilets, designated cooking and food preparation area, laundry area and common dining, interacting and recreational facilities such as reading rooms, TV rooms, indoor gymnasiums and outdoor game courts. As of 23 March 2015, the contractual signed tenancy agreements occupancy rate for Phase 1, comprising 8,400 beds, is about 96%. Phase 2 of the dormitory has just obtained TOP in February 2015. The Group is presently ramping up the occupancy of the dormitory.

## Development Schedule Summary

### Properties Under Development

| Project                             | Interest Attributable | Expected TOP  | GFA (sq m)     | Type        |
|-------------------------------------|-----------------------|---------------|----------------|-------------|
| Parc Centros                        | 65%                   | December 2016 | 54,058         | Residential |
| Industrial Development at Woodlands | 60%                   | 2017          | 98,072         | Industrial  |
| <b>Total</b>                        |                       |               | <b>152,130</b> |             |

## Property Held for Investment

| Name of Property           | Description                                                                                                                                                                                                              | Tenure                                              | Type      |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------|
| <b>Tuas View Dormitory</b> | Investment property at 70, Tuas South Avenue 1, Singapore 637285, comprising 20 blocks of 4-storey dormitory (16,800 beds), 3 blocks of 2-storey administration and commercial buildings, canteen and communal amenities | 3 years with an option to renew for another 3 years | Dormitory |

# OPERATIONS AND FINANCIAL REVIEW

## Financial Review

The Group achieved record Revenue and Profit Attributable to Shareholders for the reporting year ended 31 December 2014 ("FY2014") mainly due to the recognition of revenue and profit from the Group's 60%-owned industrial property development project, Premier@Kaki Bukit, which has received its Temporary Occupation Permit ("TOP") in August 2014 and the progressive recognition of revenue and profit from its fully-sold 65%-owned residential property development project, Parc Centros. The revenue and profit of Premier@Kaki Bukit was fully recognised based on the completed contract method, in accordance to the Interpretation of Financial Reporting Standard 115 and Financial Reporting Standard 18.

### Revenue

The Group registered \$713.5 million of Revenue for FY2014 compared with \$321.6 million in FY2013, an increase of approximately \$392.0 million or 121.9% year-on-year.

### Gross Profit

For FY2014, Gross Profit was significantly higher at \$255.6 million compared with \$48.4 million for FY2013, for the same reason as explained above.

### Administrative Expenses

Administrative Expenses increased by \$20.7 million compared to FY2013 mainly due to the additions of dormitory's land lease rental expenses as well as higher staff costs.

### Profit Attributable to Shareholders

For FY2014, Profit Attributable to Shareholders surged to \$112.3 million, representing an increase of more than four times compared to FY2013 as a result from the significantly higher Gross Profit.

## REVIEW OF FINANCIAL POSITION

### Non-Current Assets

The net increase of \$71.4 million as at 31 December 2014 compared to end-FY2013 was mainly due to the increase in Investment Property of approximately \$71.4 million.

### Current Assets

The increase in Current Assets as at 31 December 2014 compared to end-FY2013 was mainly due to higher Trade and Other Receivables as well as the addition of Other Financial Assets. The effects were however, being mitigated by lower Development Properties and Other Assets.

The increase in Trade and Other Receivables was mainly the result from additional progress billings issued upon TOP for development properties namely, Premier@Kaki Bukit and Urban Residences.

Development Properties decreased by \$45.3 million mainly caused by the reversal of development cost for development properties upon the issuance of TOP. Other Assets decreased by \$12.3 million as a result of certain construction projects obtaining their TOPs during the reporting year.

### Current Liabilities

Current Liabilities were lower as at 31 December 2014 compared to end-FY2013 largely due to the absence of Progress Billings Received and Receivables of which was moderated by higher Trade and Other Payables, Other Liabilities, Income Tax Payable and the addition of Short-Term Other Financial Liabilities.

The absence of Progress Billings Received and Receivables was the result from the reversal of progress billings for Premier@Kaki Bukit upon full recognition of its revenue.

Higher Trade and Other Payables was mainly due to certain construction contracts obtaining TOPs recently and thus, calls for more costs to be accrued till finalisation with the respective sub-contractors. Other Liabilities refer to progress billings being in excess of construction work-in-progress.

Higher Income Tax Payable was mainly due to the provision for income tax for the full profit recognition of Premier@Kaki Bukit's industrial development. Short-Term Other Financial Liabilities refer to drawdowns of new bank loans raised for the Group's dormitory business of which is repayable within one year.

### Non-Current Liabilities

Non-Current Liabilities as at 31 December 2014 were higher compared to end-FY2013 mainly as a result from drawdowns of new bank loans as well as joint ventures' loans raised for a new industrial development and the Group's dormitory business.

### Cash and Bank Balances

The Group maintains a strong financial position with Cash and Bank Balances of \$259.9 million as at 31 December 2014, approximately \$16.5 million higher than the balance of \$243.4 million as at end-FY2013.

### Share Capital Changes as a result of Conversion of Warrants

In FY2014, the Company issued 7,988,526 ordinary shares at \$0.25 each to shareholders from the conversion of warrants issued into shares.

Warrants 2014 issued on 23 February 2011 have expired on 21 February 2014 with 1,840,635 warrants lapsed for conversion.

As the Company did not purchase any treasury shares during the reporting year, outstanding treasury shares remained at 16,671,000 as at 31 December 2014.

# CORPORATE SOCIAL RESPONSIBILITY

The Group believes in giving back to society and providing support to the community and the less fortunate. In 2014, it participated in many charitable events and donated to several organisations, some of which are:

- ▶ Sengkang West CCC Community Development and Welfare Fund – in support of initiatives such as:
  - providing scholarships and bursaries to the less fortunate but deserving students whose household income is less than \$500 per capita, school pocket monies/text books to less privileged students
  - providing financial assistance to poorer residents who are disabled, unemployed or single parents and those suffering from chronic illness
  - funding community gatherings during festive seasons for senior citizens
- ▶ Assumption English School – in support of the Programme for Rebuilding and Improving Existing School (PRIME)
- ▶ Gan Eng Seng School – to provide bursaries
- ▶ Lee Hsien Loong Cup Charity Golf Tournament 2014 – to help less fortunate through education and financial assistance schemes
- ▶ Ren Ci Charity Golf Tournament 2014 – in support of Ren Ci Hospital funding raising
- ▶ PCS-Educational Foundation – for the school pocket money fund
- ▶ Disabled People's Association
- ▶ Sasco Senior Citizens' Home
- ▶ Tian Yun Beijing Opera Society
- ▶ Firefly in the Light – in support of this musical

As part of our 35th anniversary celebration in 2015, we have so far donated to and supported the following organisations and events:

- ▶ Handicaps Welfare Association – in support of its Wheel Walk or Jog event in 2015. Wee Hur's management and staff will participate in this event.
- ▶ Ren Ci Charity Golf Tournament 2015 – an event which we have also supported in 2014
- ▶ Love from the STARS – a charity gala dinner and concert to raise fund for various charities

## BOARD OF DIRECTORS

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**Goh Yeow Lian**

**Executive Chairman and Managing Director**

Goh Yeow Lian is our Executive Chairman and Managing Director and one of the founders of our Group. He has played a pivotal role in the growth and development of our Group and is responsible in the formulation of our Group's strategic directions and expansion plans and managing our Group's overall business development. He graduated with a Diploma in Building from Singapore Polytechnic.



**Goh Yew Tee**

**Executive Director and Deputy Managing Director**

Goh Yew Tee is our Executive Director and Deputy Managing Director. In January 2009, he was appointed Managing Director of our wholly-owned subsidiary, Wee Hur Construction Pte Ltd. He is responsible for the overall operation of the construction arm. He graduated with a Diploma in Building from Singapore Polytechnic.



**Goh Yeo Hwa**

**Executive Director**

Goh Yeo Hwa is our Executive Director and one of our co-founders. He has more than 30 years of experience in the construction industry. He is involved in the site management and procurement of construction machinery, equipment and materials.

## BOARD OF DIRECTORS



**Teo Choon Kow @ William Teo**

**Lead Independent Director**

William Teo was appointed as our Lead Independent Director on 14 December 2007. He is currently a consultant providing corporate advisory work and independent director of three other listed companies, namely See Hup Seng Limited, Loyz Energy Limited and PSL Holdings Limited. He is also a director of Ascendent Technology Pte Ltd and Fral Ballistic Pte Ltd. Prior to that, he was the vice-president of Walden International Investment Group from 1997 to 2004 where he was responsible for its investment function. From 1989 to 1997, he was a senior manager with Coopers & Lybrand Management Consultants Pte Ltd, involved in corporate finance work. He is a fellow of the Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants. He holds a Master in Management from Asian Institute of Management, Philippines.



**Wong Kwan Seng Robert**

**Independent Director**

Robert Wong was appointed as our Independent Director on 14 December 2007. He is a lawyer by profession and practises mainly corporate law with emphasis on corporate finance. He had acted as solicitor in initial public offers, rights issues, issue of debentures, takeovers, mergers and acquisition and joint ventures.



**Goh Yew Gee**

**Non-Executive Director**

Goh Yew Gee was appointed as our Non-Executive Director on 24 September 2007. He is currently the managing director of Multi-Zones Marketing Pte Ltd, a Singapore company engaged in chemical trading. He is also a director of Hexachem (M) Sdn Bhd and Hexachem (Vietnam) Ltd.

## KEY MANAGEMENT

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**Ewe Tuck Foong** is the **Chief Financial Officer** of our Group. Since joining our Group in November 2011, he is given the responsibility for all aspects of financial and accounting matters of the Group. Apart from being the main liaison with the internal and external auditors, he is also involved in legal, corporate secretarial and all taxation matters within the Group. He is a fellow of the Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants.

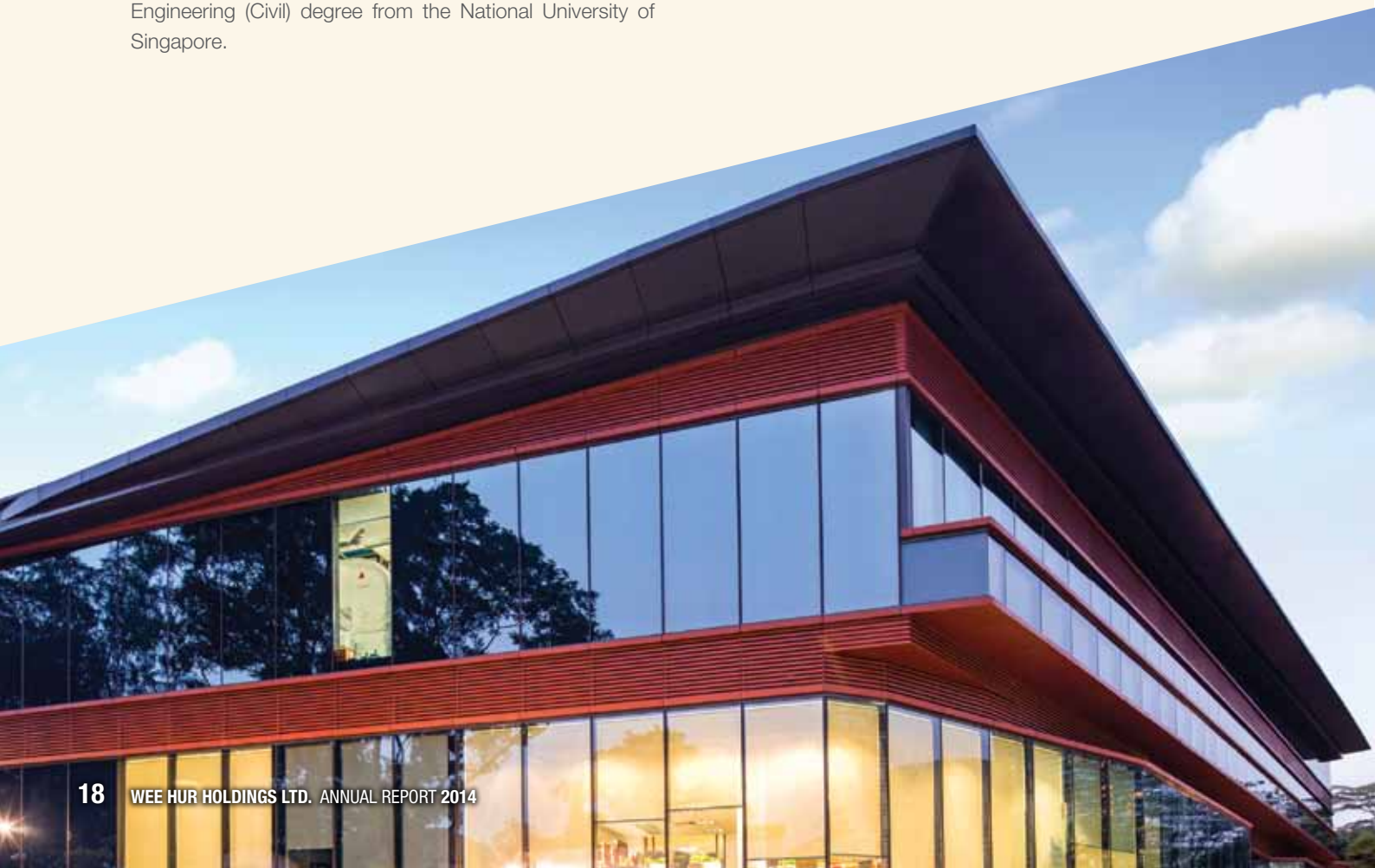
**Goh Cheng Huah** is our **Director (Business Development)** with effect from 1 July 2014. He is overall responsible for the business development functions of the Group. His focus is on seeking and identifying new potential business opportunities. He joined our Group in 1989 and he was our Director (Tender & Contract) prior to the current position. He holds a Bachelor of Engineering (Civil) degree from the National University of Singapore.

**Koh Chong Kwang** is our **Director (Project)**. He is responsible for the overall project management functions of Group's construction arm. His responsibilities include overseeing the execution of projects from commencement till completion including maintenance period. He has been with the Group since 1995. He holds a Bachelor of Engineering (Civil) degree from the National University of Singapore.

**Gaw Chu Lan** is our **Director (Administration and Finance)**. She is responsible for the overall administrative and finance functions of the Group. Her responsibilities include overseeing the finance, administrative and human resources matters. She has been with the Group since 1985.

**Sua Chen Shiua** is our **Director (Tender and Contract)** with effect from 1 July 2014. He is responsible for the overall tender and contract functions of Group's construction arm. His responsibilities include identifying and securing new projects and overseeing the execution of contract administration for secured projects. He was our Deputy Director (Tender and Contract) prior to the current position. He holds a Bachelor of Science (Building) degree from National University of Singapore.

**Lu Tze Chern, Andy** is our **Deputy Director (Project)** with effect from 1 July 2014. He assists the Director (Project) in the overall project management functions of Group's construction arm. He has been with our Group since 2006. He holds a Bachelor of Science in Civil Engineering degree from Purdue University, USA.



# PROPERTY DEVELOPMENT

The property development business is undertaken by Wee Hur Development Pte Ltd and Wee Hur International Pte Ltd for local market and overseas market respectively. Both companies are wholly-owned subsidiaries of Wee Hur Holdings Ltd.

We acquire vacant lands or existing properties which have re-development potentials and develop these land parcels into either residential, industrial, commercial or mixed development in accordance to the approved use of these land parcels by the relevant authorities. The developments may comprise strata titled units which can be sold individually or be held as investment properties for recurring income.

Each development project may be undertaken by a separate entity which can be wholly-owned or substantially owned by Wee Hur Development Pte Ltd or Wee Hur International Pte Ltd as a subsidiary of the Group or as an associate company of the Group.

## PROPERTY DEVELOPMENT

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**Launching Soon**



## INDUSTRIAL DEVELOPMENT AT WOODLANDS

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Proposed 8-storey multiple-users clean, light and general industrial factory development at Woodlands Close.

### Current Projects

#### PARC CENTROS

8 blocks of 16-storey (618 units) condominium with 2 basement carparks, tennis courts, swimming pool and clubhouse facilities @ Punggol Central/Punggol Place

**Expected TOP: 2016**

FULLY SOLD



## PROPERTY DEVELOPMENT

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### Completed Projects



#### PREMIER@KAKI BUKIT

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TOP: 2014

### URBAN RESIDENCES

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TOP: 2014



#### HARVEST@WOODLANDS

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TOP: 2012



#### VILLAS@GILSTEAD

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TOP: 2011

# CONSTRUCTION

The construction business is being undertaken by the Group's wholly-owned subsidiary, Wee Hur Construction Pte Ltd ("WHC") which was established since 1980.

WHC is a BCA registered contractor with financial grade A1 which allows it to tender for all public projects with unlimited contract value.

We undertake various types of construction projects from both private and public sectors. Construction projects include residential, commercial, industrial, institutional, religious, restoration and conservation projects.

Besides new constructions, we also undertake projects involving additions and alterations or refurbishment and upgrading to existing buildings and restoration and conservation of heritage and conservation buildings.

## CONSTRUCTION

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### Current Projects



### MATILDA COURT

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Public housing at Punggol West Contract 40

**Client:** Housing and Development Board

**Expected Completion:** 2017



### PARC CENTROS

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8 blocks of 16-storey (618 units) condominium with 2 basement car parks, tennis courts, swimming pool and clubhouse facilities @ Punggol Central/ Punggol Place

**Client:**

Wee Hur (Punggol Central) Pte Ltd

**Expected Completion:** 2015

### Current Projects

#### FERNVALE RIVERWALK

727 units of public housing in  
Sengkang Neighbourhood 4  
Contract 19

**Client:**

Housing and Development Board

**Expected Completion:** 2017



#### DBS ASIA HUB (PHASE 2)

6-storey commercial building @ Changi Business Park

**Client:** Ascendas Group

**Expected Completion:** 2015

## CONSTRUCTION

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### Completed Projects



### PREMIER@KAKI BUKIT



### HARVEST@WOODLANDS

### Completed Projects



**FERNVALE RIVERBOW**



**VISTA SPRING@YISHUN**

## CONSTRUCTION

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### Completed Projects



### BOON LAY GROVE



### URBAN RESIDENCES

## CONSTRUCTION

### Completed Projects



**TRILIGHT**



**PARKVIEW ECLAT**



**ORION**



**DBS ASIA HUB**

## CONSTRUCTION

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### Completed Projects



**STANDARD CHARTERED@CHANGI (PHASE 2)**



**NEXUS@ONE-NORTH**

### Completed Projects



### JCUBE



### STUDIO M HOTEL

## CONSTRUCTION

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### Completed Projects



THE ARTS HOUSE



THE SCARLET HOTEL

# DORMITORY

Wee Hur Dormitory Pte Ltd, the Group's wholly-owned subsidiary undertakes our dormitory business.

Our dormitory business provides conducive living environment for foreign workers from construction, marine, process and manufacturing industries.

We may acquire/lease lands which have been approved for dormitory from Government or private sector and develop the land parcel into a dormitory complex which may include commercial and non-commercial amenities such as indoor recreational/multi-purpose room, indoor gymnasiums, TV rooms, reading rooms, canteens, minimarts, retail shops, outdoor game courts and etc.

Wee Hur Dormitory Pte Ltd has 60% stake in Active System Engineering Pte Ltd which owns Tuas View Dormitory.

# DORMITORY

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## TUASVIEW DORMITORY

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At a capacity of 16,800 beds, Tuas View Dormitory is one of the largest workers' dormitory in Singapore. This dormitory is a self-contained living quarters equipped with common toilets, designated cooking and food preparation area, laundry area and common dining cum interacting area. Catering to the need for rest and recreation, there is an indoor recreational/multi-purpose room, reading rooms and TV rooms as well as two indoor gymnasiums and at least two outdoor game courts. Besides, there are also commercial amenities such as minimarts, a canteen and other retail shops to provide greater convenience to the occupants.



## DORMITORY



# CORPORATE INFORMATION

## Board of Directors

**Goh Yeow Lian**

(Executive Chairman and Managing Director)

**Goh Yew Tee**

(Executive Director and Deputy Managing Director)

**Goh Yeo Hwa**

(Executive Director)

**Goh Yew Gee**

(Non-Executive Director)

**Teo Choon Kow @ William Teo**

(Lead Independent Director)

**Wong Kwan Seng Robert**

(Independent Director)

## Audit Committee

**Teo Choon Kow @ William Teo**

(Chairman)

**Wong Kwan Seng Robert**

**Goh Yew Gee**

## Nominating Committee

**Wong Kwan Seng Robert**

(Chairman)

**Teo Choon Kow @ William Teo**

**Goh Yew Gee**

## Remuneration Committee

**Teo Choon Kow @ William Teo**

(Chairman)

**Wong Kwan Seng Robert**

**Goh Yew Gee**

## Company Secretaries

Tan Ching Chek, LLB, ACIS and Lo Swee Oi, ACIS

C/o BSL Corporate Services Pte Ltd

220 Orchard Road

#05-01 Midpoint Orchard

Singapore 238852

## Registered Office

39 Kim Keat Road

Wee Hur Building

Singapore 328814

## Share Registrar and Share Transfer Office

Boardroom Corporate & Advisory Services Pte Ltd

50 Raffles Place

Singapore Land Tower

#32-01

Singapore 048623

## Auditor

RSM Chio Lim LLP

8 Wilkie Road

#04-08 Wilkie Edge

Singapore 228095

Partner-in-charge:

Derek How Beng Tiong, FCA (Singapore)

(Effective from year ended 31 December 2011)

## Principal Bankers (in alphabetical order)

Australia and New Zealand Banking Group Limited

DBS Bank Ltd

Malayan Banking Berhad

Oversea-Chinese Banking Corporation Limited

RHB Bank Berhad

The Hongkong and Shanghai Banking Corporation Limited

United Overseas Bank Limited

## Solicitor

Straits Law Practice LLC

9 Raffles Place #32-00

Republic Plaza

Singapore 048619

## Investor Relations

Financial PR Pte Ltd

4 Robinson Road

#04-01 The House of Eden

Singapore 048543

# CORPORATE GOVERNANCE REPORT

The Company is committed to a high standard of corporate governance to ensure effective self regulation practices are in place to enhance corporate performance and accountability.

This report outlines the Company's main corporate governance practices with references to the principles of the Code of Corporate Governance 2012 (the "Code"). The Code forms part of the continuing obligation of the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Listing Manual.

## THE BOARD'S CONDUCT OF AFFAIRS

**Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with management to achieve this objective and the management remains accountable to the Board.**

The Board of Directors (the "Board") has six members comprising three Executive Directors, one Non-Executive Director and two Non-Executive and Independent Directors. The Board comprises the following members:

| Name of Directors           | Position in Board                               | Appointment               |
|-----------------------------|-------------------------------------------------|---------------------------|
| Goh Yeow Lian               | Executive Chairman and Managing Director        | Executive Director        |
| Goh Yew Tee                 | Executive Director and Deputy Managing Director | Executive Director        |
| Goh Yeo Hwa                 | Member                                          | Executive Director        |
| Goh Yew Gee                 | Member                                          | Non-Executive Director    |
| Teo Choon Kow @ William Teo | Member                                          | Lead Independent Director |
| Wong Kwan Seng Robert       | Member                                          | Independent Director      |

The Company's Articles of Association permit directors of the Company (the "Directors") to attend meetings through the use of audio-visual communication equipment.

In between Board meetings, important matters concerning the Company are also put to the Board for its decision by way of circulating resolutions in writing for the Directors' approval together with supporting memoranda enabling the Directors to make informed decisions. The number of Board and Board Committee meetings held in the reporting year 2014 are as follows:

|                                | Board Committee | Audit Committee | Remuneration Committee | Nominating Committee |
|--------------------------------|-----------------|-----------------|------------------------|----------------------|
| <b>Number of meetings held</b> | 4               | 4               | 3                      | 1                    |
| <b>Attendance</b>              |                 |                 |                        |                      |
| Goh Yeow Lian                  | 4               | 4*              | 3*                     | 1*                   |
| Goh Yew Tee                    | 4               | 4*              | 3*                     | 1*                   |
| Goh Yeo Hwa                    | 4               | 4*              | 3*                     | 1*                   |
| Goh Yew Gee                    | 4               | 4               | 3                      | 1                    |
| Wong Kwan Seng Robert          | 4               | 4               | 3                      | 1                    |
| Teo Choon Kow @ William Teo    | 4               | 4               | 3                      | 1                    |

\* attended the meeting by invitation

The Board oversees the business affairs of the Group, approves the financial objectives and the strategies to be implemented by management and monitors standards of performance and issues of policy directly. In addition to its statutory duties, the Board's principal functions are:

- Supervising the overall management of the business and affairs of the Group and approving the Group's corporate and strategic policies and direction;
- Formulating and approving financial objectives of the Group and monitoring its performances such as reviewing and approving of results announcements and approving of annual financial statements;

# CORPORATE GOVERNANCE REPORT

- (iii) Overseeing the processes for evaluating the adequacy of internal controls and risk management including the review and approval of interested person transactions;
- (iv) Assuming responsibility for corporate governance and compliances with the Companies Act and the rules and regulations of the relevant regulatory bodies;
- (v) Evaluating performance of management; and
- (vi) Approving the recommended framework of remuneration for the Board and key executives.

Matters that are specifically reserved for the approval of the Board include, among others, any material acquisitions and disposals of assets, corporate or financial restructuring, share issuance and the proposing of dividends.

The Board has adopted a set of internal guidelines on the matters requiring Board's approval. Certain functions have also been delegated to various Board committees, namely, the Audit Committee, the Remuneration Committee and the Nominating Committee.

Changes to regulations and accounting standards are monitored closely by management. To keep pace with regulatory changes, where these changes have an important bearing on the Company's or Director's disclosure obligations, Directors are briefed either during Board meetings or at specially-convened sessions conducted by professionals. Newly appointed directors will be briefed by the Executive Chairman on the business activities of the Group and its strategic directions as well as their duties and responsibilities as directors.

In order to ensure that the Board is able to fulfill its responsibilities, prior to the Board meetings, the management provides the members of the Board with management accounts, as well as relevant background information and documents relating to items of business to be discussed at a Board meeting before the scheduled meeting.

The Directors are also regularly briefed on the business activities of the Group.

The Board has separate and independent access to the Company Secretary at all times and the Company Secretary attends all Board and Committee meetings and is responsible for ensuring that Board procedures are followed. The Board also has access to independent professional advice, where necessary, at the Company's expense.

## BOARD COMPOSITION AND GUIDANCE

***Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.***

The Board comprises six members of whom three are Executive Directors, one is Non-Executive Director and two are Non-Executive and Independent Directors. Independent Directors comprise one third of the Board members.

The Board is able to exercise objective judgement independently from management and no individual or small group of individuals dominate the decisions of the Board.

The Nominating Committee is of the view that the current Board size of six directors is appropriate taking into account the nature and scope of the Group's operations. The Board and the Board Committees have an appropriate balance and diversity of expertise and business experience and collectively possess the necessary core competence to lead and govern the Group effectively. Each director has been appointed on the strength of his/her calibre, experience and stature and not based on gender. Each director is expected to bring valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.

The Board has no dissenting view on the Chairman's statement for the year in review.

# CORPORATE GOVERNANCE REPORT

## EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

**Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.**

Goh Yeow Lian ("Mr Goh") is currently the Executive Chairman and Managing Director. In view of Mr Goh's concurrent appointment as the Executive Chairman and Managing Director, the Board has appointed Teo Choon Kow @ William Teo as the Lead Independent Director, pursuant to the recommendations in Guideline 3.3 of the Code. In accordance with the recommendations in the said Guideline 3.3, the Lead Independent Director is available to shareholders where they have concerns with contact through the normal channels of the Executive Chairman and Managing Director has failed to resolve or for which such contact is inappropriate.

As the Executive Chairman and Managing Director, Mr Goh is responsible for the day-to-day operations of the Group and has the full executive responsibilities over the business directions and operational decisions of the Group. As Executive Chairman, he also exercises control over quality, quantity and timeliness of the flow of information between the management of the Company and the Board, and assisting in ensuring compliance with the Company's guidelines on corporate governance. He also schedules meetings with the Board and prepares meeting agenda with the assistance of the Company Secretaries of the Company (the "Company Secretaries").

## BOARD MEMBERSHIP AND BOARD PERFORMANCE

**Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.**

**Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each director to the effectiveness of the Board.**

The Nominating Committee ("NC") comprises the following Directors:

1. Wong Kwan Seng Robert - Chairman
2. Teo Choon Kow @ William Teo - Member
3. Goh Yew Gee - Member

Wong Kwan Seng Robert and Teo Choon Kow @ William Teo are Independent Directors. Goh Yew Gee is a Non-Executive Director.

The NC's written terms of reference describe its responsibilities, and these include:

- (i) Identifying candidates and making recommendations for all Board appointments and re-nomination or continuation in office of any director;
- (ii) Regularly reviewing the board's structure, size and composition, and making recommendations to the Board with regards to any adjustments that are deemed necessary;
- (iii) Determining annually whether or not a director is independent;
- (iv) Deciding whether or not a director is able to and has been adequately carrying out his/her duties as a director of the Company, particularly when he/she has multiple board representations, and proposing internal guidelines in relation to multiple board representations;
- (v) Deciding how the performance of the Board may be evaluated and propose objective performance criteria; and
- (vi) Recommending procedures for assessing the effectiveness of the Board as a whole and for assessing the contributions by each individual director to the effectiveness of the Board.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to the Company's Articles of Association, one third of the Board's Directors are to retire from office by rotation and be subject to re-election at the annual general meeting of the Company.

# CORPORATE GOVERNANCE REPORT

The NC has recommended Goh Yeo Hwa and Goh Yew Gee, who are retiring at the forthcoming annual general meeting ("AGM"), to be re-elected. The two Directors are retiring under Article 107 of the Company's Articles of Association. The retiring Directors have offered themselves for re-election. The Board has accepted the recommendations of the NC.

The dates of initial appointment and last re-election of each Director are set out below:

|    | NAME OF DIRECTORS           | APPOINTMENT                                     | DATE OF INITIAL APPOINTMENT | DATE OF LAST RE-ELECTION |
|----|-----------------------------|-------------------------------------------------|-----------------------------|--------------------------|
| 1. | Goh Yeow Lian               | Executive Chairman and Managing Director        | 3 September 2007            | 26 April 2013            |
| 2. | Goh Yew Tee                 | Executive Director and Deputy Managing Director | 24 September 2007           | 26 April 2013            |
| 3. | Goh Yeo Hwa                 | Member                                          | 24 September 2007           | 27 April 2012            |
| 4. | Goh Yew Gee                 | Member                                          | 24 September 2007           | 27 April 2012            |
| 5. | Teo Choon Kow @ William Teo | Member                                          | 14 December 2007            | 25 April 2014            |
| 6. | Wong Kwan Seng Robert       | Member                                          | 14 December 2007            | 25 April 2014            |

The performance of the Board is ultimately reflected in the performance of the Company. The Board should ensure compliance with the applicable laws. Board members should act in good faith, with due diligence and care in the best interests of the Company and its shareholders.

The Board, through the delegation of its authority to the NC had made its best efforts to ensure each Director possesses the experience, knowledge and skills critical to the Group's business. This is necessary to enable the Board to make sound and well-considered decisions. The NC, in considering the nominating of any Director for re-election, will evaluate the performance of the Director involved.

The NC has established a formal appraisal process to assess the performance and effectiveness of the Board as a whole annually. It focuses on a set of performance criteria which includes the evaluation of the size and composition of the Board, the Board's access to information and Board's accountability. The findings of such evaluations were analysed and discussed with a view to identifying areas for improvement and implementing certain recommendations to further enhance the effectiveness of the Board.

The NC is of the view that whilst it is important for Directors to devote sufficient time and attention to the affairs of the Group, the issue relating to multiple board representations should be left to the judgement and discretion of each Director.

The NC believes that contributions from each Director can be reflected in other ways other than the reporting of attendances of each Director at Board and Board Committees' meetings as well as the frequency of such meetings. A director would have been appointed on the strength of his/her experience and his/her potential to contribute to the proper guidance of the Group and its business. To focus on a director's attendance at formal meetings alone may lead to a narrow view of a director's contribution. It may also not do justice to his/her contributions, which can be in many forms, including management's access to him/her for guidance or exchange of views outside the formal environment of the Board.

The NC is of the opinion that the Directors, who have been classified as independent under the Board composition section, are indeed independent and the current size of the Board is adequate for the purposes of the Group.

The search and nomination process for new directors, if any, will be through search companies, contacts and recommendations that go through the normal selection process, to cast its net as wide as possible for the right candidates.

New directors are appointed after the NC has reviewed and nominated them for appointment. Such new directors submit themselves for re-election or re-appointment at the next AGM of the Company.

# CORPORATE GOVERNANCE REPORT

## ACCESS TO INFORMATION

***Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.***

All Directors receive a set of Board papers that include explanatory information relating to matters to be brought before the Board, copies of disclosure notes and internal Group's financial statements prior to Board meetings. This is generally issued to them at least three days prior to Board meetings. This is to allow sufficient time for the Board members to obtain further explanations, where necessary, to be properly briefed and adequately prepared for Board meetings.

In addition, Directors receive the management accounts of the Company and have unrestricted access to the records and information of the Company. The Non-Executive and Independent Directors have access to senior executives in the Company and other employees to seek additional information, if required. To facilitate such access, the contact particulars of the senior management and secretaries of the Company have been provided to the Directors. Directors can seek independent professional advice, if required, and in accordance with procedure. The costs of such independent professional advice will be borne by the Company.

The Company Secretaries have the responsibility to ensure that Board procedures are followed and that all applicable rules and regulations are complied with. One or both of the Company Secretaries are in attendance at meetings of the Board and Sub-Committees. The appointment and removal of the Company Secretaries should be a matter for the Board as a whole.

## PROCEDURES FOR DEVELOPING REMUNERATION POLICIES, LEVEL AND MIX OF REMUNERATION AND DISCLOSURE OF REMUNERATION

***Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.***

***Principle 8: The level of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.***

***Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.***

The Remuneration Committee ("RC") comprises the following Directors:

1. Teo Choon Kow @ William Teo - Chairman
2. Wong Kwan Seng Robert - Member
3. Goh Yew Gee - Member

Teo Choon Kow @ William Teo and Wong Kwan Seng Robert are Independent Directors. Goh Yew Gee is a Non-Executive Director.

The terms of reference of the Remuneration Committee describes its responsibilities. These include:

- (i) Reviewing and recommending a framework of remuneration for the Directors and key officers, determining specific remuneration packages for each Executive Director, including the Executive Chairman, and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework;
- (ii) Reviewing and recommending the remuneration packages of all managerial staff in the Company or any of its principal subsidiaries, including managerial staff who are related to any of the Directors or any substantial shareholders of the Company; and
- (iii) Administering the Share Options Schemes of the Company, if any.

# CORPORATE GOVERNANCE REPORT

Although the recommendations are made in consultation with the Executive Chairman of the Board, the remuneration packages are ultimately approved by the entire Board. No Director is involved in deciding his/her own remuneration.

The Company adopts a remuneration policy for employees comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual. The remuneration packages of the Executive Chairman and Managing Director and the Executive Directors include a variable performance bonus. Each Executive Director has a separate service agreement with the Company.

At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from Executive Directors and key management executives in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Remuneration Committee will consider, if required, whether there is a requirement to institute such contractual provisions to allow the Company to reclaim the incentive components of the remuneration of the Executive Directors and key management executives paid in prior years in such exceptional circumstances.

Director's fees are set in accordance with the remuneration framework comprising basic fees and committee fees. These are subject to the approval of the Company during the AGM.

The Board supports and is aware of the need for transparency. However, after deliberation and debate, the Board is of the view that full disclosure of the specific remuneration of each individual Director and the Group's key management executives (who are not directors) is not in the best interests of the Company and therefore, shareholders. Inter alia, the Board has taken into account the very sensitive nature of the matter, the relative size of the Group, the highly competitive business environment the Group operates in and the irrevocable negative impact such disclosure may have on the Group.

Details of remuneration and benefits of directors and key management executives for the reporting year ended 31 December 2014 which will provide sufficient overview of the remuneration of directors and key management executives are set out below:

| Remuneration Bands and Name   | Fees (%) | Salary (%) | Bonus (%) | Others (%) | Total (%) |
|-------------------------------|----------|------------|-----------|------------|-----------|
| <b>Directors</b>              |          |            |           |            |           |
| <b>Above \$1,000,000</b>      |          |            |           |            |           |
| Goh Yeow Lian                 | –        | 3          | 96        | 1          | 100       |
| Goh Yew Tee                   | –        | 7          | 92        | 1          | 100       |
| Goh Yeo Hwa                   | –        | 8          | 91        | 1          | 100       |
| <b>Below \$250,000</b>        |          |            |           |            |           |
| Teo Choon Kow @ William Teo   | 100      | –          | –         | –          | 100       |
| Wong Kwan Seng Robert         | 100      | –          | –         | –          | 100       |
| Goh Yew Gee                   | 100      | –          | –         | –          | 100       |
| <b>Key Executives</b>         |          |            |           |            |           |
| <b>\$250,001 to \$500,000</b> |          |            |           |            |           |
| Goh Cheng Huah                | –        | 42         | 52        | 6          | 100       |
| Koh Chong Kwang               | –        | 41         | 52        | 7          | 100       |
| Sua Chen Shiua                | –        | 48         | 47        | 5          | 100       |
| Lu Tze Chern                  | –        | 47         | 44        | 9          | 100       |
| <b>Below \$250,000</b>        |          |            |           |            |           |
| Gaw Chu Lan                   | –        | 52         | 47        | 1          | 100       |
| Ewe Tuck Foong                | –        | 70         | 28        | 2          | 100       |
| Goh Yeu Toh#                  | –        | 51         | 30        | 19         | 100       |
| Cheng Kiang Huat#             | –        | 51         | 30        | 19         | 100       |
| Sua Nam Heng#                 | –        | 50         | 30        | 20         | 100       |

# Goh Yeu Toh, Cheng Kiang Huat and Sua Nam Heng are Executive Directors of Wee Hur Construction Pte Ltd, a wholly-owned subsidiary of the Company.

# CORPORATE GOVERNANCE REPORT

Goh Yeow Lian, Goh Yew Tee, Goh Yeo Hwa, Goh Yew Gee and Goh Yeu Toh ("Messrs Goh") are brothers. Cheng Kiang Huat and Sua Nam Heng are brothers-in-law of Messrs Goh. Gaw Chu Lan is the sister of Messrs Goh. Sua Chen Shiua is the son of Sua Nam Heng and hence, he is the nephew of Messrs Goh.

Given the highly competitive industry conditions and in the interest of maintaining good morale and a strong spirit of teamwork within the Group, the Company discloses the remuneration of the top six key management executives (who are not directors of the Company) of the Group in bands of \$250,000 as set out above. For the same reason, the Company does not disclose the aggregate remuneration paid to the top six key management executives (who are not directors of the Company) of the Group.

Other than those disclosed above, remuneration of immediate family members of Chairman/Directors who received remuneration which exceeded \$50,000 for the reporting year ended 31 December 2014 are as follows:

## Remuneration Bands and Name

### \$100,001 to \$150,000

Goh Chey Teck  
Goh Chengyu

### \$50,001 to \$100,000

Cheng Song Seng  
Goh Wee Ping  
Sua Teng Jah

Goh Chey Teck is the brother of Messrs Goh. Goh Chengyu is the son of Goh Yeo Hwa, Cheng Song Seng is the son of Cheng Kiang Huat, Goh Wee Ping is the son of Goh Yeow Lian, Sua Teng Jah is the daughter of Sua Nam Heng, and they are all nephews and niece of Messrs Goh.

The Company has in place the Wee Hur Employee Share Option Scheme and Wee Hur Performance Share Plan which were approved by the shareholders at an Extraordinary General Meeting held on 19 May 2009.

## ACCOUNTABILITY

***Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.***

The Board, through its announcements of the Group's financial results to shareholders, aims to present a balanced and understandable assessment of the Group's position and prospects.

In preparing the financial statements, the Directors have:

- (i) Selected suitable accounting policies and applied them consistently;
- (ii) Made judgements and estimates that are reasonable and prudent;
- (iii) Ensured that all applicable accounting standards have been followed; and
- (iv) Prepared financial statements on the basis that the Directors have reasonable expectations, having made enquiries that the Group and Company have adequate resources to continue operations for the foreseeable future.

## RISK MANAGEMENT AND INTERNAL CONTROLS AND AUDIT COMMITTEE

***Principle 11: The Board is responsible for governance of risk. The Board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.***

***Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.***

# CORPORATE GOVERNANCE REPORT

The Board, assisted by the Audit Committee (“AC”) has oversight of the risk management system in the Group. The practice of risk management is undertaken by the Executive Directors and senior executives under the purview of the AC and the Board. Management regularly reviews the Group’s business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group’s policies and strategies. Management reviews all significant control policies and procedures and highlights all significant matters to the Board and the AC.

With the assistance of the external consultant, RSM Ethos Pte Ltd, the Group has established a Risk Governance and Internal Control Framework to monitor, manage and build awareness within the Group of the various risks to which the Group is exposed.

Under the Risk Governance and Internal Control Framework, management of all levels are expected to constantly review the business operations and the environment that the Group operates in to identify risk areas and ensure mitigating measures are promptly developed to address these risks. The Risk Governance and Internal Control Framework outlines the Group’s approach to managing enterprise-wide risks and sets out a systematic process for identifying, evaluating, managing and monitoring risks faced by the Group.

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

The AC comprises the following Directors:

1. Teo Choon Kow @ William Teo - Chairman
2. Wong Kwan Seng Robert - Member
3. Goh Yew Gee - Member

Teo Choon Kow @ William Teo and Wong Kwan Seng Robert are Independent Directors. Goh Yew Gee is a Non-Executive Director.

The role of the AC is to assist the Board in overseeing the adequacy of the overall internal control functions, the internal audit functions within the Group, the relationship of those functions to external audit, the scope of audit by the external auditor as well as their independence. The functions of the AC include the following:

- (i) Review with external auditor the scope and results of the audit, system of internal controls, their management letter and management’s response;
- (ii) Review the financial statements including annual budget and any forecast, before submission to the Board for approval;
- (iii) Review the scope and results of the internal audit proceedings of the internal auditor to ensure all possible precautions are taken to ensure no irregularities;
- (iv) Review the interested person transactions in accordance with the Listing Rules of the SGX-ST;
- (v) Review whistle-blowing investigations within the Group and ensuring appropriate follow-up action, if required;
- (vi) Review all non-audit services provided by external auditor so as to ensure that any provision of such services would not affect the independence and objectivity of external auditor; and
- (vii) Consider and recommend the appointment or re-appointment of the external auditor.

The AC has been given full access and obtained the co-operation of the management of the Company. The AC has the explicit authority to investigate any matter within its terms of reference. It also has full access to and co-operation by management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

# CORPORATE GOVERNANCE REPORT

The AC has met with RSM Chio Lim LLP (“Chio Lim”), the external auditor of the Company (the “External Auditor”) without the presence of the management. The AC also met with the External Auditor to discuss the results of their examinations and their evaluation of the systems of internal accounting controls. In addition, updates on changes in accounting standards and treatment are prepared by the External Auditor and circulated to members of the AC periodically for information.

The AC has reviewed the nature and extent of non-audit services provided by Chio Lim and the fees paid for its audit services, non-audit services and the aggregate amount of fees paid in respect of the year ended 31 December 2014. The AC has reviewed the nature and amount of non-audit fees paid to Chio Lim and is of the view that the independence of the External Auditor has not been compromised.

The AC has also reviewed and confirmed that Chio Lim is a suitable audit firm to meet the Company’s audit obligations, having regards to the adequacy of resources and experience of the firm and the assigned audit engagement partner, Chio Lim’s other audit engagements, size and complexity of the Wee Hur Group, number and experience of supervisory and professional staff assigned to the audit. Accordingly, the AC recommended to the Board the re-appointment of Chio Lim as External Auditor of the Company for the reporting year ending 31 December 2015.

Chio Lim has been engaged to audit the financial statements of the Company and its Singapore incorporated subsidiaries. The Group has a Singapore incorporated associated company which is dormant and insignificant for the reporting year ended 31 December 2014. The Group has also incorporated two foreign-incorporated subsidiaries towards the end of the reporting year ended 31 December 2014. The foreign-incorporated subsidiaries are considered to be not significant to the Group for the reporting year ended 31 December 2014. Thus, they are not being audited. The Group does not have any foreign-incorporated associated companies. Accordingly, the Group has complied with the Rule 715 of the Listing Manual in relation to its auditing firm. Rule 716 of the Listing Manual does not apply to the Group.

The Company has put in place a whistle-blowing policy since 2008. This policy will provide well-defined and accessible channels in the Group through which employees and third parties may raise concerns about improper conduct within the Group.

## INTERNAL AUDIT

***Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.***

The Company has appointed Baker Tilly TFW LLP as Internal Auditor for the reporting year 2014. The Internal Auditor plans its internal audit schedules in consultation with the management and its plans are submitted to the AC for approval. The AC reviews and approves the internal audit plans and resources and also ensures that Baker Tilly TFW LLP has the necessary resources to adequately perform its functions. The AC has also reviewed and they believed that the Internal Auditor is independent and has the appropriate standing to perform its functions effectively.

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

Based on the aforesaid and the statutory audit conducted by the External Auditor and the internal audit conducted by the Internal Auditor, the Board, with the concurrence of the AC, is satisfied that the system of internal controls, including financial, operational, compliance and information technology controls and risk management, are adequate to meet the needs of the Group’s existing business objectives, having addressed the critical risks area for the reporting year ended 31 December 2014. While acknowledging their responsibility for the system of internal controls, the Directors are aware that such a system is designed to manage, rather than eliminate risks, and therefore cannot provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors or misstatements, poor judgement in decision-making, human errors, losses, frauds or other irregularities.

The Executive Chairman and Managing Director and the Chief Financial Officer at the reporting year end have provided a letter of assurance (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.

# CORPORATE GOVERNANCE REPORT

## COMMUNICATION WITH SHAREHOLDERS AND CONDUCT OF SHAREHOLDERS' MEETINGS

***Principle 14: Companies should treat shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights and continually review and update such governance arrangements.***

***Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.***

***Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders and allow shareholders the opportunity to communicate their views on various matters affecting the company.***

The Company does not practice selective disclosure. Price sensitive information is always released on SGXNET after trading hours. Results and annual reports are announced or issued within the mandatory periods.

Shareholders are encouraged to attend the AGM to ensure a greater level of shareholders' participation and for them to be kept up to date as to the strategies and goals of the Group. All shareholders of the Company receive a copy of the Annual Report, the Notice of AGM and circulars and notices pertaining to any extraordinary general meetings of the Company. To facilitate participation by the shareholders, the Articles of the Company allow the shareholders to attend and vote at general meetings of the Company by proxies. A shareholder may appoint up to two proxies to attend and vote on his/her behalf at the general meeting through proxy form deposited 48 hours before the meeting. Notices of general meetings are also advertised in newspapers and available on the SGX-ST's website.

Every matter requiring shareholders' approval is proposed as a separate resolution. Each item of special business included in the notice of meeting is accompanied, where appropriate, by an explanation for the proposed resolution. As authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, facsimile or email. Participation of shareholders is encouraged at the AGM through the open question and answer session. The Directors, management and the External Auditor are available to address any queries or concerns on matters relating to the Group and its operations.

While acknowledging that voting by poll is integral in the enhancement of corporate governance and lead to greater transparency of the level of support for each resolution, the Company is concerned over the cost effectiveness and efficiency of the polling procedures which may be logistically and administratively burdensome. Electronic polling may be efficient in terms of speed but may not be cost effective. The Board would adhere to the requirements of the Listing Manual where all resolutions are to be voted by poll at general meetings held on or after 1 August 2015.

## DIVIDEND POLICY

While the Company has not formally instituted a dividend policy, it has a good track record of paying annual dividends to shareholders since its listing in 2008. In proposing any dividend payout and/or determining the form, frequency and/or the amount of such dividend payout, the Board will take into account, inter alia, the Group's financial position, retained earnings, results of operations and cash flows, the Group's expected working capital requirements, the Group's expected capital expenditure and future expansion and investment plans and other funding requirements, general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group.

## DEALINGS IN SECURITIES

The Company has adopted an internal code which prohibits dealings in the securities of the Company by Directors and officers of the Group while in possession of price-sensitive information. Under this code, the Company, Directors and employees of the Group are not permitted to deal with the securities of the Company during the period beginning two weeks and one month before the announcement of the quarterly and annual results respectively, and ending on the date of the announcement. In addition, Directors and officers are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

Directors and employees are also discouraged from dealing in the Company's securities on short-term consideration.

# CORPORATE GOVERNANCE REPORT

## DISCLOSURE OF MATERIAL CONTRACTS

Except as disclosed under Interested Person Transactions, there is no material contract entered into by the Company or any of its subsidiaries involving the interests of any Directors during the reporting year.

## INTERESTED PERSON TRANSACTIONS

The Company has set out procedures governing all interested person transactions to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders.

Disclosure according to the Rule 907 of the SGX-ST Listing Manual in respect of interested person transactions for the reporting year 2014 is stated in the following table:

| <b>Name of interested person</b>             | <b>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b><br><b>\$'000</b> | <b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</b><br><b>\$'000</b> |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WM (Dormitory) Pte Ltd <sup>(1)</sup>        | 46,800 <sup>(4)</sup>                                                                                                                                                                                                                         | NIL                                                                                                                                                                                   |
| WM (Kaki Bukit) Pte Ltd <sup>(2)</sup>       | 94,279 <sup>(5)</sup>                                                                                                                                                                                                                         | NIL                                                                                                                                                                                   |
| Multi-Zones Marketing Pte Ltd <sup>(3)</sup> | 111 <sup>(6)</sup>                                                                                                                                                                                                                            | NIL                                                                                                                                                                                   |

Notes:

- (1) WM (Dormitory) Pte Ltd is a joint venture partner with Wee Hur Dormitory Pte Ltd ("Wee Hur Dormitory"), a wholly-owned subsidiary of the Company in Active System Engineering Pte Ltd ("Active System"). Pursuant to Rule 916(2) of the Listing Manual, shareholders' approval is not required for an investment in a joint venture with an interested person if the risks and rewards are in proportion to the equity of each joint venture partner. Please refer to Announcement dated 23 October 2013 for more information.
- (2) WM (Kaki Bukit) Pte Ltd is a joint venture partner with Wee Hur Development Pte Ltd ("Wee Hur Development"), a wholly-owned subsidiary of the Company in Wee Hur (Woodlands 12) Pte Ltd ("Wee Hur (Woodlands 12)"). Pursuant to Rule 916(2) of the Listing Manual, shareholders' approval is not required for an investment in a joint venture with an interested person if the risks and rewards are in proportion to the equity of each joint venture partner. Please refer to Announcement dated 23 July 2014 for more information.
- (3) Multi-Zones Marketing Pte Ltd ("Multi-Zones") is a private limited company incorporated in Singapore and its board of directors includes Goh Yeow Lian, Goh Yew Tee, Goh Yeo Hwa and Goh Yew Gee (collectively, "Messrs Goh"). Messrs Goh together with their immediate family members hold 80% of the issued and paid up share capital of Multi-Zones. Please refer to Announcement dated 14 August 2014 for more information.
- (4) Pursuant to Rule 916(3) of the Listing Manual, shareholders' approval is not required for the provision of a loan to a joint venture with an interested person if the loan is extended by all joint venture partners in proportion to their equity and on the same terms. This amount comprises the following:
  - (i) a guarantee in the sum of \$37,800,000 provided by the Company in respect of a loan given to Active System. The said guarantee was given by the Company, the immediate holding company of Wee Hur Dormitory which is the joint venture partner of Active System, in proportion of Wee Hur Dormitory's shareholding in Active System on the same terms applicable to all joint venture partners of Active System. Please refer to the Announcements dated 23 July 2014 and 9 May 2014; and

# CORPORATE GOVERNANCE REPORT

- (ii) loans in the sum of \$9,000,000 given by Wee Hur Dormitory to Active System. The said loans are given by Wee Hur Dormitory, as a joint venture partner, in proportion of its shareholding in Active System and on the same terms applicable to all joint venture partners. Please refer to the Announcements dated 23 July 2014, 18 September 2014 and 28 October 2014.
- (5) Pursuant to Rule 916(2) and Rule 916(3) of the Listing Manual, shareholders' approval is not required for an investment in a joint venture with an interested person if the risks and rewards are in proportion to the equity of each joint venture partner and the provision of a loan to a joint venture with an interested person if the loan is extended by all joint venture partners in proportion to their equity and on the same terms, respectively. This amount comprises the following:
- (i) Wee Hur Development's investment of \$600,000 in the share capital of Wee Hur (Woodlands 12). The risks and rewards of the investment in Wee Hur (Woodlands 12) are in proportion to the equity of each joint venture partner. This investment comes under the exception of Rule 916(2) of the Listing Manual. Please refer to Announcement dated 23 July 2014;
- (ii) a guarantee in the sum of \$75,078,900 provided by the Company in respect of a loan given to Wee Hur (Woodlands 12). The said guarantee was given by the Company, the immediate holding company of Wee Hur Development which is the joint venture partner of Wee Hur (Woodlands 12), in proportion of Wee Hur Development's shareholding in Wee Hur (Woodlands 12) on the same terms applicable to all joint venture partners of Wee Hur (Woodlands 12). Please refer to the Announcement dated 15 August 2014; and
- (iii) a loan in the sum of \$18,600,000 given by Wee Hur Development to Wee Hur (Woodlands 12). The said loan is given by Wee Hur Development, as a joint venture partner, in proportion of its shareholding in Wee Hur (Woodlands 12) and on the same terms applicable to all joint venture partners. Please refer to the Announcement dated 29 August 2014.
- (6) a rental in the sum of \$111,300 in respect of the lease entered into by Wee Hur Construction Pte Ltd, a wholly-owned subsidiary of the Company with Multi-Zones for a period of 21 months. Please refer to the Announcement dated 14 August 2014.

The Company does not have a general shareholders' mandate pursuant to Rule 920 of the Listing Manual.

## USE OF WARRANT PROCEEDS

The Group furnishes an update on the use of the net proceeds from the warrants issued and exercise of warrants.

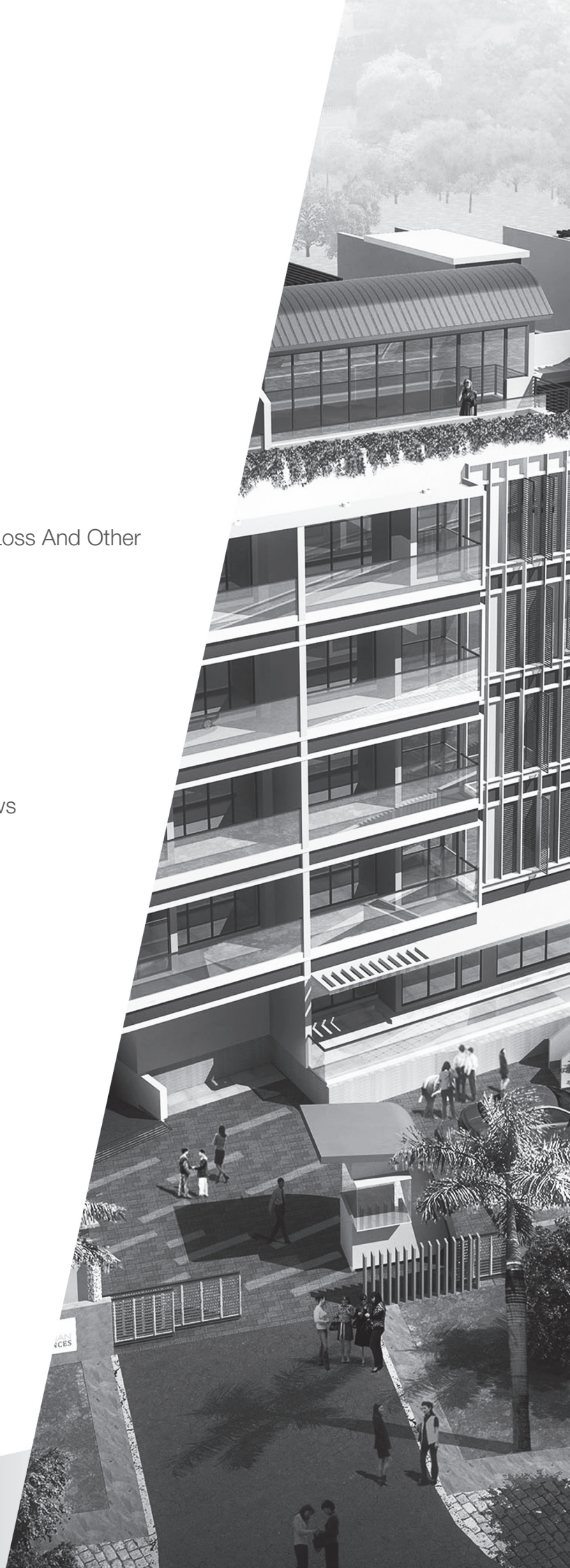
The Group has fully utilised Warrants 2014 proceeds as follows:

|     | Net Proceeds         | Amount Raised<br>\$ | Amount Utilised<br>\$ |
|-----|----------------------|---------------------|-----------------------|
| i)  | Warrants Issue       | —                   | —                     |
| ii) | Exercise of Warrants | 53,511,384          | 53,511,384            |
|     | Total                | 53,511,384          | 53,511,384*           |

\* The amount has been fully deployed to Wee Hur (Punggol Central) Pte Ltd and Active System, which are subsidiaries of the Company for the upfront payment for the acquisition of land parcels as well as working capital.

# FINANCIAL STATEMENTS

- 50** Report Of The Directors
- 58** Statement By Directors
- 59** Independent Auditor's Report
- 61** Consolidated Statement Of Profit Or Loss And Other Comprehensive Income
- 62** Statements Of Financial Position
- 63** Statements Of Changes In Equity
- 65** Consolidated Statement Of Cash Flows
- 67** Notes To The Financial Statements



# REPORT OF THE DIRECTORS

The Directors of the Company are pleased to present their report together with the audited financial statements of the Company and of the Group for the reporting year ended 31 December 2014.

## 1. Directors at Date of Report

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

*Executive Chairman and Managing Director*  
Goh Yeow Lian

*Executive Directors*  
Goh Yew Tee  
Goh Yeo Hwa

*Non-Executive Director*  
Goh Yew Gee

*Independent Directors*  
Teo Choon Kow @ William Teo  
Wong Kwan Seng Robert

## 2. Arrangements to Enable Directors to Acquire Benefits by Means of Acquisition of Shares and Debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except as disclosed in paragraphs 3 to 7 below.

## 3. Directors' Interests in Shares and Debentures

The Directors of the Company holding office at the end of the reporting year had no interests in the share capital, warrants and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as follows:

| Name of Directors and company in which interests are held | Direct interest                         |                              | Deemed interest                    |                              |
|-----------------------------------------------------------|-----------------------------------------|------------------------------|------------------------------------|------------------------------|
|                                                           | At beginning of the reporting year      | At end of the reporting year | At beginning of the reporting year | At end of the reporting year |
| <b>Wee Hur Holdings Ltd. (the Company)</b>                | <b>Number of shares of no par value</b> |                              |                                    |                              |
| Goh Yeow Lian                                             | –                                       | 3,844,000                    | 396,894,872                        | 396,894,872                  |
| Goh Yew Tee                                               | 20,720,416                              | 15,709,416                   | –                                  | –                            |
| Goh Yeo Hwa                                               | 1,010,000                               | 1,010,000                    | 36,799,257                         | 36,799,257                   |
| Goh Yew Gee                                               | 19,501,120                              | 6,490,120                    | –                                  | 10,000,000                   |
| Wong Kwan Seng Robert                                     | 225,000                                 | 225,000                      | –                                  | –                            |

Mr Goh Yeow Lian is deemed to have an interest in all the related corporations of the Company.

The Directors' interests as at 21 January 2015 were the same as those at the end of the reporting year.

# REPORT OF THE DIRECTORS

## 4. Contractual Benefits of Directors

Since the beginning of the reporting year, no Director has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Act, 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 financial statements.

There were certain transactions (shown in the financial statements under related party transactions) with corporations in which certain Directors have an interest.

## 5. Share Options

### Wee Hur Employee Share Option Scheme

The Wee Hur Employee Share Option Scheme ("Wee Hur ESOS") was approved and adopted by the shareholders of the Company at an Extraordinary General Meeting held on 19 May 2009.

The Wee Hur ESOS is administered by the following Directors (the "Committee"):

Goh Yeow Lian (Chairman)  
Teo Choon Kow @ William Teo  
Wong Kwan Seng Robert  
Goh Yew Gee  
Goh Yew Tee  
Goh Yeo Hwa

A summary of the Wee Hur ESOS is as follows:

#### (a) Background and rationale for the Wee Hur ESOS

The Wee Hur ESOS is open to a wide category of participants including Executive and Non-Executive Directors of the Company and employees. It is intended to help the Group attract, recruit and retain the services of talented senior management and employees who would be able to contribute to the Group's businesses and operations. Additionally, the Wee Hur ESOS will provide an opportunity for employees who have contributed significantly to the growth and performance of the Group, as well as Directors (including Executive and Non-Executive Directors) who satisfy the eligibility criteria to participate in the equity of the Company.

#### (b) Eligibility

Group's employees including Executive Directors and Non-Executive Directors who have attained the age of 21 years will be eligible to participate in the Wee Hur ESOS at the absolute discretion of the Committee. Each Non-Executive Director is not entitled to more than 3% of the shares available under the Wee Hur ESOS.

The Company may acquire associates in the future and accordingly, the Company has provided for the Wee Hur ESOS to be extended to Directors and key employees of its future associates (if any).

#### (c) Size of the Wee Hur ESOS

The aggregate number of shares in respect of which options may be granted on any date under the Wee Hur ESOS, when added to (i) the number of shares issued and issuable in respect of all options granted thereunder; and (ii) all shares issued and issuable pursuant to the Wee Hur PSP (See "Performance Share Plan" below), shall not exceed 15% of the number of issued shares of the Company (excluding treasury shares, if any) on the day immediately preceding the relevant date of grant.

Subject to the provisions on variation of the share capital, the total number of shares in respect of options that may be offered to a participant in accordance with the Wee Hur ESOS shall be determined at the absolute discretion of the Committee. The Company does not specify a sub-limit for the Wee Hur ESOS so as to provide for flexibility in the option structure.

# REPORT OF THE DIRECTORS

## 5. Share Options (cont'd)

### Wee Hur Employee Share Option Scheme (cont'd)

(d) Exercise price

Under the Wee Hur ESOS, the exercise price of options granted will be determined by the Committee with reference to the average of the last dealt price(s) for a share, as determined by reference to the official list or any other publication by the Singapore Exchange Securities Trading Limited ("SGXST"), for the last five consecutive market days immediately preceding the offering date of that option ("Market Price"). Options may be granted with or without a discounted exercise price. In the event that options are granted at a discount, the discount shall not exceed 20% of the Market Price and is subject to the approval of shareholders in a general meeting.

(e) Exercise of options

Options granted with the exercise price set at the Market Price shall only be exercisable by a participant after the first anniversary from the date of grant. Options granted with the exercise price set at a discount to the Market Price shall only be exercisable by a participant after the second anniversary from the date of grant. An option may be exercised in whole or in part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof) and in accordance with a vesting schedule and the conditions (if any) to be determined by the Committee on the date of grant of the respective options.

All options granted to Group's employees, pursuant to the Wee Hur ESOS, shall be exercised before the tenth anniversary of the relevant date of grant or such earlier date as may be determined by the Committee while those granted to the Non-Executive Directors shall be exercised before the fifth anniversary of the relevant date of grant or such earlier date as may be determined by the Committee. Any unexercised options shall immediately lapse and become null and void after the relevant exercise period and a participant shall have no claim against the Company.

(f) Operation of the Wee Hur ESOS

Subject to the prevailing legislation and the rules of the Listing Manual of SGXST, the Company will have the flexibility to deliver shares to participants upon exercise of options by way of:

- (i) an issue of new shares; and/or
- (ii) the transfer of treasury shares

(g) Duration of the Wee Hur ESOS

The Wee Hur ESOS shall continue to be in operation at the discretion of the Committee, subject to a maximum duration of 10 years commencing from its adoption by shareholders at the Extraordinary General Meeting, provided always that the Wee Hur ESOS may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

The Wee Hur ESOS may be terminated at any time by the Committee or by resolution of the Company in a general meeting subject to all relevant approvals which may be required, and if the Wee Hur ESOS is so terminated, no further options shall be offered by the Company hereunder.

During the reporting year, no options to take up unissued shares of the Company or any corporation in the Group were granted, and there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares of the Company or any corporation in the Group under option except for those disclosed in the above paragraphs.

# REPORT OF THE DIRECTORS

## 6. Performance Share Plan

### Wee Hur Performance Share Plan

The Wee Hur Performance Share Plan (“Wee Hur PSP”) was approved and adopted by the shareholders of the Company at an Extraordinary General Meeting held on 19 May 2009.

The Wee Hur PSP is administered by the same Committee mentioned above.

A summary of the Wee Hur PSP is as follows:

(a) Background and rationale for the Wee Hur PSP

The Wee Hur PSP is intended to increase the Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate key management employees. The Wee Hur PSP will be targeted at executives in key positions who are able to drive the growth of the Group through innovation, creativity and superior performance. Unlike the Wee Hur ESOS, the Wee Hur PSP contemplates the award of fully paid shares (“Award(s)”) to participants deemed deserving by the Committee. Awards under the Wee Hur PSP may be time-based or performance-related, and in each instance, shall vest only:

- (i) where the Award is time-based, after the satisfactory completion of time-based service conditions, that is, after the participant has served the Group for a specified number of years (such Awards being “time-based Awards”); or
- (ii) where the Award is performance-related, after the participant achieves a pre-determined performance target (such Awards being “performance-related Awards”).

A time-based Award may be granted, for example, as a supplement to the cash component of the remuneration packages of executives in key position whom the Company seeks to attract and recruit. A performance-related Award may be granted, for example, with a performance condition based on the successful completion of a project or the successful achievement of certain quantifiable performance conditions, such as sales growth or productivity enhancement.

(b) Eligibility

Group’s employees (including Executive Directors of the Company) who hold such rank as may be designated by the Committee from time to time, and have attained the age of 21 years, will be eligible to participate in the Wee Hur PSP.

Non-Executive Directors of the Group or associates (if any) will also be eligible to participate in the Wee Hur PSP.

(c) Size of the Wee Hur PSP

The aggregate number of shares which may be granted on any date under the Wee Hur PSP, when added to the number of shares issued and issuable in respect of (i) all Awards granted thereunder; and (ii) all options granted pursuant to the Wee Hur ESOS, shall not exceed 15% of the number of issued shares of the Company (excluding treasury shares) on the day immediately preceding the relevant date of grant (or such other limit as the SGXST may determine from time to time).

Subject to the provisions on variation of the share capital, the total number of shares which may be offered to a participant pursuant to the Wee Hur PSP shall be determined at the absolute discretion of the Committee.

# REPORT OF THE DIRECTORS

## 6. Performance Share Plan (cont'd)

### Wee Hur Performance Share Plan (cont'd)

#### (d) Types of Awards

Awards granted under the Wee Hur PSP will entitle participants to be allotted fully paid shares upon satisfactory completion of time-based service conditions or pre-determined performance targets, as the case may be.

The vesting period for each Award shall be determined on a case-to-case basis and will be stated in the Award letter to be given by the Committee to the participant confirming the Award. The Committee may also make an Award at any time where in its opinion a participant's performance and/or contribution justifies such Award.

#### (e) Details of Awards

The Committee shall decide, in relation to each Award to be granted to a participant under the Wee Hur PSP:

- (i) the date on which the Award is to be granted;
- (ii) the number of shares which are the subject of the Award;
- (iii) in the case of a performance-related Award, the performance period(s) during which the performance condition(s) are to be satisfied and the performance condition(s);
- (iv) the prescribed vesting period(s) which would generally be a period of up to one year following such time when the prescribed service condition(s) and/or performance condition(s) are met; and
- (v) the schedule setting out the extent to which shares will be released on satisfaction of the performance target(s) (if any).

Awards may be granted at any time the Wee Hur PSP is in force. As soon as reasonably practicable after making an Award under the Wee Hur PSP, the Committee shall send to each participant an Award letter confirming the Award and specifying, inter alia, the matters as stated above.

#### (f) Operation of the Wee Hur PSP

Subject to the prevailing legislation and the rules of the Listing Manual of SGXST, the Company will have the flexibility to deliver shares and/or cash payment to participants upon vesting of their Awards by way of:

- (i) an issue of new shares; and/or
- (ii) the transfer of treasury shares; and/or
- (iii) payment of the Equivalent Value in Cash (after deduction of any applicable taxes).

# REPORT OF THE DIRECTORS

## 6. Performance Share Plan (cont'd)

### Wee Hur Performance Share Plan (cont'd)

#### (f) Operation of the Wee Hur PSP (cont'd)

The “Equivalent Value in Cash” to be paid to a participant in lieu of the shares to be issued or transferred upon the release of an Award, shall be calculated in accordance with the following formula:

$$A = B \times C$$

Where:

A is the Equivalent Value in Cash to be paid to the participant in lieu of all or some of the shares to be issued or transferred upon the release of an Award;

B is equal to the average closing prices of shares on SGXST on each of the five consecutive market days on which transactions in shares were recorded immediately preceding the date on which an Award is released in accordance with the Rules of the Wee Hur PSP; and

C is such number of shares (as determined by the Committee in its sole and absolute discretion) to be issued or transferred to a participant upon the release of an Award in accordance with the Rules of the Wee Hur PSP.

#### (g) Duration of the Wee Hur PSP

The Wee Hur PSP shall continue to be in operation at the discretion of the Committee, subject to a maximum duration of 10 years commencing from its adoption by shareholders at the Extraordinary General Meeting, provided always that the Wee Hur PSP may continue beyond the above stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Wee Hur PSP may be terminated at any time by the Committee or by resolution of the Company in general meeting subject to all relevant approvals which may be required, and if the Wee Hur PSP is so terminated, no further Awards shall be offered by the Company hereunder.

During the reporting year, no Awards have been granted to eligible participants.

## 7. Share Capital and Warrants

On 10 November 2010, the Company announced a proposed Bonus Issue (“Warrants 2012”) of up to 240,779,250 Bonus Shares with up to 240,779,250 Bonus Warrants on the basis of one Bonus Share with one Bonus Warrant for every two existing shares held by shareholders as at the Books Closure Date, fractional entitlements to be disregarded. Warrants 2012 have expired on 25 October 2012 with 467,047 warrants lapsed for conversion.

Subsequently, the Company allotted and issued 215,886,166 of both new ordinary shares and Warrants 2014 on 23 February 2011.

# REPORT OF THE DIRECTORS

## 7. Share Capital and Warrants (cont'd)

At end of the reporting year, details of the unissued ordinary shares of the Company under Warrants 2014 are as follows:

| Date of issue | Warrants outstanding at 01.01.2014 | Warrants issued | Warrants exercised | Warrants expired | Warrants outstanding at 31.12.2014 | Date of expiration |
|---------------|------------------------------------|-----------------|--------------------|------------------|------------------------------------|--------------------|
| 23.02.2011    | 9,829,161                          | –               | 7,988,526          | 1,840,635        | –                                  | 21.02.2014*        |

\* The expiry date of Warrants 2014 on 22.02.2014 has been changed to 21.02.2014 in the Announcement being released on 20.01.2014

Each warrant entitles the warrant holder to subscribe for one new ordinary share in the Company at the exercise price of \$0.25 per share. The warrants do not entitle the holders of the warrants by virtue of such holdings to any share issue of any other company.

During the reporting year, the Company issued 7,988,526 ordinary shares at \$0.25 each to shareholders pursuant to the exercise of warrants as disclosed above. These new shares will rank pari passu in all respects with the then existing ordinary share save for any dividends, rights, allotments or other distributions, the record date for which is on or before the relevant exercise date of the warrants. Warrants 2014 issued on 23 February 2011 have expired on 21 February 2014 with 1,840,635 warrants lapsed for conversion.

During the reporting year, the Company did not purchase any treasury shares. There are 16,671,000 treasury shares as at 31 December 2014.

## 8. Independent Auditor

The independent auditor, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

## 9. Audit Committee

The members of the audit committee at the date of this report are as follows:

Teo Choon Kow @ William Teo (Chairman of audit committee)  
Wong Kwan Seng Robert (Independent Director)  
Goh Yew Gee (Non-Executive Director)

The audit committee performs the functions specified under section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan;
- Reviewed with the independent external auditor their evaluation of the Company's internal accounting controls, and their report on the financial statements and the assistance given by the management to them;
- Reviewed with the internal auditor the scope and results of the internal audit procedures;
- Reviewed the financial statements of the Group and the Company prior to their submission to the Directors of the Company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the SGXST's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the Annual Report of the Company. It also includes an explanation of how independent auditor's objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The audit committee has recommended to the Board of Directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent auditor at the next Annual General Meeting of the Company.

# REPORT OF THE DIRECTORS

## 10. Directors' Opinion on the Adequacy of Internal Controls

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditor, and reviews performed by the management and the Board, the audit committee and the Board are of the opinion that Group's internal controls, addressing financial, operational and compliance risks, are adequate for the reporting year 31 December 2014.

## 11. Subsequent Developments

There are no significant developments subsequent to the release of the Group and Company's preliminary financial statements, as announced on 27 February 2015, which would materially affect the Group and Company's operating and financial performance as of the date of this report.

On behalf of the Board of Directors

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Goh Yeow Lian  
Director

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Goh Yew Tee  
Director

27 March 2015

# STATEMENT BY DIRECTORS

In the opinion of the Directors,

- (a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto 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 31 December 2014 and of the results and cash flows of the Group and changes in equity of the Company and of the Group for the reporting 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.

The Board of Directors approved and authorised these financial statements for issue.

On behalf of the Board of Directors

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Goh Yeow Lian  
Director

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Goh Yew Tee  
Director

27 March 2015

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WEE HUR HOLDINGS LTD. (COMPANY REGISTRATION NO. 200619510K)

## Report on the Financial Statements

We have audited the accompanying financial statements of Wee Hur Holdings Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting 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, Chapter 50 (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 statement of profit or loss and other comprehensive income and statements of financial position 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WEE HUR HOLDINGS LTD. (COMPANY REGISTRATION NO. 200619510K)

## Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity 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 state of affairs of the Group and of the Company as at 31 December 2014 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the reporting 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 subsidiaries incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

27 March 2015

Partner in charge of audit: Derek How Beng Tiong  
Effective from year ended 31 December 2011

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

|                                                                                     | Notes | Group     |           |
|-------------------------------------------------------------------------------------|-------|-----------|-----------|
|                                                                                     |       | 2014      | 2013      |
|                                                                                     |       | \$'000    | \$'000    |
| <b>Revenue</b>                                                                      | 4     | 713,536   | 321,572   |
| Cost of Work Done                                                                   |       | (457,959) | (273,166) |
| <b>Gross Profit</b>                                                                 |       | 255,577   | 48,406    |
| <b><u>Other Items of Income</u></b>                                                 |       |           |           |
| Interest Income                                                                     |       | 1,607     | 1,086     |
| Rental Income                                                                       |       | 96        | 41        |
| Dividend Income                                                                     | 5     | 120       | –         |
| Other Gains                                                                         | 6     | 1,378     | 363       |
| <b><u>Other Items of Expenses</u></b>                                               |       |           |           |
| Marketing and Distribution Costs                                                    | 7     | (275)     | (379)     |
| Administrative Expenses                                                             | 8     | (39,625)  | (18,922)  |
| Finance Costs                                                                       | 9     | (2)       | (56)      |
| Other Losses                                                                        | 6     | (394)     | (43)      |
| <b>Profit Before Tax from Continuing Operations</b>                                 |       | 218,482   | 30,496    |
| Income Tax Expense                                                                  | 11    | (36,116)  | (4,842)   |
| <b>Profit from Continuing Operations, Net of Tax and Total Comprehensive Income</b> |       | 182,366   | 25,654    |
| Profit Attributable to Owners of the Parent, Net of Tax                             |       | 112,257   | 20,086    |
| Profit Attributable to Non-Controlling Interests, Net of Tax                        |       | 70,109    | 5,568     |
| <b>Profit, Net of Tax</b>                                                           |       | 182,366   | 25,654    |
| Total Comprehensive Income Attributable to Owners of the Parent                     |       | 112,257   | 20,086    |
| Total Comprehensive Income Attributable to Non-Controlling Interests                |       | 70,109    | 5,568     |
| <b>Total Comprehensive Income</b>                                                   |       | 182,366   | 25,654    |
| <b>Earnings Per Share</b>                                                           |       |           |           |
| Earnings per Share Currency Unit                                                    |       | Cents     | Cents     |
| <b>Basic</b>                                                                        | 13    | 12.23     | 2.31      |
| <b>Diluted</b>                                                                      | 13    | 12.23     | 2.25      |

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

|                                                    |       | Group   |         | Company |         |
|----------------------------------------------------|-------|---------|---------|---------|---------|
|                                                    | Notes | 2014    | 2013    | 2014    | 2013    |
|                                                    |       | \$'000  | \$'000  | \$'000  | \$'000  |
| <b>ASSETS</b>                                      |       |         |         |         |         |
| <b><u>Non-Current Assets</u></b>                   |       |         |         |         |         |
| Property, Plant and Equipment                      | 14    | 15,488  | 14,004  | –       | –       |
| Investment Property                                | 15    | 71,420  | –       | –       | –       |
| Investment in Subsidiaries                         | 16    | –       | –       | 17,645  | 17,645  |
| Investment in Associate                            | 17    | –       | –       | –       | –       |
| Deferred Tax Assets                                | 11C   | –       | 1,495   | 32      | –       |
| Other Receivables, Non-Current                     | 18A   | –       | –       | –       | –       |
| <b>Total Non-Current Assets</b>                    |       | 86,908  | 15,499  | 17,677  | 17,645  |
| <b><u>Current Assets</u></b>                       |       |         |         |         |         |
| Development Properties                             | 19    | 262,439 | 307,779 | –       | –       |
| Other Assets, Current                              | 20    | 10,763  | 23,102  | 39      | 27      |
| Trade and Other Receivables, Current               | 18B   | 106,577 | 35,603  | 42,985  | 30,792  |
| Other Financial Assets, Current                    | 21    | 14,976  | –       | 14,976  | –       |
| Cash and Cash Equivalents                          | 22    | 259,892 | 243,429 | 151,879 | 150,443 |
| <b>Total Current Assets</b>                        |       | 654,647 | 609,913 | 209,879 | 181,262 |
| <b>Total Assets</b>                                |       | 741,555 | 625,412 | 227,556 | 198,907 |
| <b>EQUITY AND LIABILITIES</b>                      |       |         |         |         |         |
| <b><u>Equity</u></b>                               |       |         |         |         |         |
| Share Capital                                      | 24    | 125,733 | 123,754 | 125,733 | 123,754 |
| Fair Value Reserve                                 | 25    | 659     | –       | –       | –       |
| Retained Earnings                                  |       | 183,282 | 89,410  | 54,132  | 16,310  |
| Warrants Reserve                                   | 26    | –       | (5)     | –       | (5)     |
| <b>Equity Attributable to Owners of the Parent</b> |       | 309,674 | 213,159 | 179,865 | 140,059 |
| Non-Controlling Interests                          |       | 29,433  | 2,936   | –       | –       |
| <b>Total Equity</b>                                |       | 339,107 | 216,095 | 179,865 | 140,059 |
| <b><u>Non-Current Liabilities</u></b>              |       |         |         |         |         |
| Deferred Tax Liabilities                           | 11C   | 6,105   | –       | –       | –       |
| Provision, Non-Current                             | 27    | 1,250   | –       | –       | –       |
| Other Financial Liabilities, Non-Current           | 28    | 115,189 | 89,708  | –       | –       |
| Other Payables, Non-Current                        | 30A   | 11,830  | –       | –       | –       |
| <b>Total Non-Current Liabilities</b>               |       | 134,374 | 89,708  | –       | –       |
| <b><u>Current Liabilities</u></b>                  |       |         |         |         |         |
| Income Tax Payable                                 |       | 31,694  | 3,014   | 184     | 105     |
| Trade and Other Payables, Current                  | 30B   | 167,293 | 125,320 | 46,507  | 58,743  |
| Other Financial Liabilities, Current               | 28    | 26,500  | 6,582   | 1,000   | –       |
| Other Liabilities, Current                         | 31    | 42,587  | 22,407  | –       | –       |
| Progress Billings Received and Receivables         | 19    | –       | 162,286 | –       | –       |
| <b>Total Current Liabilities</b>                   |       | 268,074 | 319,609 | 47,691  | 58,848  |
| <b>Total Liabilities</b>                           |       | 402,448 | 409,317 | 47,691  | 58,848  |
| <b>Total Equity and Liabilities</b>                |       | 741,555 | 625,412 | 227,556 | 198,907 |

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

|                                                                                                | Total<br>Equity<br>\$'000 | Attributable<br>to Parent<br>Sub-Total<br>\$'000 | Share<br>Capital<br>\$'000 | Retained<br>Earnings<br>\$'000 | Warrants<br>Reserve<br>\$'000 | Fair Value<br>Reserve<br>\$'000 | Non-<br>Controlling<br>Interests<br>\$'000 |
|------------------------------------------------------------------------------------------------|---------------------------|--------------------------------------------------|----------------------------|--------------------------------|-------------------------------|---------------------------------|--------------------------------------------|
| <b>Group</b>                                                                                   |                           |                                                  |                            |                                |                               |                                 |                                            |
| <b>Current Year:</b>                                                                           |                           |                                                  |                            |                                |                               |                                 |                                            |
| Opening Balance at<br>1 January 2014                                                           | 216,095                   | 213,159                                          | 123,754                    | 89,410                         | (5)                           | –                               | 2,936                                      |
| <b>Movements in Equity:</b>                                                                    |                           |                                                  |                            |                                |                               |                                 |                                            |
| Total Comprehensive Income<br>for the Year                                                     | 182,366                   | 112,257                                          | –                          | 112,257                        | –                             | –                               | 70,109                                     |
| Non-Controlling Interests<br>adjustment due to increase<br>in Investment in Subsidiaries       | 400                       | –                                                | –                          | –                              | –                             | –                               | 400                                        |
| Dividends Paid (Note 12)                                                                       | (18,385)                  | (18,385)                                         | –                          | (18,385)                       | –                             | –                               | –                                          |
| Dividends Paid by Subsidiaries                                                                 | (44,012)                  | –                                                | –                          | –                              | –                             | –                               | (44,012)                                   |
| Exercise of Warrants (net of<br>issue expenses)                                                | 1,984                     | 1,984                                            | 1,979                      | –                              | 5                             | –                               | –                                          |
| Fair Value Adjustment on<br>Interest Free Loans from<br>Non-Controlling Interests<br>(Note 25) | 659                       | 659                                              | –                          | –                              | –                             | 659                             | –                                          |
| <b>Closing Balance at<br/>31 December 2014</b>                                                 | <b>339,107</b>            | <b>309,674</b>                                   | <b>125,733</b>             | <b>183,282</b>                 | <b>–</b>                      | <b>659</b>                      | <b>29,433</b>                              |

|                                                                                          | Total<br>Equity<br>\$'000 | Attributable<br>to Parent<br>Sub-Total<br>\$'000 | Share<br>Capital<br>\$'000 | Retained<br>Earnings<br>\$'000 | Warrants<br>Reserve<br>\$'000 | Non-<br>Controlling<br>Interests<br>\$'000 |
|------------------------------------------------------------------------------------------|---------------------------|--------------------------------------------------|----------------------------|--------------------------------|-------------------------------|--------------------------------------------|
| <b>Previous Year:</b>                                                                    |                           |                                                  |                            |                                |                               |                                            |
| Opening Balance at<br>1 January 2013                                                     | 181,431                   | 183,543                                          | 77,870                     | 105,750                        | (77)                          | (2,112)                                    |
| <b>Movements in Equity:</b>                                                              |                           |                                                  |                            |                                |                               |                                            |
| Total Comprehensive Income<br>for the Year                                               | 25,654                    | 20,086                                           | –                          | 20,086                         | –                             | 5,568                                      |
| Non-Controlling Interests<br>adjustment due to increase<br>in Investment in Subsidiaries | 20                        | –                                                | –                          | –                              | –                             | 20                                         |
| Dividends Paid (Note 12)                                                                 | (36,426)                  | (36,426)                                         | –                          | (36,426)                       | –                             | –                                          |
| Dividend Paid by a Subsidiary                                                            | (540)                     | –                                                | –                          | –                              | –                             | (540)                                      |
| Exercise of Warrants (net of<br>issue expenses)                                          | 45,956                    | 45,956                                           | 45,884                     | –                              | 72                            | –                                          |
| <b>Closing Balance at<br/>31 December 2013</b>                                           | <b>216,095</b>            | <b>213,159</b>                                   | <b>123,754</b>             | <b>89,410</b>                  | <b>(5)</b>                    | <b>2,936</b>                               |

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

|                                              | <b>Total<br/>Equity</b> | <b>Share<br/>Capital</b> | <b>Retained<br/>Earnings</b> | <b>Warrants<br/>Reserve</b> |
|----------------------------------------------|-------------------------|--------------------------|------------------------------|-----------------------------|
|                                              | <b>\$'000</b>           | <b>\$'000</b>            | <b>\$'000</b>                | <b>\$'000</b>               |
| <b><u>Company</u></b>                        |                         |                          |                              |                             |
| <b>Current Year:</b>                         |                         |                          |                              |                             |
| Opening Balance at 1 January 2014            | 140,059                 | 123,754                  | 16,310                       | (5)                         |
| <b>Movements in Equity:</b>                  |                         |                          |                              |                             |
| Total Comprehensive Income for the Year      | 56,207                  | –                        | 56,207                       | –                           |
| Dividends Paid (Note 12)                     | (18,385)                | –                        | (18,385)                     | –                           |
| Exercise of Warrants (net of issue expenses) | 1,984                   | 1,979                    | –                            | 5                           |
| <b>Closing Balance at 31 December 2014</b>   | <b>179,865</b>          | <b>125,733</b>           | <b>54,132</b>                | <b>–</b>                    |
| <b>Previous Year:</b>                        |                         |                          |                              |                             |
| Opening Balance at 1 January 2013            | 109,558                 | 77,870                   | 31,765                       | (77)                        |
| <b>Movements in Equity:</b>                  |                         |                          |                              |                             |
| Total Comprehensive Income for the Year      | 20,971                  | –                        | 20,971                       | –                           |
| Dividends Paid (Note 12)                     | (36,426)                | –                        | (36,426)                     | –                           |
| Exercise of Warrants (net of issue expenses) | 45,956                  | 45,884                   | –                            | 72                          |
| <b>Closing Balance at 31 December 2013</b>   | <b>140,059</b>          | <b>123,754</b>           | <b>16,310</b>                | <b>(5)</b>                  |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

|                                                               | Group     |          |
|---------------------------------------------------------------|-----------|----------|
|                                                               | 2014      | 2013     |
|                                                               | \$'000    | \$'000   |
| <b>Cash Flows From Operating Activities</b>                   |           |          |
| Profit Before Tax                                             | 218,482   | 30,496   |
| Adjustments for:                                              |           |          |
| Interest Income                                               | (1,607)   | (1,086)  |
| Interest Expenses                                             | 2         | 56       |
| Dividend Income                                               | (120)     | –        |
| Depreciation of Property, Plant and Equipment                 | 3,836     | 3,682    |
| Depreciation of Investment Property                           | 2,987     | –        |
| Plant and Equipment Written Off                               | 83        | 16       |
| (Gain) Loss on Disposal of Plant and Equipment                | (57)      | 1        |
| Gain on Disposal on Other Financial Assets                    | (20)      | –        |
| Fair Value Losses on Other Financial Assets                   | 229       | –        |
| Foreign Exchange Adjustment Unrealised Gain                   | (39)      | –        |
| Impairment of Goodwill                                        | –         | 1        |
| <b>Operating Cash Flows Before Changes In Working Capital</b> | 223,776   | 33,166   |
| Trade and Other Receivables, Current                          | (70,978)  | 27,088   |
| Other Assets, Current                                         | 12,858    | 45,378   |
| Development Properties                                        | 47,139    | (50,742) |
| Progress Billings Received and Receivables                    | (162,286) | 57,993   |
| Trade and Other Payables, Current and Non-Current             | 38,044    | (9,690)  |
| Other Liabilities, Current                                    | 19,660    | 10,222   |
| Net Cash Flows From Operations                                | 108,213   | 113,415  |
| Income Taxes Refunded (Paid)                                  | 164       | (20,973) |
| <b>Net Cash Flows From Operating Activities</b>               | 108,377   | 92,442   |
| <b>Cash Flows From Investing Activities</b>                   |           |          |
| Proceeds from Disposal of Plant and Equipment                 | 77        | 1        |
| Purchase of Property, Plant and Equipment (Note 14)           | (5,519)   | (2,688)  |
| Purchase of Investment Property (Note 15)                     | (74,084)  | –        |
| Net Cash Inflow on Acquisition of Subsidiary (Note 37)        | –         | 14       |
| Proceeds from Disposal of Other Financial Assets              | 1,043     | –        |
| Purchase of Other Financial Assets                            | (16,156)  | –        |
| Interest Received                                             | 1,602     | 931      |
| Dividends Received                                            | 120       | –        |
| <b>Net Cash Flows Used In Investing Activities</b>            | (92,917)  | (1,742)  |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

|                                                                                                   | Group          |                 |
|---------------------------------------------------------------------------------------------------|----------------|-----------------|
|                                                                                                   | 2014           | 2013            |
|                                                                                                   | \$'000         | \$'000          |
| <b>Cash Flows From Financing Activities</b>                                                       |                |                 |
| Proceeds from Exercise of Warrants                                                                | 1,984          | 45,956          |
| Contribution from Non-Controlling Interests to Increase in Investment in Subsidiaries             | 400            | –               |
| Dividends Paid                                                                                    | (62,397)       | (36,966)        |
| Interest Paid                                                                                     | (2,047)        | (2,520)         |
| Finance Lease Repayments                                                                          | (26)           | (77)            |
| Cash Restricted in Use                                                                            | 1,000          | 2,667           |
| Increase from New Borrowings                                                                      | 105,089        | –               |
| Decrease in Borrowings                                                                            | (59,665)       | (33,861)        |
| Related Parties Loans                                                                             | 17,665         | (20,785)        |
| <b>Net Cash Flows From (Used In) Financing Activities</b>                                         | <b>2,003</b>   | <b>(45,586)</b> |
| <b>Net Increase in Cash and Cash Equivalents</b>                                                  | <b>17,463</b>  | <b>45,114</b>   |
| Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Beginning Balance                | 242,429        | 197,315         |
| <b>Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Ending Balance (Note 22A)</b> | <b>259,892</b> | <b>242,429</b>  |

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 1. General

The Company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollar and they cover the Company (referred as “parent”) and the subsidiaries.

The Board of Directors approved and authorised these financial statements for issue on the date of the Statement by Directors.

The Company is an investment holding company. It is listed on the Singapore Exchange Securities Trading Limited.

The registered office is: 39 Kim Keat Road, Wee Hur Building, Singapore 328814. The Company is situated in Singapore.

The subsidiaries held by the Company and the Group are listed in Note 16 below. The principal activities of the subsidiaries are described therein.

## 2. Summary of Significant Accounting Policies

### Accounting Convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“FRS”) and the related Interpretations to FRS (“INT FRS”) as issued by the Singapore Accounting Standards Council and the Singapore Companies Act, Chapter 50 (the “Act”). The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expenses (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS.

### Basis of Presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the Group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the Group’s ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary, it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The Company’s separate financial statements have been prepared on the same basis, and as permitted by the Act, the Company’s separate statement of profit or loss and other comprehensive income is not presented.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 2. Summary of Significant Accounting Policies (cont'd)

### Basis of Preparation of the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

### Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the ordinary activities of the entity and it is shown net of any related sales taxes, estimated returns and rebates.

### Revenue from residential development properties

INT FRS 115 (Agreement for the Construction of Real Estate) clarifies when revenue and related expenses from a sale of real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of real estate is completed. INT FRS 115 determines that contracts can only be accounted for using the percentage of completion method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work-in-progress in its current state as construction progresses.

Revenue and cost on the sale of residential development properties that meets the conditions stated under INT FRS 115 are recognised using the stage of completion method. The amount brought into the financial statements is the profits attributable to each sale contracts signed but only to the extent that it relates to the stage of completion as certified by the independent architects or quantity surveyors for the individual units sold. When losses are expected, full provision is made in the financial statements after adequate consideration has been made for estimated costs to completion. Development is considered complete upon the issue of Temporary Occupation Permit ("TOP").

### Revenue from commercial and industrial development properties

Revenue and cost on the sale of commercial and industrial development properties are recognised using the completed contract method instead of the stage of completion method.

### Construction contracts – Revenue and Results

When the outcome of a construction contract can be estimated reliably, the contract revenue and contract costs associated with the contract are recognised in profit or loss by reference to the stage of completion of the contract activity at the end of the reporting year using the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs method except where this would not be representative of the stage of completion. Contract costs consist of costs that relate directly to the specific project, costs that are attributable to contract activity in general and can be allocated to the project and such other costs as are specifically chargeable to the customer under the terms of the contract. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer. The stage of completion method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing a particular project. Recognised revenue and profits are subject to revisions during the project in the event that the assumptions regarding the overall project outcome are revised. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The construction contracts in progress have operating cycles longer than one year. The management includes in current assets amounts relating to the contracts realisable over a period in excess of one year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 2. Summary of Significant Accounting Policies (cont'd)

### Interest income

Interest income is recognised using effective interest rate method.

### Rental income

Rental income is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease terms.

### Dividend income

Dividend from equity instruments is recognised as income when the entity's right to receive payment is established.

### Employee Benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

### Income Tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense (tax benefit) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss, the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income; and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at the end of each reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and joint arrangements except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 2. Summary of Significant Accounting Policies (cont'd)

### Foreign Currency Transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At the end of each reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable, deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

### Translation of Financial Statements of Other Entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency, the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

### Borrowing Costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

### Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary 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 value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

### Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with FRS 103 Business Combinations. However, the entire carrying amount of the investment is tested under FRS 36 for impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in FRS 39 indicates that the investment may be impaired.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 2. Summary of Significant Accounting Policies (cont'd)

### Associates (cont'd)

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with FRS 39 from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the Company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate 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 value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

### Business Combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. If there is gain on bargain purchase, for the gain on bargain purchase a re-assessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this re-assessment is recognised immediately in profit or loss. For business combinations achieved in stages, any equity interest held in the acquiree is re-measured immediately before achieving control at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

### Non-Controlling Interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 2. Summary of Significant Accounting Policies (cont'd)

### Property, Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

|                                 |                                               |
|---------------------------------|-----------------------------------------------|
| Leasehold property              | Over the terms of the relevant lease at 7.69% |
| Furniture                       | 20%                                           |
| Renovation and air-conditioners | 20%                                           |
| Equipment and machinery         | 20% and 100%                                  |
| Motor vehicles                  | 10%                                           |
| Computers                       | 100%                                          |

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at the end of each reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charges for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

### Investment Property

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs, the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes, the fair values are measured periodically on a systematic basis at least once yearly by management. The annual rate of depreciation is 16.67% over the terms of the lease.

### Development Properties

Development properties are properties being constructed or developed for sale. The cost of properties under development comprises specifically identified costs, including land acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 2. Summary of Significant Accounting Policies (cont'd)

### Development Properties (cont'd)

1. 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 cost to complete the development and selling expenses.
2. Sold development properties — Revenue and costs on development properties that have been sold are recognised using the stage of completion method under FRS 11 or the completed contract method under FRS 18. When it is probable that cost of development property will exceed sale proceeds of the development property, the expected loss is recognised as an expense immediately.

The development properties in progress have operating cycles longer than one year. The management includes in current assets amounts relating to the development properties in progress realisable over a period in excess of one year.

### Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at the end of each reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At the end of each reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, as if no impairment loss had been recognised.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 2. Summary of Significant Accounting Policies (cont'd)

### Financial Assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: Assets are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading assets) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to assets at fair value through profit or loss are recognised directly in profit or loss.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically, trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at end of the reporting year, there were no financial assets classified in this category.
4. Available-for-sale financial assets: As at end of the reporting year, there were no financial assets classified in this category.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 2. Summary of Significant Accounting Policies (cont'd)

### Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Other financial assets and financial liabilities at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the statement of cash flows.

### Financial Liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expired. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts, if significant, are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37; and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.
2. Other financial liabilities: All liabilities, which have not been classified as in the previous category, fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

### Classification of equity and liabilities

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Equity instruments are contracts that give a residual interest in the net assets of the reporting entity. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 2. Summary of Significant Accounting Policies (cont'd)

### Treasury shares

Where the entity re-acquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, re-issued or disposed off. Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

### Fair Value Measurements

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risks. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 2. Summary of Significant Accounting Policies (cont'd)

### Segment Reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the management in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

### Warrants

The proceeds received from the subscription price for the issue of warrants, net of direct issue expenses are credited to the warrants reserve. As and when the warrants are exercised, the subscription price for the warrants exercised will be transferred from warrants reserve to share capital. Upon the expiry of the warrants, the balance of the warrants reserve representing the net proceeds from the issue of the warrants not exercised, will be transferred to retained earnings.

### Government Grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income. The interest saved from government loans is regarded as additional government grant.

### Critical Judgements, Assumptions and Estimation Uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

#### Construction contracts:

On construction contracts, revenue are recorded on the stage of completion basis. The stage of completion is determined by dividing the cumulative costs incurred as at end of the reporting period by the sum of incurred costs and anticipated costs for completing a contract. The stage of completion is then applied to the contract value to determine the cumulative revenue earned. This method of revenue recognition requires management to prepare cost estimates to complete contracts in progress, and in making such estimates, judgements are required to evaluate contingencies such as potential variances in scheduling, cost of materials, labour costs and productivity, the impact of change orders or liability claims. All known or anticipated losses based on these estimates are provided for in their entirety without regard to the stage of completion. Estimated revenue on contracts include future revenue from claims when such additional revenue can be reliably established. These estimates are based on management's business practices as well as its historical experience, and management regularly reviews underlying estimates of project profitability. Revenue from contracts is recognised on the stage of completion method the outcome of the contract can be estimated reliably. Recognised revenue and profits are subject to revisions during the project in the event that the assumptions regarding the overall project outcome are revised. Current sales and profit estimates for projects may materially change due to the early stage of a long-term project, new technology, changes in the project scope, changes in costs, changes in timing, changes in customers' plans, realisation of penalties, and other corresponding factors.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 2. Summary of Significant Accounting Policies (cont'd)

### Critical Judgements, Assumptions and Estimation Uncertainties (cont'd)

Net realisable value of development properties held for sale:

A review is made on inventory of development properties held for sale for declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the development properties. In any case, the net realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. Estimating the net realisable value requires management to make an estimate of the expected selling price of the unsold development properties based on recent transactions or open market-based measurements of the unsold units. The related amounts are disclosed in the note on development properties.

For development properties in the process of development accounted under the stage of completion method, the method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing a particular project. Recognised revenue and profits are subject to revisions during the contract in the event that the assumptions regarding the overall contract outcome are revised. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. The related amounts are disclosed in the note on development properties.

Allowance for doubtful trade receivables:

An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible, impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the note on trade and other receivables.

Income tax amounts:

The entity recognises tax liabilities and assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management's judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically re-assessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

Property, plant and equipment:

An assessment is made at the end of the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units, if applicable, is measured based on the fair value less cost of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the class of assets at the end of the reporting year affected by the assumption is \$15,488,000 (2013: \$14,004,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 2. Summary of Significant Accounting Policies (cont'd)

### Critical Judgements, Assumptions and Estimation Uncertainties (cont'd)

Useful lives of plant and equipment:

The estimates for the useful lives and related depreciation charges for plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions.

The depreciation charge is increased where useful lives are less than previously estimated useful lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the class of assets at the end of the reporting year affected by the assumption is approximately \$9,995,000 (2013: \$7,923,000).

Term of lease of investment property:

The annual rate of depreciation for investment property is charged over the term of the lease. There is leasehold property with carrying value of \$71,420,000 (2013: NIL) with a lease term of three years and with an option to renew for a further three years. The leasehold property has been depreciated on the assumption that the Group will exercise the option to extend the lease by another three years.

## 3. Related Party Relationships and Transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The ultimate controlling party is Mr Goh Yeow Lian.

### 3A. Related companies

There are transactions and arrangements between the reporting entity and members of the Group and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees, no interest or charge is imposed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

### 3B. Related parties other than related companies

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any non-current balances and financial guarantees, no interest or charge is imposed unless stated otherwise.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 3. Related Party Relationships and Transactions (cont'd)

### 3B. Related parties other than related companies (cont'd)

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

|                                                     | <b>Group</b>                 |               |
|-----------------------------------------------------|------------------------------|---------------|
|                                                     | <b>Other related parties</b> |               |
|                                                     | <b>2014</b>                  | <b>2013</b>   |
|                                                     | <b>\$'000</b>                | <b>\$'000</b> |
| Dormitory management fee expenses <sup>#a</sup>     | 1,157                        | —             |
| Other related party payables forgiven <sup>#b</sup> | (632)                        | —             |
| Project management fee expenses <sup>#c</sup>       | 342                          | 342           |
| Rental income <sup>#a &amp; #d</sup>                | (1,317)                      | (26)          |

#a. The other related party, TS Management Services Pte. Ltd., and a subsidiary have common directors who have significant influence and common shareholders.

#b. The other related party, Lucrum@Thomson Limited, and a subsidiary have common directors who have significant influence and common shareholders.

#c. The other related party, ZACD International Pte. Ltd., and a subsidiary have common director who have significant influence and common shareholder.

#d. The other related party, Multi-Zones Marketing Pte Ltd, and a subsidiary have common directors who have significant influence and common shareholders.

### 3C. Key management compensation

Key management personnel include the Directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly and their remuneration are as follows:

|                                                       | <b>Group</b>  |               |
|-------------------------------------------------------|---------------|---------------|
|                                                       | <b>2014</b>   | <b>2013</b>   |
|                                                       | <b>\$'000</b> | <b>\$'000</b> |
| Salaries and other short-term employee benefits       | 18,296        | 5,030         |
| Employer's contributions to defined contribution plan | 123           | 104           |
|                                                       | <u>18,419</u> | <u>5,134</u>  |

The above amounts are included under employee benefits expenses. Included in the above amounts are the following items:

|                                          | <b>Company</b> |               |
|------------------------------------------|----------------|---------------|
|                                          | <b>2014</b>    | <b>2013</b>   |
|                                          | <b>\$'000</b>  | <b>\$'000</b> |
| Remuneration of Directors of the Company | 15,960         | 3,207         |
| Fees to Directors of the Company         | 180            | 180           |
|                                          | <u>16,140</u>  | <u>3,387</u>  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 3. Related Party Relationships and Transactions (cont'd)

### 3C. Key management compensation (cont'd)

The remuneration of Directors and key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

Compensations paid to close family members of Directors:

|                                                       | Group        |            |
|-------------------------------------------------------|--------------|------------|
|                                                       | 2014         | 2013       |
|                                                       | \$'000       | \$'000     |
| Salaries and other short-term employee benefits       | 939          | 799        |
| Employer's contributions to defined contribution plan | 94           | 85         |
|                                                       | <u>1,033</u> | <u>884</u> |

### 3D. Other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other payables to related parties are as follows:

|                                                                        | Group                 |               |
|------------------------------------------------------------------------|-----------------------|---------------|
|                                                                        | Other related parties |               |
|                                                                        | 2014                  | 2013          |
|                                                                        | \$'000                | \$'000        |
| Balance at beginning of the year                                       | 28,635                | 49,420        |
| Loans                                                                  | 18,400                | 4,800         |
| Settlements                                                            | (103)                 | (25,585)      |
| Other related party payables forgiven                                  | (632)                 | –             |
| Unwinding of imputed interests                                         | 89                    | –             |
| Fair value adjustment on interest free loans                           | (659)                 | –             |
| Amounts paid in and settlement of liabilities on behalf of the Company | 411                   | –             |
| Balance at end of the year                                             | <u>46,141</u>         | <u>28,635</u> |

## 4. Revenue

|                                                                          | Group          |                |
|--------------------------------------------------------------------------|----------------|----------------|
|                                                                          | 2014           | 2013           |
|                                                                          | \$'000         | \$'000         |
| Amount recognised from construction contracts                            | 99,707         | 211,016        |
| Sale of development properties (recognised on completed contract basis)  | 349,443        | –              |
| Sale of development properties (recognised on stage of completion basis) | 259,736        | 110,556        |
| Rental of dormitories                                                    | 4,650          | –              |
|                                                                          | <u>713,536</u> | <u>321,572</u> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 5. Dividend Income

|                                          | Group  |        |
|------------------------------------------|--------|--------|
|                                          | 2014   | 2013   |
|                                          | \$'000 | \$'000 |
| Dividend income from quoted corporations | 120    | –      |
|                                          | 120    | –      |

## 6. Other Gains and (Other Losses)

|                                                                                      | Group  |        |
|--------------------------------------------------------------------------------------|--------|--------|
|                                                                                      | 2014   | 2013   |
|                                                                                      | \$'000 | \$'000 |
| Bad debts written off                                                                | –      | (25)   |
| Allowance for impairment on trade receivables                                        | (7)    | –      |
| Disposal of scrap material                                                           | 92     | 172    |
| Customer deposits forfeited                                                          | 6      | –      |
| Gain (Loss) on disposal of plant and equipment                                       | 57     | (1)    |
| Plant and equipment written off                                                      | (83)   | (16)   |
| Gain on disposal of other financial assets at fair value through profit or loss, net | 20     | –      |
| Losses on other financial assets at fair value through profit or loss, net           | (229)  | –      |
| Foreign exchange adjustment unrealised loss                                          | (75)   | –      |
| Impairment of goodwill                                                               | –      | (1)    |
| Government grants                                                                    | 116    | 90     |
| Other related party payables forgiven                                                | 632    | –      |
| Other gains                                                                          | 455    | 101    |
| Net                                                                                  | 984    | 320    |
| Presented in profit or loss as:                                                      |        |        |
| Other gains                                                                          | 1,378  | 363    |
| Other losses                                                                         | (394)  | (43)   |
| Net                                                                                  | 984    | 320    |

## 7. Marketing and Distribution Costs

The major components include the following:

|                    | Group  |        |
|--------------------|--------|--------|
|                    | 2014   | 2013   |
|                    | \$'000 | \$'000 |
| Advertisements     | 56     | 20     |
| Marketing expenses | 14     | 14     |
| Commissions        | 49     | 203    |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 8. Administrative Expenses

The major components include the following:

|                                                         | Group  |        |
|---------------------------------------------------------|--------|--------|
|                                                         | 2014   | 2013   |
|                                                         | \$'000 | \$'000 |
| Professional fees                                       | 529    | 1,144  |
| Rental of premises                                      | 11,298 | 2,539  |
| Depreciation of property, plant and equipment (Note 14) | 3,836  | 3,682  |
| Employee benefits expenses                              | 21,573 | 8,820  |

## 9. Finance Costs

|                                                                                              | Group   |         |
|----------------------------------------------------------------------------------------------|---------|---------|
|                                                                                              | 2014    | 2013    |
|                                                                                              | \$'000  | \$'000  |
| Bank interest expenses                                                                       | 2,034   | 2,595   |
| Interest expenses in finance lease                                                           | –       | 2       |
| Less: amounts capitalised in investment property and development properties (Note 15 and 19) | (2,032) | (2,541) |
| Total interest expenses                                                                      | 2       | 56      |

## 10. Employee Benefits Expenses

|                                                       | Group  |        |
|-------------------------------------------------------|--------|--------|
|                                                       | 2014   | 2013   |
|                                                       | \$'000 | \$'000 |
| Short-term employee benefits expenses                 | 34,742 | 24,261 |
| Employer's contributions to defined contribution plan | 857    | 1,011  |
|                                                       | 35,599 | 25,272 |
| Presented in profit or loss as:                       |        |        |
| Cost of work done                                     | 14,026 | 16,452 |
| Administrative expenses                               | 21,573 | 8,820  |
| Total                                                 | 35,599 | 25,272 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 11. Income Tax

### 11A. Components of tax expense (benefit) recognised in profit or loss

|                                                         | Group   |        |
|---------------------------------------------------------|---------|--------|
|                                                         | 2014    | 2013   |
|                                                         | \$'000  | \$'000 |
| <u>Current tax expense:</u>                             |         |        |
| Current tax expense                                     | 31,693  | 3,014  |
| Adjustments to tax in respect of prior periods          | (1,042) | (383)  |
| Subtotal                                                | 30,651  | 2,631  |
| <u>Deferred tax expense:</u>                            |         |        |
| Deferred tax expense                                    | 5,405   | 2,207  |
| Adjustments to deferred tax in respect of prior periods | 60      | 4      |
| Subtotal                                                | 5,465   | 2,211  |
| Total income tax expense                                | 36,116  | 4,842  |

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2013: 17%) to profit or loss before tax as a result of the following differences:

|                                                         | Group   |        |
|---------------------------------------------------------|---------|--------|
|                                                         | 2014    | 2013   |
|                                                         | \$'000  | \$'000 |
| Profit before tax                                       | 218,482 | 30,496 |
| Income tax expense at 17%                               | 37,142  | 5,184  |
| Effect of different tax rates in different countries    | (3)     | –      |
| Expenses not deductible for tax purposes                | 215     | 182    |
| Tax exemptions                                          | (249)   | (164)  |
| Adjustments to tax in respect of prior periods          | (1,042) | (383)  |
| Adjustments to deferred tax in respect of prior periods | 60      | 4      |
| Prior year provision utilised                           | (18)    | –      |
| Other minor items less than 3% each                     | 11      | 19     |
|                                                         | 36,116  | 4,842  |

There are no income tax consequences of dividends to owners of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 11. Income Tax (cont'd)

### 11B. Deferred tax recognised in profit or loss

|                                                                                              | Group   |         |
|----------------------------------------------------------------------------------------------|---------|---------|
|                                                                                              | 2014    | 2013    |
|                                                                                              | \$'000  | \$'000  |
| Excess of net book value of plant and equipment over tax values                              | (377)   | 58      |
| Unrealised profit - intragroup                                                               | (102)   | (644)   |
| Marketing expenses                                                                           | 2,219   | –       |
| Deferred income                                                                              | 32      | 24      |
| Provisions                                                                                   | (1,648) | (1,157) |
| Profits recognised on residential development properties based on stage of completion method | 11,285  | 4,763   |
| Foreign exchange adjustment unrealised loss                                                  | 7       | –       |
| Changes in fair value of other financial assets                                              | (39)    | –       |
| Tax losses carryforwards                                                                     | (5,912) | (833)   |
| Total deferred tax recognised in profit or loss                                              | 5,465   | 2,211   |

### 11C. Deferred tax balance in the statements of financial position

|                                                                                              | Group    |         | Company |        |
|----------------------------------------------------------------------------------------------|----------|---------|---------|--------|
|                                                                                              | 2014     | 2013    | 2014    | 2013   |
|                                                                                              | \$'000   | \$'000  | \$'000  | \$'000 |
| <u>Deferred tax liabilities:</u>                                                             |          |         |         |        |
| Excess of net book value of plant and equipment over tax values                              | 532      | 909     | –       | –      |
| Profits recognised on residential development properties based on stage of completion method | 16,391   | 5,106   | –       | –      |
| Deferred income                                                                              | 56       | 24      | –       | –      |
| Foreign exchange adjustment unrealised loss                                                  | 7        | –       | 7       | –      |
| Total deferred tax liabilities                                                               | 16,986   | 6,039   | 7       | –      |
| <u>Deferred tax assets:</u>                                                                  |          |         |         |        |
| Unrealised profit - intragroup                                                               | (897)    | (795)   | –       | –      |
| Provisions                                                                                   | (3,426)  | (1,778) | –       | –      |
| Marketing expenses                                                                           | (64)     | (2,283) | –       | –      |
| Changes in fair value of other financial assets                                              | (39)     | –       | (39)    | –      |
| Tax losses carryforwards                                                                     | (6,455)  | (2,678) | –       | –      |
| Total deferred tax assets                                                                    | (10,881) | (7,534) | (39)    | –      |
| Net total of deferred tax assets                                                             | 6,105    | (1,495) | (32)    | –      |
| Presented in the statements of financial position:                                           |          |         |         |        |
| Deferred tax liabilities (assets)                                                            | 6,105    | (1,495) | (32)    | –      |

It is impracticable to estimate the amount expected to be settled or used within one year.

The realisation of the future income tax benefits from tax losses carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 12. Dividends on Equity Shares

|                                           | Rate per share |      | Group and Company |        |
|-------------------------------------------|----------------|------|-------------------|--------|
|                                           | 2014           | 2013 | 2014              | 2013   |
|                                           | \$             | \$   | \$'000            | \$'000 |
| Final tax exempt (1-tier) dividend paid   | 0.01           | 0.01 | 9,192             | 9,106  |
| Special tax exempt (1-tier) dividend paid | –              | 0.02 | –                 | 18,212 |
| Interim tax exempt (1-tier) dividend paid | 0.01           | 0.01 | 9,193             | 9,108  |
| Total dividends paid in the year          | 0.02           | 0.04 | 18,385            | 36,426 |

In respect of the current reporting year, the Directors propose that a final dividend of 1 cent per ordinary share and special dividend of 1 cent per ordinary share to be paid to shareholders after the forthcoming Annual General Meeting. There are no income tax consequences. These dividends are subject to approval by shareholders at the next Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividends for 2014 are payable in respect of all ordinary shares in issue up to the date the dividends become payable.

## 13. Earnings Per Share

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share of no par value:

|    |                                                        | Group    |          |
|----|--------------------------------------------------------|----------|----------|
|    |                                                        | 2014     | 2013     |
|    |                                                        | \$'000   | \$'000   |
| A. | Numerators: earnings attributable to equity:           |          |          |
|    | Continuing operations: attributable to equity holders  | 112,257  | 20,086   |
| B. | Total basic earnings                                   | 112,257  | 20,086   |
| C. | Diluted earnings                                       | 112,257  | 20,086   |
| D. | Denominators: weighted average number of equity shares | No: '000 | No: '000 |
|    | Basic                                                  | 918,134  | 870,022  |
|    | Dilutive share warrants effect                         | –        | 22,729   |
| E. | Diluted                                                | 918,134  | 892,751  |
|    | Basic earnings per share - cents                       | 12.23    | 2.31     |
|    | Diluted earnings per share - cents                     | 12.23    | 2.25     |

The weighted average number of equity shares refers to shares in circulation during the reporting year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 14. Property, Plant and Equipment

| Group                     | Leasehold<br>property<br>\$'000 | Furniture<br>\$'000 | Renovation<br>and air-<br>conditioners<br>\$'000 | Equipment<br>and<br>machinery<br>\$'000 | Motor<br>vehicles<br>\$'000 | Computers<br>\$'000 | Total<br>\$'000 |
|---------------------------|---------------------------------|---------------------|--------------------------------------------------|-----------------------------------------|-----------------------------|---------------------|-----------------|
| Cost:                     |                                 |                     |                                                  |                                         |                             |                     |                 |
| At 1 January 2013         | 5,523                           | 283                 | 382                                              | 15,798                                  | 517                         | 911                 | 23,414          |
| Additions                 | 1,065                           | 283                 | 434                                              | 846                                     | –                           | 60                  | 2,688           |
| Written off               | –                               | –                   | –                                                | (29)                                    | –                           | (3)                 | (32)            |
| Disposals                 | –                               | –                   | –                                                | –                                       | (17)                        | –                   | (17)            |
| Transfers                 | –                               | –                   | –                                                | (478)                                   | 478                         | –                   | –               |
| At 31 December 2013       | 6,588                           | 566                 | 816                                              | 16,137                                  | 978                         | 968                 | 26,053          |
| Additions                 | –                               | 2,593               | 351                                              | 1,753                                   | 190                         | 632                 | 5,519           |
| Written off               | –                               | –                   | –                                                | (423)                                   | –                           | –                   | (423)           |
| Disposals                 | –                               | –                   | –                                                | (3)                                     | (294)                       | –                   | (297)           |
| Adjustment                | (96)                            | –                   | –                                                | –                                       | –                           | –                   | (96)            |
| At 31 December 2014       | 6,492                           | 3,159               | 1,167                                            | 17,464                                  | 874                         | 1,600               | 30,756          |
| Accumulated depreciation: |                                 |                     |                                                  |                                         |                             |                     |                 |
| At 1 January 2013         | –                               | 272                 | 352                                              | 6,631                                   | 378                         | 765                 | 8,398           |
| Depreciation for the year | 507                             | 28                  | 40                                               | 2,894                                   | 34                          | 179                 | 3,682           |
| Written off               | –                               | –                   | –                                                | (12)                                    | –                           | (4)                 | (16)            |
| Disposals                 | –                               | –                   | –                                                | –                                       | (15)                        | –                   | (15)            |
| Transfers                 | –                               | –                   | –                                                | (322)                                   | 322                         | –                   | –               |
| At 31 December 2013       | 507                             | 300                 | 392                                              | 9,191                                   | 719                         | 940                 | 12,049          |
| Depreciation for the year | 492                             | 170                 | 114                                              | 2,837                                   | 44                          | 179                 | 3,836           |
| Written off               | –                               | –                   | –                                                | (340)                                   | –                           | –                   | (340)           |
| Disposals                 | –                               | –                   | –                                                | (2)                                     | (275)                       | –                   | (277)           |
| At 31 December 2014       | 999                             | 470                 | 506                                              | 11,686                                  | 488                         | 1,119               | 15,268          |
| Net book value:           |                                 |                     |                                                  |                                         |                             |                     |                 |
| At 1 January 2013         | 5,523                           | 11                  | 30                                               | 9,167                                   | 139                         | 146                 | 15,016          |
| At 31 December 2013       | 6,081                           | 266                 | 424                                              | 6,946                                   | 259                         | 28                  | 14,004          |
| At 31 December 2014       | 5,493                           | 2,689               | 661                                              | 5,778                                   | 386                         | 481                 | 15,488          |

The depreciation expenses are charged under administrative costs. Certain item is under finance lease agreement which has been fully repaid during the reporting year (Note 29).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 15. Investment Property

|                           | Group  |        |
|---------------------------|--------|--------|
|                           | 2014   | 2013   |
|                           | \$'000 | \$'000 |
| <u>Dormitory</u>          |        |        |
| Cost:                     |        |        |
| At beginning of the year  | –      | –      |
| Addition                  | 74,407 | –      |
| At end of the year        | 74,407 | –      |
| Accumulated depreciation: |        |        |
| At beginning of the year  | –      | –      |
| Depreciation for the year | 2,987  | –      |
| At end of the year        | 2,987  | –      |
| Net book value:           |        |        |
| At beginning of the year  | –      | –      |
| At end of the year        | 71,420 | –      |

|                                                                                                           | Group  |        |
|-----------------------------------------------------------------------------------------------------------|--------|--------|
|                                                                                                           | 2014   | 2013   |
|                                                                                                           | \$'000 | \$'000 |
| Rental and service income from investment property                                                        | 4,650  | –      |
| Direct operating expenses arising from investment property that generated rental income during the period | 7,107  | –      |

Borrowing costs included in the investment property is as follows:

|                                                                   | Group  |        |
|-------------------------------------------------------------------|--------|--------|
|                                                                   | 2014   | 2013   |
|                                                                   | \$'000 | \$'000 |
| Borrowing costs capitalised included in additions during the year | 323    | –      |
| Accumulated borrowing costs capitalised                           | 323    | –      |

|                      | Group          |           |
|----------------------|----------------|-----------|
|                      | 2014           | 2013      |
|                      | Per annum      | Per annum |
| Capitalisation rates | 2.11% to 2.39% | –         |

The investment property is mortgaged for credit facilities granted to the Group (Note 28C).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 16. Investment in Subsidiaries

|                                                                 | Company |        |
|-----------------------------------------------------------------|---------|--------|
|                                                                 | 2014    | 2013   |
|                                                                 | \$'000  | \$'000 |
| Cost at beginning of the year                                   | 17,645  | 17,714 |
| Additions                                                       | N.M.    | N.M.   |
| Fair value adjustment on interest free loan due from subsidiary | –       | (69)   |
| Cost at end of the year                                         | 17,645  | 17,645 |

The information on the subsidiaries are given below.

### 16A. Wholly-owned subsidiaries

| Name of subsidiary                                                                     | Principal activities                                | Effective percentage of equity held by Group |      | Cost in books of Company |        |
|----------------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------|------|--------------------------|--------|
|                                                                                        |                                                     | 2014                                         | 2013 | 2014                     | 2013   |
|                                                                                        |                                                     | %                                            | %    | \$'000                   | \$'000 |
| <b><u>Held by the Company</u></b>                                                      |                                                     |                                              |      |                          |        |
| Wee Hur Construction Pte Ltd                                                           | General building and civil engineering construction | 100                                          | 100  | 15,110                   | 15,110 |
| Wee Hur Development Pte. Ltd.                                                          | Investment holding                                  | 100                                          | 100  | 1,000                    | 1,000  |
| Wee Hur Dormitory Pte. Ltd. <sup>#a</sup>                                              | Investment holding                                  | 100                                          | 100  | –                        | –      |
| Wee Hur International Pte. Ltd.<br>(incorporated on 23 July 2014) <sup>#b</sup>        | Investment holding                                  | 100                                          | –    | –                        | –      |
| <b><u>Held through Wee Hur Development Pte. Ltd.</u></b>                               |                                                     |                                              |      |                          |        |
| Wee Hur (Woodlands) Pte. Ltd.                                                          | Property development                                | 100                                          | 100  |                          |        |
| Wee Hur (Paya Lebar) Pte. Ltd.                                                         | Property development                                | 100                                          | 100  |                          |        |
| Wee Hur (Kim Keat) Pte. Ltd.                                                           | Property development                                | 100                                          | 100  |                          |        |
| Wee Hur (Downtown) Pte. Ltd.<br>(incorporated on 26 June 2014) <sup>#b &amp; #f</sup>  | Investment property                                 | 100                                          | –    |                          |        |
| <b><u>Held through Wee Hur (Downtown) Pte. Ltd.</u></b>                                |                                                     |                                              |      |                          |        |
| Wee Hur Australia Pty Ltd<br>(incorporated on 24 November 2014) <sup>#b &amp; #c</sup> | Investment holding                                  | 100                                          | –    |                          |        |
| Wee Hur (Buranda) Pty Ltd<br>(incorporated on 24 November 2014) <sup>#b &amp; #c</sup> | Property development                                | 100                                          | –    |                          |        |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 16. Investment in Subsidiaries (cont'd)

### 16B. Subsidiaries with non-controlling interests

| Name of subsidiary                                                 | Principal activities                           | Effective percentage of equity held by Group |      |
|--------------------------------------------------------------------|------------------------------------------------|----------------------------------------------|------|
|                                                                    |                                                | 2014                                         | 2013 |
|                                                                    |                                                | %                                            | %    |
| <b><u>Held through Wee Hur Development Pte. Ltd.</u></b>           |                                                |                                              |      |
| Villas@Gilstead Pte. Ltd. <sup>#d</sup>                            | Property development                           | 70                                           | 70   |
| Wee Hur (Kaki Bukit) Pte. Ltd.                                     | Property development                           | 60                                           | 60   |
| Wee Hur (Punggol Central) Pte. Ltd.                                | Property development                           | 65                                           | 65   |
| Wee Hur-Lucrum Pte. Ltd. <sup>#e</sup>                             | Property development                           | 51                                           | 51   |
| Wee Hur (Woodlands 12) Pte. Ltd.<br>(incorporated on 21 July 2014) | Property development                           | 60                                           | —    |
| <b><u>Held through Wee Hur Dormitory Pte. Ltd.</u></b>             |                                                |                                              |      |
| Active System Engineering Pte. Ltd.                                | Build and operate foreign workers' dormitories | 60                                           | 60   |

All of the subsidiaries are audited by RSM Chio Lim LLP, Singapore unless otherwise stated. All the subsidiaries are incorporated and operate in Singapore unless otherwise stated.

#a: Cost of investment is less than \$1,000.

#b: Cost of investment is less than \$1,000 and not audited as it is not material.

#c: Incorporated in Australia.

#d: In the process of applying for voluntary liquidation.

#e: In the process of applying for strike off.

#f: All the shares in Wee Hur (Downtown) Pte. Ltd. was transferred from Wee Hur Development Pte. Ltd. to Wee Hur International Pte. Ltd. on 24 March 2015.

N.M.: Not material

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 16. Investment in Subsidiaries (cont'd)

### 16B. Subsidiaries with non-controlling interests (cont'd)

There are subsidiaries with non-controlling interests ("NCI") that are considered material to the reporting entity and additional disclosures on them (amounts before inter-company eliminations) are presented below.

|                                                                                                                                                                                       | Group   |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
|                                                                                                                                                                                       | 2014    | 2013    |
|                                                                                                                                                                                       | \$'000  | \$'000  |
| <b>Wee Hur (Punggol Central) Pte. Ltd.</b>                                                                                                                                            |         |         |
| #1. The profit allocated to NCI of the subsidiary during the reporting year                                                                                                           | 21,045  | 7,044   |
| #2. Accumulated NCI of the subsidiary at the end of the reporting year                                                                                                                | 25,850  | 4,805   |
| #3. The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the Group and amounts before inter-company eliminations) is as follows: |         |         |
| Current assets                                                                                                                                                                        | 214,568 | 178,932 |
| Current liabilities                                                                                                                                                                   | 89,185  | 72,903  |
| Non-current liabilities                                                                                                                                                               | 51,526  | 92,302  |
| Revenue                                                                                                                                                                               | 244,595 | 86,817  |
| Profit for the reporting year                                                                                                                                                         | 60,130  | 20,126  |
| Total comprehensive income                                                                                                                                                            | 60,130  | 20,126  |
| Operating cash flows, increase                                                                                                                                                        | 45,028  | 29,621  |
| Net cash flows, (decrease) increase                                                                                                                                                   | (9,380) | 805     |

|                                                                                                                                                                                       | Group   |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
|                                                                                                                                                                                       | 2014    | 2013    |
|                                                                                                                                                                                       | \$'000  | \$'000  |
| <b>Wee Hur (Kaki Bukit) Pte. Ltd.</b>                                                                                                                                                 |         |         |
| #1. The profit (loss) allocated to NCI of the subsidiary during the reporting year                                                                                                    | 53,215  | (9)     |
| #2. Accumulated NCI of the subsidiary at the end of the reporting year                                                                                                                | 8,494   | (720)   |
| #3. The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the Group and amounts before inter-company eliminations) is as follows: |         |         |
| Dividends paid to NCI                                                                                                                                                                 | 44,000  | —       |
| Current assets                                                                                                                                                                        | 57,707  | 177,196 |
| Non-current assets                                                                                                                                                                    | 188     | 583     |
| Current liabilities                                                                                                                                                                   | 36,659  | 179,580 |
| Revenue                                                                                                                                                                               | 349,443 | —       |
| Profit (loss) for the reporting year                                                                                                                                                  | 133,037 | (22)    |
| Total comprehensive income (loss)                                                                                                                                                     | 133,037 | (22)    |
| Operating cash flows, increase                                                                                                                                                        | 113,404 | 11,473  |
| Net cash flows, (decrease) increase                                                                                                                                                   | (9,567) | 2,044   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 17. Investment in Associate

|                                  | Group  |        |
|----------------------------------|--------|--------|
|                                  | 2014   | 2013   |
|                                  | \$'000 | \$'000 |
| Balance at beginning of the year | –      | –      |
| Addition                         | N.M.   | –      |
| Total at end of the year         | –      | –      |

The information on the associate is given below.

| Name of Associate, Country of Incorporation and Place of Operation,<br>and Principal Activity                            | Effective percentage of<br>equity held by Group |      |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|------|
|                                                                                                                          | 2014                                            | 2013 |
|                                                                                                                          | %                                               | %    |
| Huihe International Investment Pte. Ltd. (associate from 19 August 2014),<br>Singapore, Investment Holding <sup>#a</sup> | 37                                              | –    |

#a. Cost of investment is less than \$1,000 and not audited as it is not material.

N.M.: Not material

## 18. Trade and Other Receivables

### 18A. Other Receivables, Non-Current

|                                                                 | Company |         |
|-----------------------------------------------------------------|---------|---------|
|                                                                 | 2014    | 2013    |
|                                                                 | \$'000  | \$'000  |
| Loan receivable from subsidiary (Note 3)                        | –       | –       |
| Movements during the year:                                      |         |         |
| Balance at beginning of the year                                | –       | 11,554  |
| Settlements                                                     | –       | (4,300) |
| Unwinding of imputed interest                                   | –       | 107     |
| Fair value adjustment on interest free loan due from subsidiary | –       | 69      |
| Transfer to current assets                                      | –       | (7,430) |
| Balance at end of the year                                      | –       | –       |

The loan was subordinated to a non-current bank term loan of a subsidiary in the reporting year 2012. The bank term loan of the subsidiary had been reclassified to current (Note 28D) in the reporting year 2013. Accordingly, the above receivable was reclassified to current in the reporting year 2013. Interest was imputed at 1.62% per annum repriced semi-annually for cash flow discounting purposes.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 18. Trade and Other Receivables (cont'd)

### 18B. Trade and Other Receivables, Current

|                                                        | Group   |        | Company |        |
|--------------------------------------------------------|---------|--------|---------|--------|
|                                                        | 2014    | 2013   | 2014    | 2013   |
|                                                        | \$'000  | \$'000 | \$'000  | \$'000 |
| <u>Trade receivables:</u>                              |         |        |         |        |
| Outside parties                                        | 88,181  | 19,985 | 12      | 2      |
| Less: allowance for impairment                         | (7)     | –      | –       | –      |
|                                                        | 88,174  | 19,985 | 12      | 2      |
| Other related parties (Note 3)                         | 343     | –      | –       | –      |
| Subsidiaries (Note 3)                                  | –       | –      | 7,041   | 1,905  |
| Retention sums on construction contracts (Note 23)     | 12,159  | 12,308 | –       | –      |
| Subtotal                                               | 100,676 | 32,293 | 7,053   | 1,907  |
| <u>Other receivables:</u>                              |         |        |         |        |
| Other related party (Note 3)                           | 5       | 5      | –       | –      |
| Subsidiaries (Note 3)                                  | –       | –      | 35,766  | 28,709 |
| Advances to staff                                      | 33      | 55     | –       | –      |
| Other receivables                                      | 5,863   | 3,250  | 166     | 176    |
| Subtotal                                               | 5,901   | 3,310  | 35,932  | 28,885 |
| Total trade and other receivables                      | 106,577 | 35,603 | 42,985  | 30,792 |
| <u>Movements in above allowance:</u>                   |         |        |         |        |
| Balance at beginning of the year                       | –       | –      | –       | –      |
| Allowance for impairment on trade receivables (Note 6) | (7)     | –      | –       | –      |
| Balance at end of the year                             | (7)     | –      | –       | –      |

Included in trade receivables is an amount of approximately \$24,573,000 (2013: \$25,046,000) which has been assigned for banking facilities granted to the Group.

## 19. Development Properties

|                                                                                              | Group     |           |
|----------------------------------------------------------------------------------------------|-----------|-----------|
|                                                                                              | 2014      | 2013      |
|                                                                                              | \$'000    | \$'000    |
| Cost of land, development and other charges and attributable profits less foreseeable losses | 533,471   | 497,682   |
| Less: progress billings received and receivables                                             | (271,032) | (352,189) |
|                                                                                              | 262,439   | 145,493   |
| Included in the accompanying statement of financial position as follows:                     |           |           |
| Development properties (Note 19A, 19B and 19C)                                               | 262,439   | 307,779   |
| Progress billings received and receivables (Note 19B)                                        | –         | (162,286) |
|                                                                                              | 262,439   | 145,493   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 19. Development Properties (cont'd)

Borrowing costs included in the development properties are as follows:

|                                                                   | Group  |        |
|-------------------------------------------------------------------|--------|--------|
|                                                                   | 2014   | 2013   |
|                                                                   | \$'000 | \$'000 |
| Borrowing costs capitalised included in additions during the year | 1,709  | 2,541  |
| Accumulated borrowing costs capitalised                           | 9,326  | 7,357  |

|                      | Group          |                |
|----------------------|----------------|----------------|
|                      | 2014           | 2013           |
|                      | Per annum      | Per annum      |
| Capitalisation rates | 1.44% to 2.18% | 1.44% to 2.14% |

The development properties are mortgaged for credit facilities granted to the Group (Note 28).

The amount of development properties expected to be recovered after 12 months amounted to \$262,439,000 (2013: \$132,467,000).

## 19A. Residential Properties under Development

|                                                                                              | Group     |           |
|----------------------------------------------------------------------------------------------|-----------|-----------|
|                                                                                              | 2014      | 2013      |
|                                                                                              | \$'000    | \$'000    |
| Cost of land, development and other charges and attributable profits less foreseeable losses | 451,116   | 339,472   |
| Less: progress billings received and receivables                                             | (271,032) | (189,903) |
|                                                                                              | 180,084   | 149,569   |
| Included in the accompanying statement of financial position as follows:                     |           |           |
| Development properties                                                                       | 180,084   | 149,569   |

The above are for standard residential properties sales in Singapore that meet the criteria for stage of completion method of accounting. Under the various mechanisms in the Singapore legal framework and the contractual rights, the buyer obtains control over the uncompleted property unit as construction progresses.

## 19B. Commercial Properties under Development

|                                                                                                             | Group  |         |
|-------------------------------------------------------------------------------------------------------------|--------|---------|
|                                                                                                             | 2014   | 2013    |
|                                                                                                             | \$'000 | \$'000  |
| Cost of land, development and other charges less foreseeable losses classified under development properties | 80,051 | 158,210 |
| Progress billings received and receivables                                                                  | —      | 162,286 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 19. Development Properties (cont'd)

### 19C. Commercial Properties - Completed

|                                      | Group  |        |
|--------------------------------------|--------|--------|
|                                      | 2014   | 2013   |
|                                      | \$'000 | \$'000 |
| Development properties held for sale | 2,304  | —      |

## 20. Other Assets, Current

|                                              | Group  |        | Company |        |
|----------------------------------------------|--------|--------|---------|--------|
|                                              | 2014   | 2013   | 2014    | 2013   |
|                                              | \$'000 | \$'000 | \$'000  | \$'000 |
| Deposits to secure services                  | 5,888  | 8,286  | —       | 4      |
| Prepayments                                  | 837    | 471    | 39      | 23     |
| Construction contracts in progress (Note 23) | 4,038  | 14,345 | —       | —      |
|                                              | 10,763 | 23,102 | 39      | 27     |

## 21. Other Financial Assets, Current

|                                                        | Group and Company |        |
|--------------------------------------------------------|-------------------|--------|
|                                                        | 2014              | 2013   |
|                                                        | \$'000            | \$'000 |
| Investments at fair value through profit or loss       | 14,976            | —      |
| Movements during the year:                             |                   |        |
| Fair value at beginning of the year                    | —                 | —      |
| Additions                                              | 16,156            | —      |
| Disposals                                              | (1,023)           | —      |
| Decrease in fair value through profit or loss (Note 6) | (229)             | —      |
| Foreign exchange adjustments                           | 72                | —      |
| Fair value at end of the year                          | 14,976            | —      |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 21. Other Financial Assets, Current (cont'd)

### 21A. Disclosures relating to investments

The information gives a summary of the significant geographical concentrations within the investment portfolio including Level 1, 2 and 3 securities:

|                                                                                                                      | Level | Group and Company |        |
|----------------------------------------------------------------------------------------------------------------------|-------|-------------------|--------|
|                                                                                                                      |       | 2014              | 2013   |
|                                                                                                                      |       | \$'000            | \$'000 |
| A1. Quoted equity shares                                                                                             |       |                   |        |
| <u>Based on Country</u>                                                                                              |       |                   |        |
| France                                                                                                               | 1     | 79                | —      |
| United States of America                                                                                             | 1     | 1,018             | —      |
| Hong Kong                                                                                                            | 1     | 281               | —      |
| Singapore                                                                                                            | 1     | 338               | —      |
| Germany                                                                                                              | 1     | 86                | —      |
| Subtotal                                                                                                             |       | 1,802             | —      |
| A2. Quoted bonds in corporations with variable rates from 5.0% to 6.5% and maturing on 11 March 2016 to 7 March 2024 |       |                   |        |
| <u>Based on Country</u>                                                                                              |       |                   |        |
| United States of America                                                                                             | 1     | 263               | —      |
| Hong Kong                                                                                                            | 1     | 252               | —      |
| Singapore                                                                                                            | 1     | 8,048             | —      |
| Subtotal                                                                                                             |       | 8,563             | —      |
| A3. Quoted mutual funds in corporations                                                                              | 1     | 4,611             | —      |
| Total investments at fair value through profit or loss                                                               |       | 14,976            | —      |

### 21B. Sensitivity analysis for price risk

There are investments in equity shares or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities.

Sensitivity analysis:

The effect is as follows:

|                                                                                                                             | Group and Company |        |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------|--------|
|                                                                                                                             | 2014              | 2013   |
|                                                                                                                             | \$'000            | \$'000 |
| A hypothetical 10% increase in the market index of quoted equity shares would have a favourable effect on pre-tax profit of | 1,498             | —      |

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 22. Cash and Cash Equivalents

|                                  | Group   |         | Company |         |
|----------------------------------|---------|---------|---------|---------|
|                                  | 2014    | 2013    | 2014    | 2013    |
|                                  | \$'000  | \$'000  | \$'000  | \$'000  |
| Not restricted in use            | 207,495 | 177,819 | 151,879 | 149,443 |
| Cash under project accounts      | 52,397  | 64,610  | –       | –       |
| Cash pledged for bank facilities | –       | 1,000   | –       | 1,000   |
| Cash at end of the year          | 259,892 | 243,429 | 151,879 | 150,443 |
| Interest earning balances        | 200,214 | 219,785 | 139,509 | 150,175 |

The rate of interest for the cash on interest earnings balances was between 0.08% and 1.22% (2013: 0.07% and 1.05%) per annum.

Included in cash and cash equivalents of the Group are amounts held under project accounts under the Housing Developers (Project Account) Rules (the "Rules"). The use of amounts held under the project accounts is subject to restriction imposed by the Rules and approval from the bank where the project accounts are opened.

### 22A. Cash and Cash Equivalents in Consolidated Statement of Cash Flows

|                                                                                                | Group   |         |
|------------------------------------------------------------------------------------------------|---------|---------|
|                                                                                                | 2014    | 2013    |
|                                                                                                | \$'000  | \$'000  |
| Amount as shown above                                                                          | 259,892 | 243,429 |
| Cash pledged for bank facilities                                                               | –       | (1,000) |
| Cash and cash equivalents for consolidated statement of cash flows purposes at end of the year | 259,892 | 242,429 |

## 23. Construction Contracts in Progress

|                                                                                            | Group     |           |
|--------------------------------------------------------------------------------------------|-----------|-----------|
|                                                                                            | 2014      | 2013      |
|                                                                                            | \$'000    | \$'000    |
| Aggregate amount of costs incurred and recognised profits to date on uncompleted contracts | 297,047   | 307,704   |
| Less: progress payments received and receivables                                           | (335,439) | (315,766) |
| Net amount due to contract customers at end of the year                                    | (38,392)  | (8,062)   |
| Included in the accompanying statement of financial position as follows:                   |           |           |
| Under other assets, current (Note 20)                                                      | 4,038     | 14,345    |
| Under other liabilities, current (Note 31)                                                 | (42,430)  | (22,407)  |
|                                                                                            | (38,392)  | (8,062)   |
| Construction contract retention receivables as an asset under trade receivables (Note 18B) | 12,159    | 12,308    |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 24. Share Capital

|                                                                                                                | Number<br>of shares | Group and Company<br>Treasury<br>shares | Share<br>capital | Total   |
|----------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------|------------------|---------|
|                                                                                                                |                     | \$'000                                  | \$'000           | \$'000  |
| <u>Ordinary shares of no par value:</u>                                                                        |                     |                                         |                  |         |
| Balance at 1 January 2013                                                                                      | 727,247,162         | (4,574)                                 | 82,444           | 77,870  |
| Issuance of ordinary shares each at \$0.25 per share pursuant to the exercise of warrants issue of the Company | 184,009,398         | –                                       | 45,884           | 45,884  |
| Balance at 31 December 2013                                                                                    | 911,256,560         | (4,574)                                 | 128,328          | 123,754 |
| Issuance of ordinary shares each at \$0.25 per share pursuant to the exercise of warrants issue of the Company | 7,988,526           | –                                       | 1,979            | 1,979   |
| Balance at 31 December 2014                                                                                    | 919,245,086         | (4,574)                                 | 130,307          | 125,733 |

During the reporting year, the Company issued 7,988,526 ordinary shares at \$0.25 each to shareholders pursuant to the renounceable rights issue of warrants. These newly issued shares rank pari passu in all respects with the previously issued shares.

The ordinary shares each carry the right to one vote at a meeting of the members or on any resolution of members, the right to an equal share in any dividend paid by the Company in accordance with the Act and the right to an equal share in the distribution of surplus assets of the Company and all are fully paid.

Share Warrants – No outstanding Warrants 2014 at the end of the reporting year (2013: 9,829,161). These warrants were issued on 23 February 2011 and have expired on 21 February 2014 with 1,840,635 warrants lapsed for conversion.

|                                 | Treasury shares |          |            |        |
|---------------------------------|-----------------|----------|------------|--------|
|                                 |                 |          | Fair value |        |
|                                 | 2014            | 2013     | 2014       | 2013   |
|                                 | No: '000        | No: '000 | \$'000     | \$'000 |
| Number at beginning of the year | 16,671          | 16,671   | 5,751      | 5,501  |
| Number at end of the year       | 16,671          | 16,671   | 6,335      | 5,751  |

At an Extraordinary General Meeting held on 19 May 2009, the shareholders of the Company approved and adopted the Wee Hur Employee Share Option Scheme ("Wee Hur ESOS") and Wee Hur Performance Share Plan ("Wee Hur PSP"). Details of the Wee Hur ESOS and Wee Hur PSP can be found in the Company's circular to shareholders dated 23 April 2009 in relation to the proposed adoption of the Wee Hur ESOS and Wee Hur PSP.

At the end of the reporting year, no options and awards have been granted under the Wee Hur ESOS and Wee Hur PSP.

### Capital Management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders; and to provide an adequate return to owners by pricing products and services commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital, reserves and retained earnings).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 24. Share Capital (cont'd)

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

|                                                                | Group     |           |
|----------------------------------------------------------------|-----------|-----------|
|                                                                | 2014      | 2013      |
|                                                                | \$'000    | \$'000    |
| Net debt:                                                      |           |           |
| All current and non-current borrowings including finance lease | 141,689   | 96,290    |
| Less: cash and cash equivalents                                | (259,892) | (243,429) |
| Net debt                                                       | (118,203) | (147,139) |
| Adjusted capital:                                              |           |           |
| Total equity                                                   | 339,107   | 216,095   |
| Adjusted capital                                               | 339,107   | 216,095   |
| Debt-to-adjusted capital ratio                                 | NM        | NM        |

NM: Not meaningful

The Group and the Company are not subject to externally imposed capital requirements other than mentioned in the following paragraph, and except for a subsidiary which has to have a minimum paid up capital and a minimum net worth of \$15 million (2013: \$15 million) in order to maintain its grading status with the Building and Construction Authority.

In order to maintain its listing on the SGXST, the Company has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the Share Registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

## 25. Fair Value Reserve

The reserve comprises the fair value adjustment on interest free loans from other related parties (Note 30A).

|                                              | Group  |        |
|----------------------------------------------|--------|--------|
|                                              | 2014   | 2013   |
|                                              | \$'000 | \$'000 |
| At beginning of the year                     | —      | —      |
| Fair value adjustment on interest free loans | 659    | —      |
| At end of the year                           | 659    | —      |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 26. Warrants Reserve

|                                              | <b>Group and Company</b> |               |
|----------------------------------------------|--------------------------|---------------|
|                                              | <b>2014</b>              | <b>2013</b>   |
|                                              | <b>\$'000</b>            | <b>\$'000</b> |
| At beginning of the year                     | (5)                      | (77)          |
| Exercise of warrants (net of issue expenses) | 5                        | 72            |
| At end of the year                           | –                        | (5)           |

Warrants reserve comprises proceeds from issue of warrants, net of direct issue expenses and amounts transferred to share capital upon exercise of warrants. Upon the expiry of the warrants, the balance of the warrants reserve representing the net proceeds from the issue of the warrants not exercised, will be transferred to retained earnings.

## 27. Provision, Non-Current

|                                 | <b>Group</b>  |               |
|---------------------------------|---------------|---------------|
|                                 | <b>2014</b>   | <b>2013</b>   |
|                                 | <b>\$'000</b> | <b>\$'000</b> |
| At beginning of the year        | –             | –             |
| Provision for dismantling costs | 1,250         | –             |
| At end of the year              | 1,250         | –             |

The provision is based on the present value of costs to be incurred to remove the buildings in investment property. The estimate is based on evaluation by management.

## 28. Other Financial Liabilities

|                                                           | <b>Group</b>  |               | <b>Company</b> |               |
|-----------------------------------------------------------|---------------|---------------|----------------|---------------|
|                                                           | <b>2014</b>   | <b>2013</b>   | <b>2014</b>    | <b>2013</b>   |
|                                                           | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b>  | <b>\$'000</b> |
| <u>Non-Current:</u>                                       |               |               |                |               |
| <u>Financial instrument with floating interest rates:</u> |               |               |                |               |
| Bank loan 1 (secured) (Note 28A)                          | 36,600        | 89,708        | –              | –             |
| Bank loan 2 (secured) (Note 28B)                          | 53,830        | –             | –              | –             |
| Bank loan 3 (secured) (Note 28C)                          | 24,759        | –             | –              | –             |
| Non-Current, total                                        | 115,189       | 89,708        | –              | –             |
| <u>Current:</u>                                           |               |               |                |               |
| <u>Financial instrument with floating interest rates:</u> |               |               |                |               |
| Bank loan 3 (secured) (Note 28C)                          | 25,500        | –             | –              | –             |
| Bank loan 4 (secured) (Note 28D)                          | –             | 6,556         | –              | –             |
| Bank loan 5 (secured) (Note 28E)                          | 1,000         | –             | 1,000          | –             |
| <u>Financial instrument with fixed interest rates:</u>    |               |               |                |               |
| Finance lease (Note 29)                                   | –             | 26            | –              | –             |
| Current, total                                            | 26,500        | 6,582         | 1,000          | –             |
| Total                                                     | 141,689       | 96,290        | 1,000          | –             |
| The non-current portion is repayable as follows:          |               |               |                |               |
| Due within two to five years                              | 115,189       | 89,708        | –              | –             |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 28. Other Financial Liabilities (cont'd)

The range of floating interest rates paid were as follows:

|                       | Group             |                   |
|-----------------------|-------------------|-------------------|
|                       | 2014<br>Per annum | 2013<br>Per annum |
| Bank loan 1 (secured) | 2.12% to 2.18%    | 2.07% to 2.14%    |
| Bank loan 2 (secured) | 1.81% to 1.92%    | –                 |
| Bank loan 3 (secured) | 2.11% to 2.39%    | –                 |
| Bank loan 4 (secured) | 1.44% to 1.45%    | 1.44% to 1.57%    |
| Bank loan 5 (secured) | 1.27% to 1.42%    | –                 |
| Bank loan 6 (secured) | –                 | 1.67% to 1.74%    |

During the reporting years ended 31 December 2014 and 31 December 2013, certain interest expenses on the term loans are capitalised as part of the cost of development properties (Note 19) and investment property (Note 15).

The fair values are reasonable approximation of the carrying amounts.

### 28A. Bank Loan 1 (Secured)

Bank loan 1 amounting to \$36,600,000 (2013: \$89,708,000) bears interest at 1.75% per annum over the bank's cost of funds or 1.75% per annum over the bank's SWAP offer rate as determined by the bank on the day of transaction, whichever is higher; or at such other rate at the sole discretion of the bank, for an interest period of 1, 2, 3 or 6 months.

The loan is to be fully repaid within 48 months from the date of first drawdown of the loan (namely 19 March 2012) or 3 months after the issuance of the TOP in respect of a subsidiary's development property, whichever is earlier.

Bank loan 1 above is secured by:

- (i) legal mortgage on a development property with an aggregate carrying amount of \$430,100,000 (2013: \$285,081,000);
- (ii) legal assignment of all rights, titles and interests in the construction contracts, insurance policies, performance bonds, tenancy agreements and sale and purchase agreements, and receivables relating to a subsidiary's development property;
- (iii) guarantees given by certain Directors of the Company and certain related parties; and
- (iv) corporate guarantees given by the Company.

### 28B. Bank Loan 2 (Secured)

New bank loan 2 amounting to \$53,830,000 bears interest at 1.45% per annum over the bank's cost of funds as determined by the bank on the day of transaction, for an interest period of 1, 3 or 6 months.

The loan is to be fully repaid on 30 April 2018 or 6 months after the issuance of the TOP in respect of a subsidiary's development property, whichever is earlier.

Bank loan 2 above is secured by:

- (i) legal mortgage on a development property with an aggregate carrying amount of \$80,051,000;
- (ii) legal assignment of all rights, titles and interests in the construction contracts, insurance policies, performance bonds, tenancy agreements and sale and purchase agreements, and receivables relating to a subsidiary's development property;

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 28. Other Financial Liabilities (cont'd)

### 28B. Bank Loan 2 (Secured) (cont'd)

- (iii) guarantees given by certain Directors of the Company and certain related parties; and
- (iv) corporate guarantees given by the Company.

### 28C. Bank Loan 3 (Secured)

New bank loan 3 amounting to \$50,259,000 bears interest at 1.75% per annum over the bank's cost of funds or 1.75% per annum over the bank's SWAP offer rate as determined by the bank on the day of transaction, whichever is higher; or at such other rate at the sole discretion of the bank, for an interest period of 1, 3 or 6 months.

The loan is to be fully repaid in first 6 principal instalments of \$1,500,000 each, the 7th to the 21st principal instalments of \$2,750,000 each and a final principal instalment of \$5,750,000. The first instalment shall commence on the 13th month from the date of first drawdown (namely 16 June 2014) or 6 months after the issuance of the TOP (for Phase 2) or 30 January 2015, whichever is the earliest and shall be fully repaid within 36 months from the date of first drawdown or on 31 October 2016, whichever is earlier.

Bank loan 3 above is secured by:

- (i) legal assignment of rental proceeds or charge over rental account of all current and future rental income from a relevant subsidiary's operating dormitory;
- (ii) legal charge over rental account, operating accounts and interest service reserve accounts from a relevant subsidiary's operating dormitory maintained with the bank;
- (iii) fixed charge over 100% shares in the share capital of a relevant subsidiary and other financial instruments acceptable to the bank;
- (iv) first deed of debenture to be executed, incorporating a fixed and floating charge over all present and future undertakings, property assets, revenue and rights from a relevant subsidiary's operating dormitory;
- (v) guarantees given by certain Directors of the Company and certain related parties; and
- (vi) corporate guarantees given by the Company.

Subsequently, the bank loan's repayment terms have been revised on 9 March 2015 with the repayment of the first principal instalment of \$1,500,000, the 2nd to the 4th principal instalments of interest servicing only, the 5th to 9th principal instalments of \$1,100,000 each and the 10th to the 29th principal instalments of \$2,200,000 each. The rental proceeds shall be used to make lump sum principal repayments of \$2,000,000 each on 30 July 2015 and 30 December 2015 respectively and of \$500,000 each on 30 June 2016 and 30 December 2016 respectively. The first instalment shall commence on the 13th month from the date of first drawdown (namely 16 June 2014) or 6 months after the issuance of the TOP (for Phase 2) or 30 January 2015, whichever is the earliest and shall be fully repaid by 31 May 2017.

In addition, the security for the bank loan included an additional Deed of Subordination of all moneys which are now or may hereafter be owing from subsidiary to directors or shareholders.

### 28D. Bank Loan 4 (Secured)

Bank loan 4 amounting to \$6,556,000 in the reporting year 2013 bears interest at 1.30% per annum over the Singapore Dollar SWAP offer rate or at such other rate at the sole discretion of the bank, for an interest period of 1, 2, 3 or 6 months.

The loan is to be fully repaid in one instalment on or after 30 September 2014, or 3 months after the date of the TOP in respect of a subsidiary's development property, whichever is earlier. The loan has been fully repaid during the reporting year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 28. Other Financial Liabilities (cont'd)

### 28D. Bank Loan 4 (Secured) (cont'd)

Bank loan 4 above is secured by:

- (i) legal mortgage on a development property with an aggregate carrying amount of \$38,938,000 in the reporting year 2013;
- (ii) legal assignment of all rights, titles and interests in the construction contracts, insurance policies, performance bonds, tenancy agreements and sale and purchase agreements, and receivables relating to a subsidiary's development property;
- (iii) corporate guarantees given by the Company; and
- (iv) cash pledged to bank of \$1,000,000 (Note 22) to be maintained until the loan has been fully repaid.

### 28E. Bank Loan 5 (Secured)

New bank loan 5 amounting to \$1,000,000 bears interest at 1.00% per annum over the bank's cost of funds as determined by the bank on the day of transaction, for an interest period of 1, 3, 6 or 12 months.

Notwithstanding the above terms, the bank has the right to vary, modify, suspend or cancel the banking facilities and/or to demand immediate repayment of all liabilities owing to the bank.

Bank loan 5 above is secured by a memorandum of charge and pledge over assets in respect of the Company's cash deposits, marketable securities and other assets.

### 28F. Bank Loan 6 (Secured)

Bank loan 6 amounting to \$9,320,000 in the reporting year 2012 bears interest at 1.35% per annum over the bank's cost of funds or 1.35% per annum over the bank's SWAP offer rate as determined by the bank on the day of transaction, whichever is higher; or at such other rate at the sole discretion of the bank, for an interest period of 1, 2, 3 or 6 months.

The loan is to be fully repaid within 36 months from the date of first drawdown of the loan (namely 15 December 2010) or 3 months after the issuance of the TOP in respect of a subsidiary's development property, whichever is earlier.

Notwithstanding the above terms, the bank has the right to vary, modify, suspend or cancel the banking facilities and/or to demand immediate repayment of all liabilities owing to the bank. The loan has been fully repaid during the reporting year 2013.

Bank loan 6 above was secured by:

- (i) legal mortgage on a development property with an aggregate carrying amount of \$103,731,000 in the reporting year 2012;
- (ii) legal assignment of all rights, titles and interests in the construction contracts, insurance policies, performance bonds, tenancy agreements and sale and purchase agreements, and receivables relating to a subsidiary's development property;
- (iii) guarantees given by certain Directors of the Company and certain related parties; and
- (iv) corporate guarantees given by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 29. Finance Lease

|                                                           | Minimum<br>payments | Finance<br>charges | Present<br>value |
|-----------------------------------------------------------|---------------------|--------------------|------------------|
|                                                           | \$'000              | \$'000             | \$'000           |
| 2014:                                                     |                     |                    |                  |
| Minimum lease payments payable:                           |                     |                    |                  |
| Due within one year                                       | –                   | –                  | –                |
| Total                                                     | –                   | –                  | –                |
| Net book value of plant and equipment under finance lease |                     |                    | 116              |
| 2013:                                                     |                     |                    |                  |
| Minimum lease payments payable:                           |                     |                    |                  |
| Due within one year                                       | 26                  | –                  | 26               |
| Total                                                     | 26                  | –                  | 26               |
| Net book value of plant and equipment under finance lease |                     |                    | 136              |

The lease term was for three years. The rate of interest for finance lease is approximately 3.26% (2013: 3.26%) per annum. The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligation under finance lease is secured by the lessor's charge over the leased assets. The lease has been fully repaid during the reporting year.

## 30. Trade and Other Payables

### 30A. Other Payables, Non-Current

|                                                                                     | Group  |        |
|-------------------------------------------------------------------------------------|--------|--------|
|                                                                                     | 2014   | 2013   |
|                                                                                     | \$'000 | \$'000 |
| Loan payable to other related parties (Note 3)                                      | 11,830 | –      |
| Movements during the year:                                                          |        |        |
| Balance at beginning of the year                                                    | –      | –      |
| Additions at cost                                                                   | 12,400 | –      |
| Imputed interest                                                                    | 89     | –      |
| Fair value adjustment on interest free loans due to other related parties (Note 25) | (659)  | –      |
| Balance at end of the year                                                          | 11,830 | –      |

The loans from related parties are unsecured and interest free. The loan is subordinated to a non-current bank term loan of a subsidiary during the reporting year. Interest is imputed at 1.85% per annum repriced semi-annually for cash flow discounting purposes, and is deemed to be repayable by one instalment in July 2017. The fair value of the amounts is not significantly different from the carrying value.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 30. Trade and Other Payables (cont'd)

### 30B. Trade and Other Payables, Current

|                                | Group   |         | Company |        |
|--------------------------------|---------|---------|---------|--------|
|                                | 2014    | 2013    | 2014    | 2013   |
|                                | \$'000  | \$'000  | \$'000  | \$'000 |
| <u>Trade payables:</u>         |         |         |         |        |
| Outside parties                | 126,990 | 96,077  | 15,355  | 2,920  |
| Other related parties (Note 3) | –       | 30      | –       | –      |
| Subsidiaries (Note 3)          | –       | –       | 5,024   | 58     |
| Subtotal                       | 126,990 | 96,107  | 20,379  | 2,978  |
| <u>Other payables:</u>         |         |         |         |        |
| Other related parties (Note 3) | 34,311  | 28,635  | –       | –      |
| Subsidiaries (Note 3)          | –       | –       | 26,051  | 55,725 |
| Other payables                 | 5,992   | 578     | 77      | 40     |
| Subtotal                       | 40,303  | 29,213  | 26,128  | 55,765 |
| Total trade and other payables | 167,293 | 125,320 | 46,507  | 58,743 |

## 31. Other Liabilities, Current

|                                                      | Group  |        |
|------------------------------------------------------|--------|--------|
|                                                      | 2014   | 2013   |
|                                                      | \$'000 | \$'000 |
| Deferred income                                      | 157    | –      |
| Due to customers on construction contracts (Note 23) | 42,430 | 22,407 |
|                                                      | 42,587 | 22,407 |

## 32. Financial Instruments: Information on Financial Risks

### 32A. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

|                                                       | Group   |         | Company |         |
|-------------------------------------------------------|---------|---------|---------|---------|
|                                                       | 2014    | 2013    | 2014    | 2013    |
|                                                       | \$'000  | \$'000  | \$'000  | \$'000  |
| <u>Financial assets:</u>                              |         |         |         |         |
| Cash and cash equivalents                             | 259,892 | 243,429 | 151,879 | 150,443 |
| Loans and receivables                                 | 106,577 | 35,603  | 42,985  | 30,792  |
| Financial assets at fair value through profit or loss | 14,976  | –       | 14,976  | –       |
| At end of the year                                    | 381,445 | 279,032 | 209,840 | 181,235 |
| <u>Financial liabilities:</u>                         |         |         |         |         |
| Borrowings measured at amortised cost                 | 141,689 | 96,290  | 1,000   | –       |
| Trade and other payables measured at amortised cost   | 179,123 | 125,320 | 46,507  | 58,743  |
| At end of the year                                    | 320,812 | 221,610 | 47,507  | 58,743  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## **32. Financial Instruments: Information on Financial Risks (cont'd)**

### **32A. Classification of Financial Assets and Liabilities (cont'd)**

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statements of financial position.

### **32B. Financial Risk Management**

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risk. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following good market practices.

There has been no change to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

### **32C. Fair Values of Financial Instruments**

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statements of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

### **32D. Credit Risk on Financial Assets**

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables, an on-going credit evaluation is performed on the financial condition of the customers and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below.

As disclosed in Note 22, cash and cash equivalents' balances represent amounts with a less than 90 day maturity other than the amounts held by bankers to cover the bank guarantees issued.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 32. Financial Instruments: Information on Financial Risks (cont'd)

### 32D. Credit Risk on Financial Assets (cont'd)

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade and other receivables' customers is generally on 7 to 35 days (2013: 14 to 35 days). But some customers take a longer period to settle the amounts.

Ageing analysis of the age of trade receivables' amounts that are past due as at the end of the reporting year but not impaired:

|                       | Group  |        |
|-----------------------|--------|--------|
|                       | 2014   | 2013   |
|                       | \$'000 | \$'000 |
| Trade receivables:    |        |        |
| Past due 1 – 30 days  | 1,238  | 3,782  |
| Past due 31 – 60 days | 279    | 34     |
| Past due 61 – 90 days | 35     | 147    |
| Past due over 90 days | 318    | 217    |
| Total                 | 1,870  | 4,180  |

The allowance which is disclosed in the note on trade receivables is based on individual accounts totalling \$7,000 (2013: NIL) that are determined to be impaired at the end of reporting year. These are not secured.

Concentration of trade receivables' customers as at the end of the reporting year:

|                 | Group  |        |
|-----------------|--------|--------|
|                 | 2014   | 2013   |
|                 | \$'000 | \$'000 |
| Top 1 customer  | 16,058 | 16,492 |
| Top 2 customers | 20,025 | 20,064 |
| Top 3 customers | 23,036 | 23,528 |

### 32E. Liquidity Risk – Financial Liabilities Maturity Analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

|                                       | Less than<br>1 year | 1 – 5<br>years | Total   |
|---------------------------------------|---------------------|----------------|---------|
|                                       | \$'000              | \$'000         | \$'000  |
| <u>Group</u>                          |                     |                |         |
| Non-derivative financial liabilities: |                     |                |         |
| <u>2014:</u>                          |                     |                |         |
| Gross borrowings commitments          | 29,594              | 118,214        | 147,808 |
| Trade and other payables              | 167,293             | 12,400         | 179,693 |
| At end of the year                    | 196,887             | 130,614        | 327,501 |
| <u>2013:</u>                          |                     |                |         |
| Gross borrowings commitments          | 8,718               | 92,223         | 100,941 |
| Gross finance lease obligations       | 26                  | –              | 26      |
| Trade and other payables              | 125,320             | –              | 125,320 |
| At end of the year                    | 134,064             | 92,223         | 226,287 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 32. Financial Instruments: Information on Financial Risks (cont'd)

### 32E. Liquidity Risk – Financial Liabilities Maturity Analysis (cont'd)

|                                       | Less than<br>1 year<br>\$'000 | 1 – 5<br>years<br>\$'000 | Total<br>\$'000 |
|---------------------------------------|-------------------------------|--------------------------|-----------------|
| <u>Company</u>                        |                               |                          |                 |
| Non-derivative financial liabilities: |                               |                          |                 |
| 2014:                                 |                               |                          |                 |
| Gross borrowings commitments          | 1,000                         | –                        | 1,000           |
| Trade and other payables              | 46,507                        | –                        | 46,507          |
| At end of the year                    | 47,507                        | –                        | 47,507          |
| 2013:                                 |                               |                          |                 |
| Trade and other payables              | 58,743                        | –                        | 58,743          |
| At end of the year                    | 58,743                        | –                        | 58,743          |

Financial guarantee contracts - For financial guarantee contracts, the maximum earliest period in which the guarantee could be called is used. At the end of the reporting year, no claims on the financial guarantees are expected. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

|                                                                                                  | Less than<br>1 year<br>\$'000 | 1 – 5<br>years<br>\$'000 | Total<br>\$'000 |
|--------------------------------------------------------------------------------------------------|-------------------------------|--------------------------|-----------------|
| <u>Company</u>                                                                                   |                               |                          |                 |
| 2014:                                                                                            |                               |                          |                 |
| Corporate guarantees in favour of financial institutions for facilities extended to subsidiaries | 52,864                        | 75,109                   | 127,973         |
| 2013:                                                                                            |                               |                          |                 |
| Corporate guarantees in favour of financial institutions for facilities extended to subsidiaries | 44,779                        | 58,310                   | 103,089         |

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is normally on 30 to 35 days (2013: 30 to 35 days).

The other payables are with short-term durations. The classification of the financial assets is shown in the statements of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

|                              | Group          |                | Company        |                |
|------------------------------|----------------|----------------|----------------|----------------|
|                              | 2014<br>\$'000 | 2013<br>\$'000 | 2014<br>\$'000 | 2013<br>\$'000 |
| <u>Bank facilities:</u>      |                |                |                |                |
| Undrawn borrowing facilities | 147,688        | 196,245        | 14,000         | –              |
| Unused banker guarantees     | 29,659         | 56,563         | 10,037         | 10,037         |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 32. Financial Instruments: Information on Financial Risks (cont'd)

### 32E. Liquidity Risk – Financial Liabilities Maturity Analysis (cont'd)

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused borrowing facilities is provided regularly to management to assist them in monitoring the liquidity risk.

### 32F. Interest Rate Risk

The interest rate risk exposure is from changes in fixed rate and floating interest rates and it mainly concerns financial liabilities which are both fixed rate and floating rate. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

|                                             | Group   |        |
|---------------------------------------------|---------|--------|
|                                             | 2014    | 2013   |
|                                             | \$'000  | \$'000 |
| <u>Financial liabilities with interest:</u> |         |        |
| Floating rates                              | 141,689 | 96,264 |
| Fixed rate                                  | –       | 26     |
| At end of the year                          | 141,689 | 96,290 |

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis:

|                                                                                                                                                                                       | Group  |        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
|                                                                                                                                                                                       | 2014   | 2013   |
|                                                                                                                                                                                       | \$'000 | \$'000 |
| <u>Financial liabilities with interest:</u>                                                                                                                                           |        |        |
| A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an increase/decrease in borrowing costs capitalised for the year by | 1,417  | 963    |

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

### 32G. Foreign Currency Risk

There is exposure to foreign currency risk as part of its normal operation. In particular, there is exposure to Australian Dollar ("A\$") currency risk arising from the Group's land purchase denominated in A\$ subsequent to the reporting year end for which firm commitment existed at the end of the reporting year (Note 34 and 39). In this respect, the Group has entered into a foreign currency forward contract subsequent to the reporting year end for the purpose of hedging part of the foreign currency risk arising from the commitment. There is no formal hedging policy with respect to foreign currency exposure. Exposure to currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 32. Financial Instruments: Information on Financial Risks (cont'd)

### 32H. Equity price risk

There are investments in equity shares or similar instruments. As a result, such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities. The fair values of these assets and sensitivity analysis are disclosed in Note 21.

## 33. Items in Profit or Loss

In addition to the profits and loss disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

|                                                      | Group  |        |
|------------------------------------------------------|--------|--------|
|                                                      | 2014   | 2013   |
|                                                      | \$'000 | \$'000 |
| Audit fees to the independent auditor of the Company | 200    | 192    |
| Other fees to the independent auditor of the Company | 32     | 30     |

## 34. Capital Commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

|                                                                     | Group  |        |
|---------------------------------------------------------------------|--------|--------|
|                                                                     | 2014   | 2013   |
|                                                                     | \$'000 | \$'000 |
| Commitments to purchase property, plant and equipment               | 2      | 183    |
| Commitment for construction of dormitory                            | 2,406  | —      |
| Commitment to purchase land for development <sup>#a</sup> (Note 39) | 49,485 | —      |

#a. The land cost is denominated in A\$ with an amount of A\$46,161,000.

## 35. Operating Lease Payment Commitments

At the end of the reporting year, the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

|                                                   | Group  |        |
|---------------------------------------------------|--------|--------|
|                                                   | 2014   | 2013   |
|                                                   | \$'000 | \$'000 |
| Not later than one year                           | 14,030 | 14,074 |
| Later than one year and not later than five years | 12,115 | 25,997 |
| Later than five years                             | 815    | 942    |
| Rental expenses for the reporting year            | 11,298 | 2,539  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 35. Operating Lease Payment Commitments (cont'd)

Operating lease payments represent rentals payable by subsidiaries for their offices, warehouses and business operations as follows:

- a) The lease from Jurong Town Corporation is for the period of 14.8 years from 1 March 2011 and ending on 31 December 2025. The rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage. Such increases are not included in the above amounts.
- b) The lease from Housing and Development Board is for the period of 0.4 years from 1 September 2014 and ended on 31 January 2015.
- c) The lease from Jurong Town Corporation is for the period of three years from 1 November 2013 and ending on 31 October 2016.
- d) The lease from Multi-Zones Marketing Pte Ltd is for the period of three years from 1 January 2014 and ending on 31 December 2016.

## 36. Operating Lease Income Commitments

At the end of the reporting year, the total of future minimum lease receivables commitments under non-cancellable operating leases are as follows:

|                                                   | <b>Group</b>  |               |
|---------------------------------------------------|---------------|---------------|
|                                                   | <b>2014</b>   | <b>2013</b>   |
|                                                   | <b>\$'000</b> | <b>\$'000</b> |
| Not later than one year                           | 16,883        | 24            |
| Later than one year and not later than five years | 6,392         | 48            |
| Rental income for the reporting year              | 4,740         | 39            |

The Group leases out certain warehouse, commercial and residential properties under non-cancellable operating leases. Leases are negotiated for initial terms of one to three years with fixed rental rates.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 37. Acquisition of Subsidiary

On 23 October 2013, the Group acquired 60% of the issued share capital of Active System Engineering Pte. Ltd. ("Active System") for cash consideration of \$30,000 for the Group's share in the issued share capital of Active System. This transaction has been accounted for based on the acquisition method of accounting.

|                                                             | <b>Group</b>                      |                          |
|-------------------------------------------------------------|-----------------------------------|--------------------------|
|                                                             | <b>Acquiree's carrying amount</b> |                          |
|                                                             | <b>Before<br/>acquisition</b>     | <b>At<br/>fair value</b> |
|                                                             | <b>\$'000</b>                     | <b>\$'000</b>            |
| Other receivables                                           | 1,157                             | 1,157                    |
| Cash and bank balances                                      | 44                                | 44                       |
| Other payables                                              | (1,153)                           | (1,153)                  |
| Identifiable net assets                                     | 48                                | 48                       |
| Less: non-controlling interests                             |                                   | (19)                     |
| Identifiable net assets acquired                            |                                   | 29                       |
| Goodwill                                                    |                                   | 1                        |
| Cash consideration for share capital of subsidiary acquired |                                   | 30                       |
| Less: cash and bank balances of subsidiary acquired         |                                   | (44)                     |
| Net cash inflow on acquisition of subsidiary                |                                   | (14)                     |

The Group's revenue and profit from continuing operations, net of tax, included revenue and results from the subsidiary for the period between the date of acquisition and the end of the reporting year as follows:

|                | <b>2013</b>   |
|----------------|---------------|
|                | <b>\$'000</b> |
| Revenue        | —             |
| Loss after tax | (2,161)       |

If the acquisition had taken place at the date of incorporation of the subsidiary (17 January 2013), the Group's revenue and profit from continuing operations, net of tax, for the reporting year 2013 would have included revenue and results from the subsidiary as follows:

|                | <b>2013</b>   |
|----------------|---------------|
|                | <b>\$'000</b> |
| Revenue        | —             |
| Loss after tax | (2,162)       |

## 38. Financial Information by Operating Segments

### 38A. Information about Reportable Segment Profit or Loss, Assets and Liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 38. Financial Information by Operating Segments (cont'd)

### 38A. Information about Reportable Segment Profit or Loss, Assets and Liabilities (cont'd)

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (a) The property development segment is in the business of developing and sale of residential and industrial properties.
- (b) The building construction segment is in the business of constructing residential and commercial properties.
- (c) The dormitory segment is in the business of building and operating of foreign workers' dormitories.
- (d) The investment holding segment is involved in Group-level corporate services.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments. The Group's business is derived solely from customers in Singapore and all of the Group's assets are located in Singapore and Australia.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured in the same way as operating profit or loss in the consolidated financial statements.

The following is an analysis of the Group's reportable segments for the reporting year ended 31 December 2014:

| Operating segment                              | Property<br>development<br>\$'000 | Building<br>construction<br>\$'000 | Investment<br>property<br>\$'000 | Investment<br>holding<br>\$'000 | Elimination<br>\$'000 | Consolidated<br>\$'000 |
|------------------------------------------------|-----------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------|------------------------|
| <u>Profit or loss and reconciliation</u>       |                                   |                                    |                                  |                                 |                       |                        |
| Revenue by segment                             | 609,179                           | 250,311                            | 4,650                            | 18,292                          | (168,896)             | 713,536                |
|                                                | 609,179                           | 250,311                            | 4,650                            | 18,292                          | (168,896)             | 713,536                |
| Segment result                                 | 237,343                           | 13,456                             | (10,774)                         | 101,340                         | (117,665)             | 223,700                |
| Interest income                                | 258                               | 41                                 | –                                | 1,806                           | (498)                 | 1,607                  |
| Finance costs                                  | –                                 | –                                  | –                                | (366)                           | 364                   | (2)                    |
| Depreciation                                   | –                                 | (3,407)                            | (3,407)                          | (9)                             | –                     | (6,823)                |
| Profit (Loss) before tax                       | 237,601                           | 10,090                             | (14,181)                         | 102,771                         | (117,799)             | 218,482                |
| Income tax (expense) benefit                   | (39,915)                          | (900)                              | 2,071                            | 2,651                           | (23)                  | (36,116)               |
| Profit (Loss) after tax                        | 197,686                           | 9,190                              | (12,110)                         | 105,422                         | (117,822)             | 182,366                |
| <u>Assets and reconciliation</u>               |                                   |                                    |                                  |                                 |                       |                        |
| Segment assets                                 | 396,471                           | 156,611                            | 89,296                           | 314,524                         | (215,347)             | 741,555                |
| Total assets                                   | 396,471                           | 156,611                            | 89,296                           | 314,524                         | (215,347)             | 741,555                |
| <u>Liabilities and reconciliation</u>          |                                   |                                    |                                  |                                 |                       |                        |
| Segment liabilities                            | 284,483                           | 135,298                            | 103,518                          | 65,860                          | (186,711)             | 402,448                |
| Total liabilities                              | 284,483                           | 135,298                            | 103,518                          | 65,860                          | (186,711)             | 402,448                |
| <u>Other material items and reconciliation</u> |                                   |                                    |                                  |                                 |                       |                        |
| Expenditure for non-current assets             | –                                 | 1,246                              | 78,678                           | 2                               | –                     | 79,926                 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 38. Financial Information by Operating Segments (cont'd)

### 38A. Information about Reportable Segment Profit or Loss, Assets and Liabilities (cont'd)

The following is an analysis of the Group's reportable segments for the reporting year ended 31 December 2013:

| Operating segment                              | Property<br>development<br>\$'000 | Building<br>construction<br>\$'000 | Investment<br>property<br>\$'000 | Investment<br>holding<br>\$'000 | Elimination<br>\$'000 | Consolidated<br>\$'000 |
|------------------------------------------------|-----------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------|------------------------|
| <u>Profit or loss and reconciliation</u>       |                                   |                                    |                                  |                                 |                       |                        |
| Revenue by segment                             | 110,555                           | 279,571                            | –                                | 4,759                           | (73,313)              | 321,572                |
|                                                | 110,555                           | 279,571                            | –                                | 4,759                           | (73,313)              | 321,572                |
| Segment result                                 | 27,494                            | 14,217                             | (2,556)                          | 18,339                          | (24,346)              | 33,148                 |
| Interest income                                | 162                               | 56                                 | –                                | 985                             | (117)                 | 1,086                  |
| Finance costs                                  | (65)                              | (2)                                | –                                | –                               | 11                    | (56)                   |
| Depreciation                                   | –                                 | (3,674)                            | –                                | (8)                             | –                     | (3,682)                |
| Profit (Loss) before tax                       | 27,591                            | 10,597                             | (2,556)                          | 19,316                          | (24,452)              | 30,496                 |
| Income tax (expense) benefit                   | (4,859)                           | (1,398)                            | 394                              | 248                             | 773                   | (4,842)                |
| Profit (Loss) after tax                        | 22,732                            | 9,199                              | (2,162)                          | 19,564                          | (23,679)              | 25,654                 |
| <u>Assets and reconciliation</u>               |                                   |                                    |                                  |                                 |                       |                        |
| Segment assets                                 | 400,754                           | 133,159                            | 10,013                           | 270,837                         | (189,351)             | 625,412                |
| Total assets                                   | 400,754                           | 133,159                            | 10,013                           | 270,837                         | (189,351)             | 625,412                |
| <u>Liabilities and reconciliation</u>          |                                   |                                    |                                  |                                 |                       |                        |
| Segment liabilities                            | 379,076                           | 111,037                            | 12,125                           | 66,195                          | (159,116)             | 409,317                |
| Total liabilities                              | 379,076                           | 111,037                            | 12,125                           | 66,195                          | (159,116)             | 409,317                |
| <u>Other material items and reconciliation</u> |                                   |                                    |                                  |                                 |                       |                        |
| Expenditure for non-current assets             | –                                 | 2,673                              | –                                | 15                              | –                     | 2,688                  |

### 38B. Information about Major Customers

|                                                  | Group          |                |
|--------------------------------------------------|----------------|----------------|
|                                                  | 2014<br>\$'000 | 2013<br>\$'000 |
| Top 1 customer in building construction segment  | 90,344         | 126,359        |
| Top 2 customers in building construction segment | 99,554         | 210,896        |
| Top 3 customers in building construction segment | 101,099        | 211,838        |

Geographical information is not presented as there is no revenue derived from Australia and no non-current assets in Australia.

## 39. Events after the End of the Reporting Year

On 24 December 2014, the Group has announced that the Group's wholly-owned subsidiary, Wee Hur (Buranda) Pty Ltd ("Wee Hur (Buranda)") which is wholly-owned through Wee Hur (Downtown) Pte. Ltd. ("Wee Hur (Downtown)"), has acquired a plot of land with land area of 16,946 square metres ("sq m") located at Woolloongabba, Brisbane, Australia (the "Land") from an unrelated and independent party (the "Seller"). According to the Preliminary Approval in place, the Land can be potentially developed into a mixed development with predominantly residential components and complemented with retail and commercial components. The total purchase consideration for the acquisition is A\$51,290,000 (equivalent to approximately \$55,163,000)\* is arrived at on an arm's length basis between a willing seller and a willing buyer.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 39. Events after the End of the Reporting Year (cont'd)

The Group will, in due time, acquire an additional 2,194 sq m of land for A\$5,210,000 (equivalent to approximately \$5,603,000)\*. This will bring the total acquisition cost to A\$56,500,000 (equivalent to approximately \$60,766,000)\* and total area to 19,140 sq m. This future acquisition is necessary as it forms part of the intended development under the Preliminary Approval.

Subsequently, the Group has decided to use the following wholly-owned subsidiaries (collectively known as the "Three Subsidiaries") instead of Wee Hur (Buranda) to purchase the said Land which consists of the following three plots of land located at Woolloongabba, Brisbane, Australia (the "Three Plots of Lands") at the following considerations from the same unrelated and independent party (collectively known as the "Acquisition"):

| Name of Company             | Land Area            | Total Consideration<br>A\$' 000 |
|-----------------------------|----------------------|---------------------------------|
| Wee Hur (Buranda 1) Pty Ltd | 4,152 sq m (Plot 1)  | 12,169                          |
| Wee Hur Australia Pty Ltd   | 11,548 sq m (Plot 2) | 35,311                          |
| Wee Hur (Buranda 3) Pty Ltd | 1,246 sq m (Plot 3)  | 3,810                           |
| Total                       | 16,946 sq m          | 51,290                          |

Accordingly, on 20 January 2015, the Group incorporated wholly-owned subsidiaries, Wee Hur (Buranda 1) Pty Ltd and Wee Hur (Buranda 3) Pty Ltd through Wee Hur (Downtown) and the original Sale and Purchase Agreement dated 24 December 2014 signed by Wee Hur Buranda with the Seller has been terminated on 12 March 2015 and replaced by three separate Sale and Purchase Agreements for each of the Three Subsidiaries to purchase each of the Three Plots of Land.

All the shares in Wee Hur (Downtown) were also transferred from Wee Hur Development Pte. Ltd. to Wee Hur International Pte. Ltd. on 24 March 2015.

The Acquisition was expected to be completed on 31 March 2015 with the final settlement made and all terms and conditions fulfilled.

\* The \$ equivalent is based on the exchange rate as at 24 December 2014.

## 40. Changes and Adoption of Financial Reporting Standards

For the current reporting year, the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any material modification of the measurement methods or the presentation in the financial statements.

| FRS No.     | Title                                                                                                    |
|-------------|----------------------------------------------------------------------------------------------------------|
| FRS 27      | Consolidated and Separate Financial Statements (Amendments to)                                           |
| FRS 27      | Separate Financial Statements (Revised)                                                                  |
| FRS 28      | Investments in Associates and Joint Ventures (Revised)                                                   |
| FRS 36      | Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill) (*) |
| FRS 39      | Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting                       |
| FRS 110     | Consolidated Financial Statements                                                                        |
| FRS 110     | Amendments to FRS 110, FRS 111 and FRS 112                                                               |
| FRS 111     | Joint Arrangements (*)                                                                                   |
| FRS 112     | Disclosure of Interests in Other Entities                                                                |
| INT FRS 121 | Levies (*)                                                                                               |

(\*) Not relevant to the entity.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE REPORTING YEAR ENDED 31 DECEMBER 2014

## 41. Future Changes in Financial Reporting Standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows of the Group and Company for the following year.

| FRS No.                      | Title                                                                                                                                                                                                                                                                         | Effective date<br>for periods<br>beginning on<br>or after |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| FRS 19                       | Amendments To FRS 19: Defined Benefit Plans: Employee Contributions                                                                                                                                                                                                           | 1 Jul 2014                                                |
| Improvements to FRSs         | (Issued in January 2014). Relating to<br>FRS 102 Share-based Payment<br>FRS 103 Business Combinations<br>FRS 108 Operating Segments<br>FRS 113 Fair Value Measurement<br>FRS 16 Property, Plant and Equipment<br>FRS 24 Related Party Disclosures<br>FRS 38 Intangible Assets | 1 Jul 2014                                                |
| Improvements to FRSs         | (Issued in February 2014). Relating to<br>FRS 103 Business Combinations<br>FRS 113 Fair Value Measurement<br>FRS 40 Investment Property                                                                                                                                       | 1 Jul 2014                                                |
| FRS 1                        | Amendments to FRS 1: Disclosure Initiative                                                                                                                                                                                                                                    | 1 Jan 2016                                                |
| FRS 16 & FRS 38              | Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods<br>of Depreciation and Amortisation                                                                                                                                                                      | 1 Jan 2016                                                |
| FRS 16 & FRS 41              | Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (*)                                                                                                                                                                                                               | 1 Jan 2016                                                |
| FRS 27                       | Amendments to FRS 27: Equity Method in Separate Financial Statements                                                                                                                                                                                                          | 1 Jan 2016                                                |
| FRS 110 & FRS 28             | Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets<br>between an Investor and its Associate or Joint Venture (*)                                                                                                                                                | 1 Jan 2016                                                |
| FRS 110, FRS 112<br>& FRS 28 | Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities:<br>Applying the Consolidation Exception                                                                                                                                                                       | 1 Jan 2016                                                |
| FRS 111                      | Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint<br>Operations (*)                                                                                                                                                                                    | 1 Jan 2016                                                |
| FRS 114                      | Regulatory Deferral Accounts (*)                                                                                                                                                                                                                                              | 1 Jan 2016                                                |
| Various                      | Improvements to FRSs (November 2014)                                                                                                                                                                                                                                          | 1 Jan 2016                                                |
| FRS 115                      | Revenue from Contracts with Customers                                                                                                                                                                                                                                         | 1 Jan 2017                                                |
| FRS 109                      | Financial Instruments                                                                                                                                                                                                                                                         | 1 Jan 2018                                                |

(\*) Not relevant to the entity.

# SHAREHOLDERS' INFORMATION

AS AT 9 MARCH 2015

|                                                                       |   |                  |
|-----------------------------------------------------------------------|---|------------------|
| Number of Fully Issued and Paid Up Shares (excluding Treasury Shares) | : | 919,245,086      |
| Class of Shares                                                       | : | Ordinary Shares  |
| Voting Rights                                                         | : | 1 Vote per Share |
| Treasury Shares                                                       | : | 16,671,000       |

## DISTRIBUTION OF SHAREHOLDINGS

| SIZE OF SHAREHOLDINGS | NUMBER OF SHAREHOLDERS | %             | NUMBER OF SHARES   | %             |
|-----------------------|------------------------|---------------|--------------------|---------------|
| 1 - 99                | 313                    | 9.63          | 4,968              | 0.00          |
| 100 - 1000            | 88                     | 2.71          | 48,291             | 0.00          |
| 1,001 - 10,000        | 776                    | 23.88         | 5,489,919          | 0.60          |
| 10,001 - 1,000,000    | 2,022                  | 62.21         | 165,101,304        | 17.96         |
| 1,000,001 AND ABOVE   | 51                     | 1.57          | 748,600,604        | 81.44         |
| <b>TOTAL</b>          | <b>3,250</b>           | <b>100.00</b> | <b>919,245,086</b> | <b>100.00</b> |

## TWENTY LARGEST SHAREHOLDERS

| NO.          | NAME                                            | NUMBER OF SHARES   | %            |
|--------------|-------------------------------------------------|--------------------|--------------|
| 1            | GSC HOLDINGS PTE. LTD.                          | 349,159,000        | 37.98        |
| 2            | CITIBANK NOMINEES SINGAPORE PTE LTD             | 61,034,071         | 6.64         |
| 3            | DBS NOMINEES (PRIVATE) LIMITED                  | 48,862,938         | 5.32         |
| 4            | RAFFLES NOMINEES (PTE) LIMITED                  | 36,598,957         | 3.98         |
| 5            | GOH YEU TOH                                     | 27,787,257         | 3.02         |
| 6            | SUA NAM HENG                                    | 25,252,257         | 2.75         |
| 7            | CHENG KIANG HUAT                                | 23,064,257         | 2.51         |
| 8            | UOB KAY HIAN PRIVATE LIMITED                    | 17,799,506         | 1.94         |
| 9            | GOH YEW TEE                                     | 15,709,416         | 1.71         |
| 10           | GOH YEW LAY                                     | 8,763,560          | 0.95         |
| 11           | PHILLIP SECURITIES PTE LTD                      | 8,459,096          | 0.92         |
| 12           | BANK OF SINGAPORE NOMINEES PTE. LTD.            | 7,995,000          | 0.87         |
| 13           | GOH YEW GEE                                     | 6,490,120          | 0.71         |
| 14           | UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED | 6,324,371          | 0.69         |
| 15           | LOW WOO SWEE @ LOH SWEE TECK                    | 6,209,000          | 0.68         |
| 16           | ONG GIM LOO                                     | 6,000,000          | 0.65         |
| 17           | KUIK AH HAN                                     | 5,800,000          | 0.63         |
| 18           | CIMB SECURITIES (SINGAPORE) PTE. LTD.           | 5,680,704          | 0.62         |
| 19           | MAYBANK KIM ENG SECURITIES PTE. LTD.            | 5,391,362          | 0.59         |
| 20           | DBS VICKERS SECURITIES (SINGAPORE) PTE LTD      | 5,314,830          | 0.58         |
| <b>TOTAL</b> |                                                 | <b>677,695,702</b> | <b>73.74</b> |

# SHAREHOLDERS' INFORMATION

AS AT 9 MARCH 2015

## SUBSTANTIAL SHAREHOLDERS AS AT 9 MARCH 2015

(As recorded in the Register of Substantial Shareholders as at 9 March 2015)

| Substantial Shareholders<br>Name | Direct Interest  |                  | Deemed Interest  |                  |
|----------------------------------|------------------|------------------|------------------|------------------|
|                                  | Number of Shares | % <sup>(1)</sup> | Number of Shares | % <sup>(1)</sup> |
| Goh Yeow Lian <sup>(2)</sup>     | 3,844,000        | 0.42             | 396,894,872      | 43.18            |
| GSC Holdings Pte. Ltd.           | 349,159,000      | 37.98            | –                | –                |

Notes:

- (1) Based on the total number of issued ordinary shares of 919,245,086 (excluding treasury shares) as at 9 March 2015.
- (2) Mr Goh Yeow Lian is deemed to have an interest in the 349,159,000 shares held through his interest in GSC Holdings Pte. Ltd. Mr Goh is also deemed to have an interest in the 8,216,000 shares and the 39,519,872 shares held through his spouse, Mdm Tan Ah Hio (registered in the name of Citibank Nominees Singapore Pte Ltd) and Citibank Nominees Singapore Pte Ltd respectively.

## PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on the Register of Shareholders as at 9 March 2015, and to the best knowledge of the Company, the percentage of shareholding held in the hands of public is approximately 39.34%. Accordingly, the Company complies with Rule 723 of the Listing Manual.

## TREASURY SHARES

As at 9 March 2015, the number of treasury shares held is 16,671,000, representing 1.81% of the total number of issued ordinary shares excluding treasury shares.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Eighth Annual General Meeting of Wee Hur Holdings Ltd. (the “Company”) will be held on Friday, 24 April 2015 at 11.30 a.m. at Quality Hotel Singapore, Quality Ballroom, 201 Balestier Road, Singapore 329926 for the purpose of transacting the following business:

## ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and Audited Financial Statements of the Company and of the Group for the reporting year ended 31 December 2014 and the Independent Auditor’s Report thereon. **Resolution 1**
2. To declare a final tax exempt (one-tier) dividend of S\$0.01 per ordinary share for the reporting year ended 31 December 2014. **Resolution 2**
3. To declare a special tax exempt (one-tier) dividend of S\$0.01 per ordinary share for the reporting year ended 31 December 2014. **Resolution 3**
4. To approve the payment of additional Directors’ fees of S\$150,000 for the reporting year ended 31 December 2014. **Resolution 4**
5. To approve the payment of Directors’ fees of S\$180,000 for the reporting year ending 31 December 2015, to be paid quarterly in arrears. (2014: S\$180,000) **Resolution 5**
6. To re-elect Mr Goh Yeo Hwa, a Director retiring pursuant to Article 107 of the Company’s Articles of Association. **Resolution 6**
7. To re-elect Mr Goh Yew Gee, a Director retiring pursuant to Article 107 of the Company’s Articles of Association. [See Explanatory Note (a)] **Resolution 7**
8. To re-appoint RSM Chio Lim LLP as Independent Auditor and to authorise the Directors to fix their remuneration. **Resolution 8**

## SPECIAL BUSINESS

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

9. **Share Issue Mandate** **Resolution 9**  

“That pursuant to Section 161 of the Companies Act, Chapter 50 (the “Companies Act”) and the listing rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) authority be and is hereby given to the Directors of the Company to:

  - (a) (i) issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

  - (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:
  - (i) 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 this Resolution is passed; and
  - (ii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) 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
- (4) (unless revoked or varied by the Company in a 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 (b)]

10. **Authority to Grant Awards and/or Issue Shares Pursuant to the Wee Hur Performance Share Plan and Wee Hur Employee Share Option Scheme Resolution 10**

"That approval be and is hereby given to the Directors of the Company to grant awards in accordance with the provisions of the Wee Hur Performance Share Plan and to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Wee Hur Employee Share Option Scheme and/or such number of fully-paid shares as may be required to be issued pursuant to the vesting of awards under the Wee Hur Performance Share Plan, provided that the aggregate number of new shares to be issued pursuant to the Wee Hur Employee Share Option Scheme and the Wee Hur Performance Share Plan shall not exceed fifteen per cent (15%) of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company from time to time." [See Explanatory Note (c)]

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Transfer Books and Register of Members of the Company will be closed on 5 May 2015 for the preparation of dividend warrants.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd of 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623 up to the close of business at 5:00 p.m. on **4 May 2015** will be registered to determine members' entitlement to the proposed final tax exempt (one-tier) dividend and special tax exempt (one-tier) dividend (the "Proposed Dividends"). The Proposed Dividends, if approved, will be paid on 12 May 2015 to members registered in the books of the Company on 4 May 2015.

In respect of shares in securities accounts with the Central Depository (Pte) Limited ("CDP"), the Proposed Dividends will be paid by the Company to CDP which will in turn distribute the Proposed Dividends entitlements to holders of shares in accordance with its practice.

By Order of the Board  
Tan Ching Chek and Lo Swee Oi  
Joint Company Secretaries

8 April 2015

## **Explanatory Notes:**

- (a) Mr Goh Yew Gee, if elected, will continue to serve as a member of the Audit, Remuneration and Nominating Committees. Mr Goh Yew Gee is considered by the Board of Directors as a Non-Independent Director for the purposes of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited.
- (b) The Ordinary Resolution 9 proposed in item 9, if passed, will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments (such as options, warrants and debentures) convertible into shares, and to issue shares pursuant to such instruments, for such purposes as they consider would be in the interests of the Company, up to a number not exceeding in total, fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to twenty per cent (20%) may be issued other than on a pro rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution 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 when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (c) The Ordinary Resolution 10 proposed in item 10, if passed, will empower the Directors to grant awards pursuant to the Wee Hur Performance Share Plan and to issue new ordinary shares in the capital of the Company pursuant to the Wee Hur Employee Share Option Scheme and the Wee Hur Performance Share Plan, provided that the aggregate number of new ordinary shares to be issued pursuant to the Wee Hur Employee Share Option Scheme and the Wee Hur Performance Share Plan shall not exceed fifteen per cent (15%) of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company from time to time. The Wee Hur Employee Share Option Scheme and the Wee Hur Performance Share Plan were approved by the shareholders at the Extraordinary General Meeting held on 19 May 2009.

## **Notes:**

- (i) A member entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (ii) If a proxy is to be appointed, the form must be deposited at the registered office of the Company at 39 Kim Keat Road, Wee Hur Building, Singapore 328814 not less than forty-eight (48) hours before the time set for the meeting.
- (iii) The form of proxy must be signed by the appointor or his attorney duly authorised in writing.
- (iv) In the case of joint shareholders, all holders must sign the form of proxy.

# NOTICE OF ANNUAL GENERAL MEETING

## **Personal data privacy:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), 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.

# WEE HUR HOLDINGS LTD.

Company Reg. No.: 200619510K  
(Incorporated in the Republic of Singapore)

## ANNUAL GENERAL MEETING

### PROXY FORM

#### Important

1. For investors who have used their CPF monies to buy Wee Hur Holdings Ltd. shares, this Annual Report is sent to them at the request of their CPF Agent Banks and is sent 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 attend the Annual General Meeting as OBSERVERS must submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format with the Company Secretary, by the time frame specified (**Agent Banks: Please see Note 9 on required format**). Any voting instructions must also be submitted to their Agent Banks within the time frame specified to enable them to vote on the CPF investor's behalf.

#### Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2015.

I/We \_\_\_\_\_ (Name), \_\_\_\_\_ (NRIC/Passport Number/Company Registration Number)

of \_\_\_\_\_ (Address)

being a member/members of Wee Hur Holdings Ltd. (the "**Company**") hereby appoint:

| Name | Address | NRIC/Passport Number | Proportion of Shareholdings (%) |
|------|---------|----------------------|---------------------------------|
|      |         |                      |                                 |

and/or (delete as appropriate)

| Name | Address | NRIC/Passport Number | Proportion of Shareholdings (%) |
|------|---------|----------------------|---------------------------------|
|      |         |                      |                                 |

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company (the "**Meeting**") to be held on Friday, 24 April 2015 at 11.30 a.m. at Quality Hotel Singapore, Quality Ballroom, 201 Balestier Road, Singapore 329926 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

| NO. | ORDINARY RESOLUTIONS                                                                                                                             | FOR | AGAINST |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
|     | <b>ORDINARY BUSINESS</b>                                                                                                                         |     |         |
| 1.  | Adoption of Reports and Audited Financial Statements.                                                                                            |     |         |
| 2.  | Declaration of a Final Dividend.                                                                                                                 |     |         |
| 3.  | Declaration of a Special Dividend.                                                                                                               |     |         |
| 4.  | Approval of Directors' Fees for the year ended 31 December 2014.                                                                                 |     |         |
| 5.  | Approval of Directors' Fees for the year ending 31 December 2015.                                                                                |     |         |
| 6.  | Re-election of Mr Goh Yeo Hwa.                                                                                                                   |     |         |
| 7.  | Re-election of Mr Goh Yew Gee.                                                                                                                   |     |         |
| 8.  | Re-appointment of Independent Auditor.                                                                                                           |     |         |
|     | <b>SPECIAL BUSINESS</b>                                                                                                                          |     |         |
| 9.  | To approve Share Issue Mandate.                                                                                                                  |     |         |
| 10. | To authorise Directors to Grant Awards and Issue Shares Pursuant to the Wee Hur Performance Share Plan and Wee Hur Employee Share Option Scheme. |     |         |

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Total Number  
of Shares Held

Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**NOTES:**

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all shares held by the member.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
3. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 39 Kim Keat Road, Wee Hur Building, Singapore 328814 not less than forty-eight (48) hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of 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 its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney 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.
8. 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 Meeting, in accordance with Section 179 of the Companies Act, Chapter 50.
9. Agent Banks acting on the request of CPF Investors who wish to attend the Meeting as observers are requested to submit in writing, a list of details of the Investors' names, NRIC/Passport numbers, addresses and numbers of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the registered office of the Company not later than forty-eight (48) hours before the time appointed for the Meeting.

**GENERAL**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



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