ANNUAL REPORT 2017

FIGTREE

CORPORATE PROFILE

FOUNDED IN 2009, FIGTREE HOLDINGS LIMITED ("FIGTREE" OR THE "COMPANY", AND TOGETHER WITH ITS SUBSIDIARIES AND ASSOCIATE, THE "GROUP"), IS A PROVIDER OF COMMERCIAL AND INDUSTRIAL REAL ESTATE SOLUTIONS. THE GROUP TYPICALLY ACTS AS THE MAIN CONTRACTOR FOR ITS PROJECTS IN SINGAPORE, COVERING NEW CONSTRUCTION, A&A WORKS ON EXISTING BUILDINGS AS WELL AS REFURBISHMENT AND UPGRADING OF EXISTING BUILDINGS. IN CHINA AND MALAYSIA, THE GROUP PROVIDES DESIGN, PROJECT AND CONSTRUCTION MANAGEMENT CONSULTING SERVICES.

THE GROUP CONTINUES TO GROW ITS PROPERTY DEVELOPMENT AND INVESTMENT BUSINESS IN CHINA AND AUSTRALIA, WHICH INCLUDES DEVELOPING, CONSTRUCTING, SELLING AND LEASING OF RESIDENTIAL, COMMERCIAL AND INDUSTRIAL PROPERTIES.

FIGTREE WAS LISTED ON SGX CATALIST ON 11 NOVEMBER 2013.

OUR GROWTH STORY

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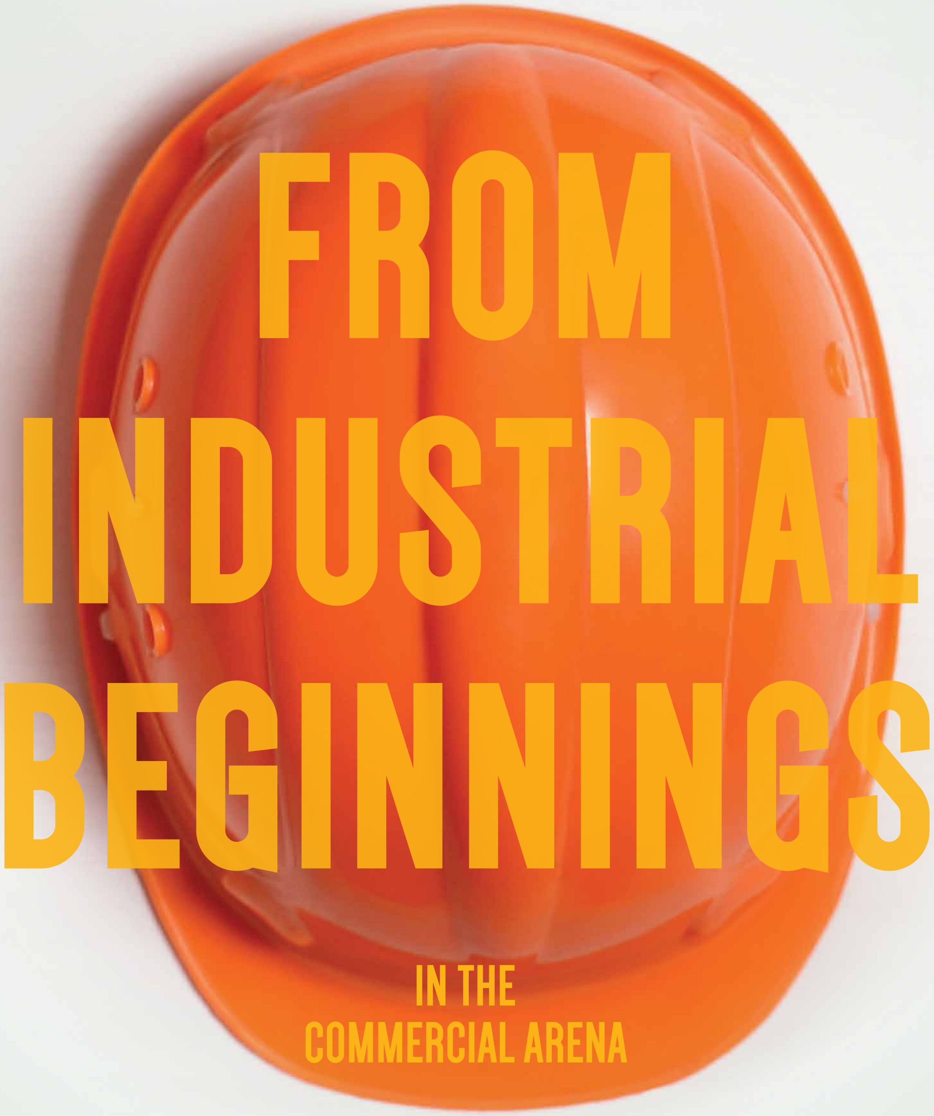


FROM INDUSTRIAL BEGINNINGS

IN THE COMMERCIAL ARENA

SINGAPORE

Figtree is a Design and Build solutions provider for commercial and industrial real estate. Some of the projects it has undertaken include industrial parks, warehouse facilities, coldroom facilities, digital media vault and commercial facilities.

CHAIRMAN'S MESSAGE

In FY2017, we continued to build on our core competencies to ensure that we can deliver consistent and sustainable growth in the long term.

Dear Shareholders,

In the financial year ended 31 December 2017 ("FY2017"), we continued to build on our core competencies to ensure that we can deliver consistent and sustainable growth in the long term. The Group made several notable achievements during the year which will support our earnings base in the near future.

STERLING ACHIEVEMENTS

China - Property Development

During the year, we had completed the acquisition of a 20% stake in logistics company, Vibrant Pucheng Logistics (Chongqing) Co., Ltd ("Vibrant Pucheng"). Vibrant Pucheng is developing a state-of-the-art Multi-Modal Logistics Distribution Centre (the "DC") that is strategically located at Yufu Industrial Park, Liang Jiang New Area in Chongqing. This is one of the largest projects we have undertaken and potentially the most exciting.

Riding on China's "one belt one road initiative" and the announced Chongqing Connectivity Initiative ("CCI") between Singapore and the PRC, the DC, sited on 217,788 square metres of land, will integrate land, sea, rail and air logistics services. Chongqing is an important inland logistics hub for Western China, linking China to Europe by road and rail through Central Asia, and to Southeast Asia through a highway that connects to the port city of Qinzhou in southern Guangxi. One of the initiatives of the CCI is the opening of a Southern Trade Corridor from Chongqing to ASEAN via the port city of Qinzhou, which will significantly shorten the distance and lower logistics costs to transport goods from Western China to the rest of the world. Our DC will be well-placed to connect the different modes of transport and provide direct connections for the flow of goods out of western China, when it is completed in 2022.

Meanwhile in Jiangyin, construction of our mixed residential and commercial development is progressing on schedule and completion is expected by end 2018. Of the 508 residential units launched, more than 97% have been sold. This development, which also has 148 units of commercial units and 400 basement car park lots, is strategically located along 中山路, South of 环城南路 and North of 毗陵路, close to hotels, schools, city garden and parks, public hospitals and the central commercial hub. The Group has an effective stake of 24% in this project.

China - Property Investment

To build a recurrent income base for the Group, we took a stake in a project which we were developing, the Changshu Fervent Industrial Park in Jiangsu province, that was completed in November 2015. We have an effective stake of 32% through associate, Vibrant Properties Pte Ltd ("VPPL").

I am pleased to report that both Phases One and Two of this development are now 100% leased.

Phase One, which has an available factory leasing space of 58,024 square metres, has been leased to MNCs from various countries such as USA, Italy, France, Germany and Japan, and are mainly on long term committed leases of five to ten years.

CHAIRMAN'S MESSAGE

For Phase Two, Fervent Industrial Development (Suzhou) Co., Ltd ("Fervent") had acquired an adjacent piece of leasehold industrial land of 76,533 square metres to develop built-to-suit ("BTS") industrial factories. In July 2017, we secured our first lease contract to design and build a customised BTS factory for a wholly-owned subsidiary of NYSE-listed Ingevity Corporation ("Ingevity"), a specialty chemicals and high-performance carbon materials manufacturer. Occupying a lease area of 13,122 square metres, completion is expected by end 2018, after which it will be leased to Ingevity for ten years. Following this, the Group recently clinched another contract from fully-owned subsidiary of NYSE Euronext-listed Faurecia SA, Faurecia (Changshu) Automotive System Co., Ltd ("Faurecia") to design and build an automotive parts factory. Faurecia's BTS factory will occupy an area of approximately 43,000 square metres with a build-in lease area of 32,805 square metres. Scheduled for completion by 2Q 2019, it will comprise a workshop, office and auxiliary facilities. This latest BTS factory will be leased to Faurecia for seven years upon completion.

Australia - Property Development

In Australia, our 100%-owned mixed development project, 303 La Trobe, is scheduled to commence construction in the second quarter of 2018 with completion targeted by the early half of 2020. Of the 215 residential units of one-, two- and three-bedroom apartments, 97% have been sold. This 44-storey skyscraper also boasts retail and café outlets on the ground floor as well as other recreational facilities. We will not be booking any contribution from this project until upon completion.

YEAR IN REVIEW

We remained profitable in FY2017, achieving net attributable profit to owners of the Company of S$5.6 million on the back of S$17.6 million in revenue. Compared to last year ("FY2016"), the Group posted revenue of S$57.6 million and net attributable profit of S$10.2 million. The year-on-year decline in both topline and bottomline were due to projects completed in FY2016.

As at 31 December 2017, Figtree's net asset value per share increased to 15.72 cents, from 15.36 cents previously.

REWARDING OUR SHAREHOLDERS

To reward our shareholders, the Board has recommended a first and final cash dividend of 0.63 Singapore cents per share, which if approved at the forthcoming annual general meeting, will be paid to shareholders on a date to be announced later.

LOOKING AHEAD

Moving cautiously into 2018, we remain positive about the prospects of the industry and will pursue and capitalise on the opportunities we believe are present, particularly in China. Of equal importance is also our strategy to broaden our revenue streams and fortify our recurrent earnings base. As we remained focused and disciplined in executing our growth strategies, I am confident that Figtree will continue to deliver growth and value to all our stakeholders.

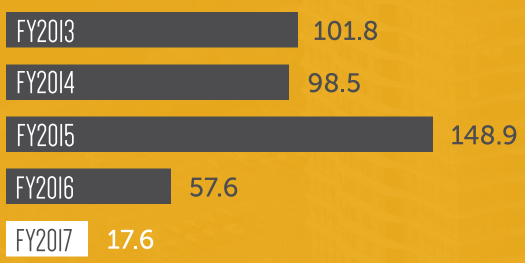
IN APPRECIATION

I would like to extend my deepest gratitude to all our valued customers, clients, shareholders, partners and business associates for their support, confidence and trust all these years. I also wish to thank my fellow Board members, management and all staff for their contribution, hard work and dedication. Together, with your unwavering support, we can bring Figtree to greater heights.

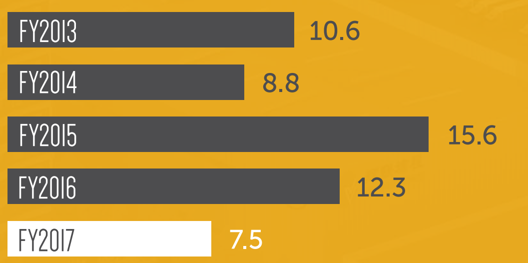
DANNY SIAW
Executive Chairman & Managing Director

FINANCIAL HIGHLIGHTS

REVENUE (S$M)



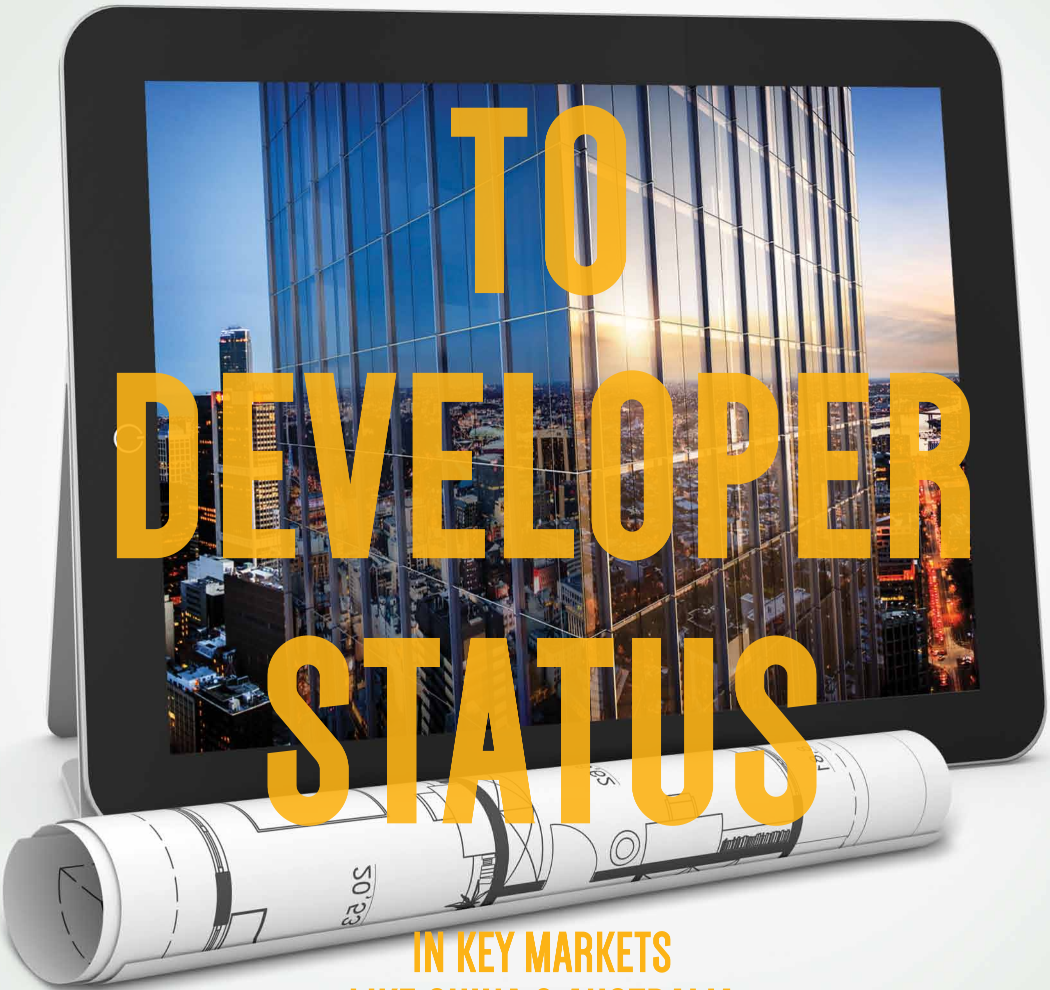
PROFIT BEFORE TAXATION (S$M)



	2017	2016	2015	2014	2013
GROUP INCOME STATEMENTS (S$'000)					
Revenue	**17,563**	57,562	148,896	98,538	101,817
Profit before taxation	**7,472**	12,309	15,622	8,769	10,646
Net profit attributable to owners of the Company	**5,570**	10,247	12,599	7,220	8,635
GROUP BALANCE SHEETS (S$'000)					
Total assets	**89,372**	91,431	88,416	87,471	47,096
Total liabilities	**36,363**	42,942	48,957	59,873	23,640
Equity attributable to owners of the Company	**53,045**	48,476	39,440	27,560	23,424
PER SHARE DATA (CENTS)					
Earnings per share (basic)	**1.70**	**3.37**	4.42	2.60	3.11[1]
Earnings per share (diluted)	**1.70**	**3.35**	4.41	2.60	3.11[1]
Net asset value	**15.72**	**15.36**	13.48	9.93	8.44[2]
MARKET CAPITALISATION (S$'000)					
At close of market on the first trading day after the announcement of the unaudited financial results for the financial year	**55,335**	**53,030**	49,159	37,469	97,141

1 For illustrative and comparison purposes, earnings per share is calculated based on the audited profit attributable to owners of the Company and the post-IPO share capital of 277,546,000 shares.

2 For illustrative and comparison purposes, the net assets value per share is calculated based on the Company's post-IPO share capital of 277,546,000 shares.



TO DEVELOPER STATUS

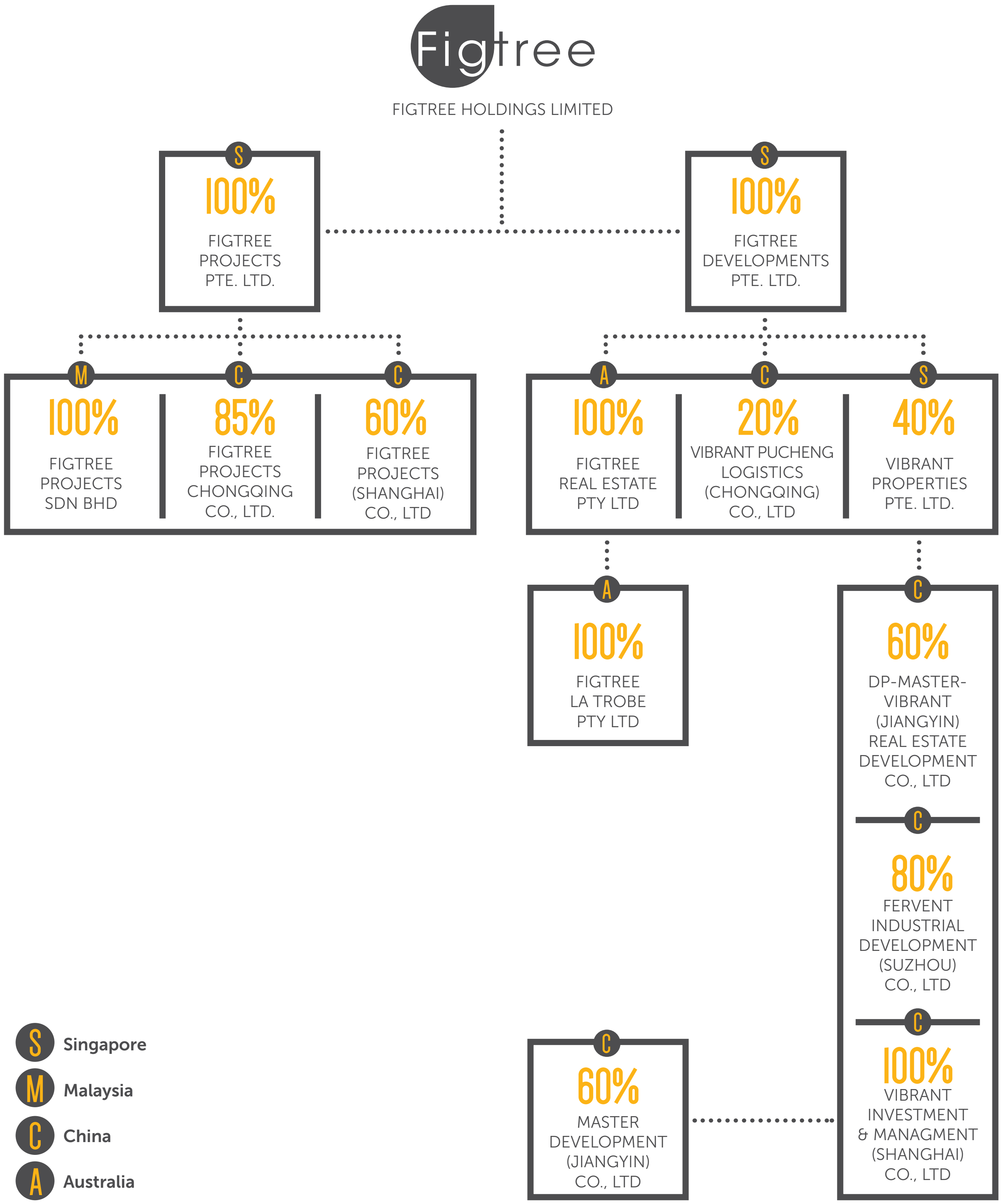
IN KEY MARKETS LIKE CHINA & AUSTRALIA

AUSTRALIA

In Australia, the Group's first fully-owned property development, 303 La Trobe, is prominently located in the prime district of central Melbourne. This 44-storey skyscraper will be a mixed residential and commercial development with recreational communal facilities.

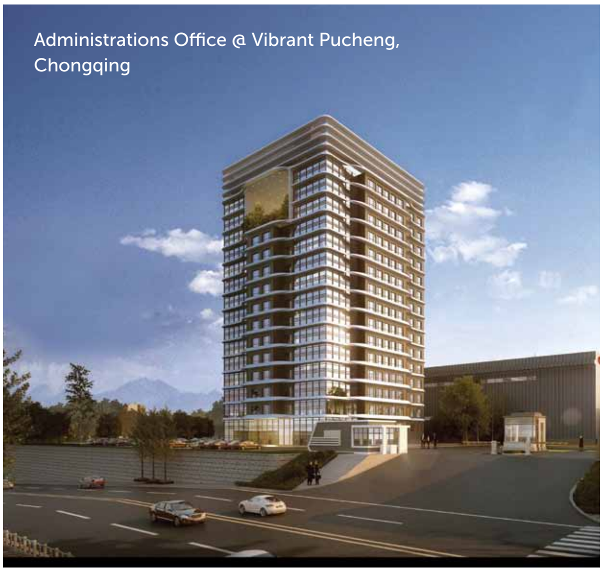
CORPORATE STRUCTURE

as at 31 December 2017



OPERATIONS & FINANCIAL REVIEW

As at 31 December 2017, the Group's total assets was S$89.4 million, against S$91.4 million as at 31 December 2016.



Administrations Office @ Vibrant Pucheng, Chongqing

REVIEW OF INCOME STATEMENT

In FY2017, the Group recorded revenue of S$17.6 million, as compared to S$57.6 million in FY2016. This decline was mainly due to the absence of contribution from major design and build projects which were recognised in FY2016.

In line with this decrease in revenue, as well as the write back of an accrual of subcontractors' cost of S$2.4 million that was no longer required, cost of sales declined by 85.3% to S$5.9 million, from S$39.7 million previously. Correspondingly, gross profit was lower by 34.3% to S$11.7 million, from S$17.8 million in FY2016.

The Group incurred general and administrative expenses of S$6.1 million, which were 29.1% lower than the S$8.6 million incurred in the previous year. This resulted from the reduction in sales and marketing expenses incurred in FY2017 with respect to the sales of residential units at 303 La Trobe as compared to FY2016. This was offset by foreign exchange losses in FY2017 as compared to foreign exchange gains in FY2016 due to the weakening of the United States Dollar against the Singapore Dollar.

There was also an increase in finance costs from S$0.002 million in FY2016, to S$0.05 million in FY2017, which were related to interest expenses incurred from bank borrowings. These bank borrowings bear interests at 2.6% to 3.3% per annum.

The Group's share of losses from 40%-owned associate, VPPL, was S$0.6 million in FY2017, against a profit of S$1.8 million in FY2016. This was due to operational costs, partially offset by the revaluation of investment properties in China recognised in the last quarter of FY2017. The profit in FY2016 arose from profits recognised from the first and second government-approved resettlement housing projects in Jiangyin, China.

As a result, the Group's profit attributable to owners of the Company decreased to S$5.6 million in FY2017, from S$10.2 million in FY2016.

REVIEW OF FINANCIAL POSITION

As at 31 December 2017, the Group's total assets was S$89.4 million, against S$91.4 million as at 31 December 2016. This is attributed to:

- a decline in total loans to an associate by S$2.3 million, or 9.8%, to S$20.8 million due mainly to the repayment of shareholder's loans by VPPL during the year;

NET ASSETS

S$53.0 million

A 9.3% rise from
S$48.5 million from last year

- a reduction in total trade receivables of S$7.7 million, or almost 40.0%, to S$11.6 million due mainly to the completion of the project with Hankyu Hanshin Properties Singapore Pte Ltd ("HHPPL") during 2Q2017; and
- a decline of S$11.6 million, or 86.9%, to S$1.8 million in cash and short-term deposits due mainly to net cash flows used in operating activities.

This was partially offset by:

- a S$3.3 million, or 85.3%, rise in interests in associates to SS7.1 million which arose mainly from the completion of the acquisition of the 20% interest in Vibrant Pucheng;
- an increase in total other receivables by S$8.0 million, or 136.7%, to S$13.9 million due to deposits received from customers arising from the sales of residential units at 303 La Trobe, in Melbourne, Australia; and
- an increase of S$8.1 million, or 36.0%, in development properties due to the capitalisation of commission payable to sales agents from the sales of residential units at 303 La Trobe.

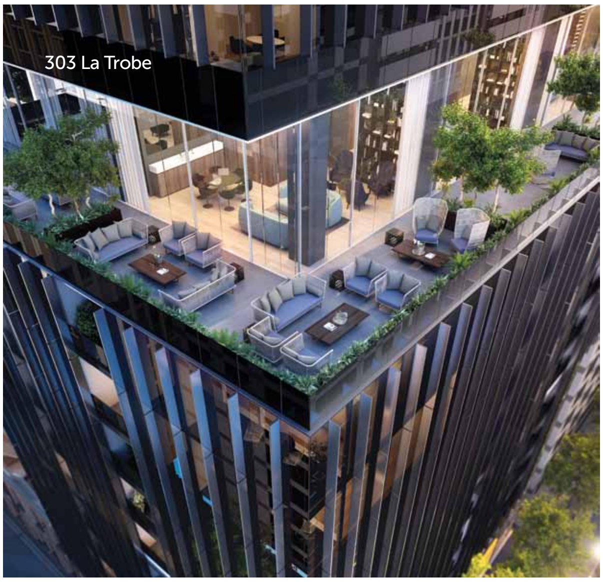
The Group's total liabilities also declined to S$36.4 million as at 31 December 2017 from S$42.9 million as at 31 December 2016. This can be attributed to:

- a net decrease in gross amount due to customers for contract work-in-progress resulting from the completion of the HHPPL project and a project with LTH Logistics (Singapore) Pte Ltd ("LTHLPL"), which commenced in the 4th quarter of FY2016;
- a decline of S$0.9 million, or 2.8%, in total trade and other payables due to a decrease in trade payables and accrued subcontractors' costs arising from the completion of projects with HHPPL and LTHLPL; and a decrease in accrued operating expenses resulting from the payment of operating expenses previously accrued for projects that had been completed in FY2016. This was partially offset by an increase in deposits received from customers arising from the sales of residential units at 303 La Trobe and non-current accrued operating expenses; and
- a reduction in tax provision of S$0.2 million, or 13.6%, to S$1.6 million, in line with the lower profits achieved for the financial year.

This was partially offset by:

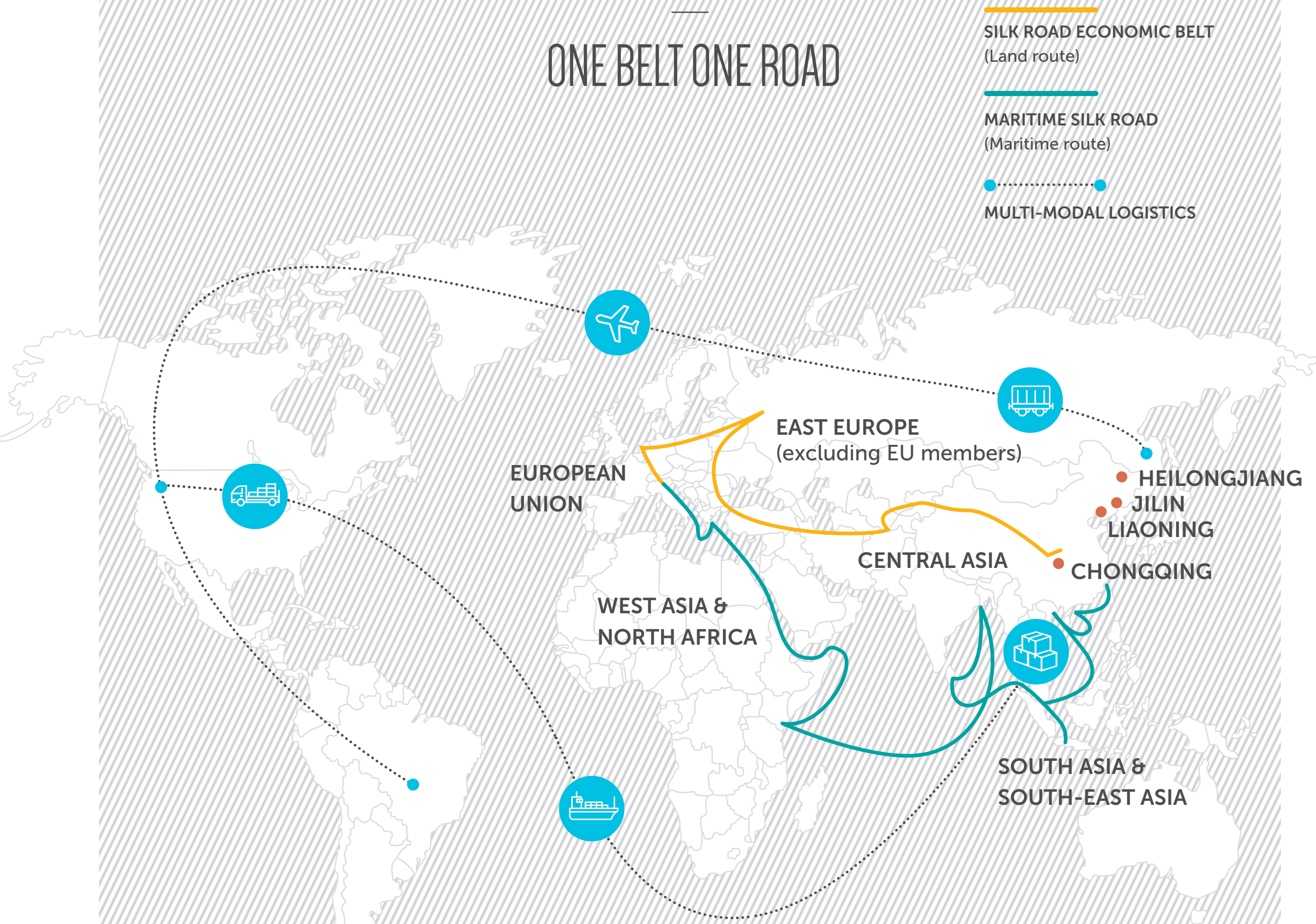
- an increase in bank borrowings to S$3.3 million relating to the drawdown of facilities extended by banks. The amounts are denominated in Singapore Dollars, unsecured and bear interests at 2.6% to 3.5% per annum. An amount of S$1.3 million has been repaid on 21 March 2018 and the remaining S$2.0 million is repayable between 15 April 2018 and 27 June 2018.

Consequently, the Group posted a 9.3% rise in net assets to S$53.0 million, from S$48.5 million in the previous financial year.


303 La Trobe

PORTFOLIO REVIEW

ONE BELT ONE ROAD




Birds Eye View of
Vibrant Pucheng, Chongqing

The 'One Belt' and 'One Road' ("OBOR") initiative refers to China's proposed 'Silk Road Economic Belt' and 'Maritime Silk Road'. Connectivity will cover five major areas: policy coordination, infrastructure construction (including railways and highways), unimpeded trade, financial integration and people-to-people ties.

The OBOR will cover:

- More than 60 countries
- More than 50% of the global population
- 75% of known energy resources
- 40% of the world's GDP

PORTFOLIO REVIEW

SINGAPORE - CHONGQING CONNECTIVITY INITIATIVE

Ancillary Building @ Vibrant Pucheng, Chongqing

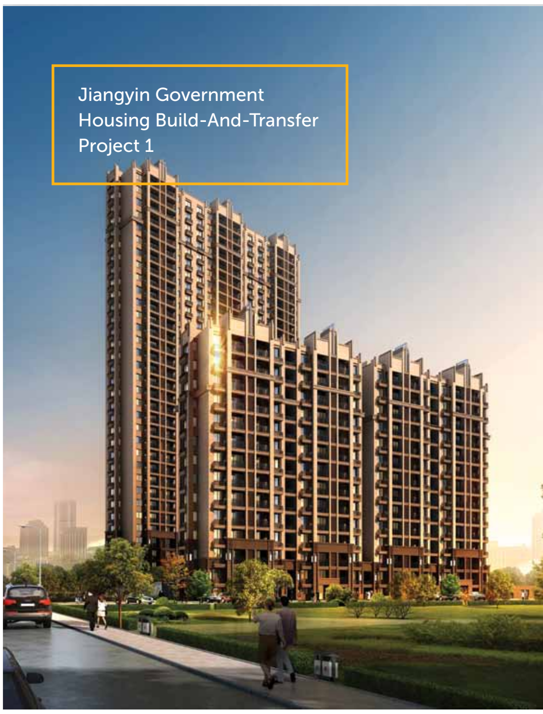
The Chongqing Connectivity Initiative ("CCI") is a third Singapore-China government-led project that is aimed at enhancing connectivity in the areas of finance, aviation, transport and logistics, and information and communications technology. One of the initiatives is to develop a Southern Trade Corridor from Chongqing to ASEAN via the port city of Qinzhou in southern Guangxi province.

PORTFOLIO REVIEW

CHINA OVERVIEW


Changshu Fervent Industrial Park - Phase 1


Master Reviera Mixed Residential & Commercial Development


Jiangyin Government Housing Build-And-Transfer Project 1

PORTFOLIO OF PROJECTS

Under Development

1. Master Riveria mixed residential and commercial development
2. Changshu Fervent industrial park built-to-suit development (phase 2)
3. Vibrant Pucheng multi-modal logistics distribution centre

Under Management

4. Changshu Fervent industrial park (phase 1)

Completed Projects

5. Jiangyin government housing build-and-transfer projects 1&2

PORTFOLIO REVIEW

CHINA – PROJECTS UNDER DEVELOPMENT

In China, through its 40%-owned associate, Vibrant Properties Pte Ltd, Figtree develops residential, commercial and industrial properties, both for sale and for investment.

BUILT-TO-SUIT DEVELOPMENT
Faurecia/Changshu Fervent High Tech Industrial Park Phase 2

Build-In Lease Area: **32,805sqm** | Expected Completion: **2Q 2019** | Lease Period: **7 years**

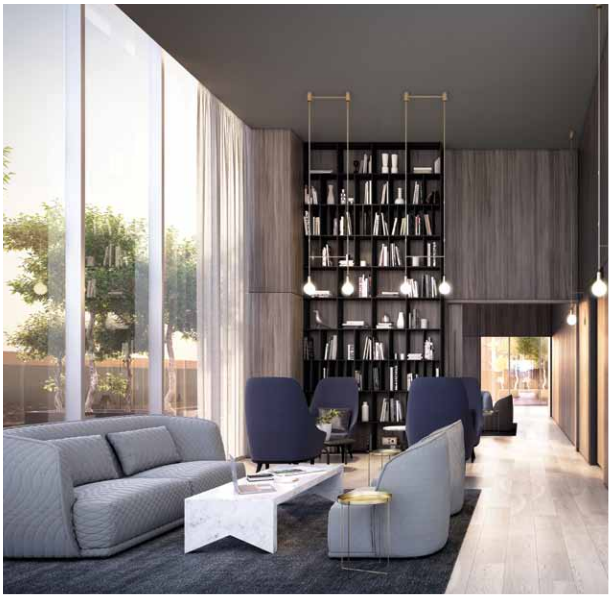
BUILT-TO-SUIT DEVELOPMENT
Ingevity/Changshu Fervent High Tech Industrial Park Phase 2

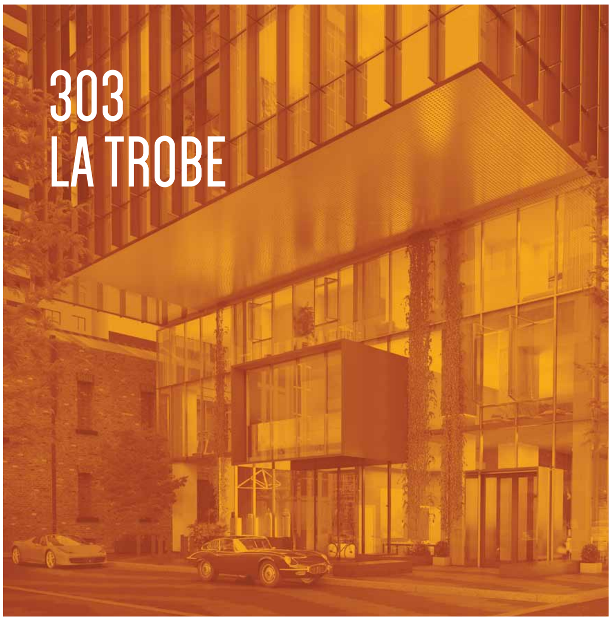
Lease Area: **13,122sqm** | Expected Completion: **4Q 2018** | Lease Period: **10 years**

PORTFOLIO REVIEW

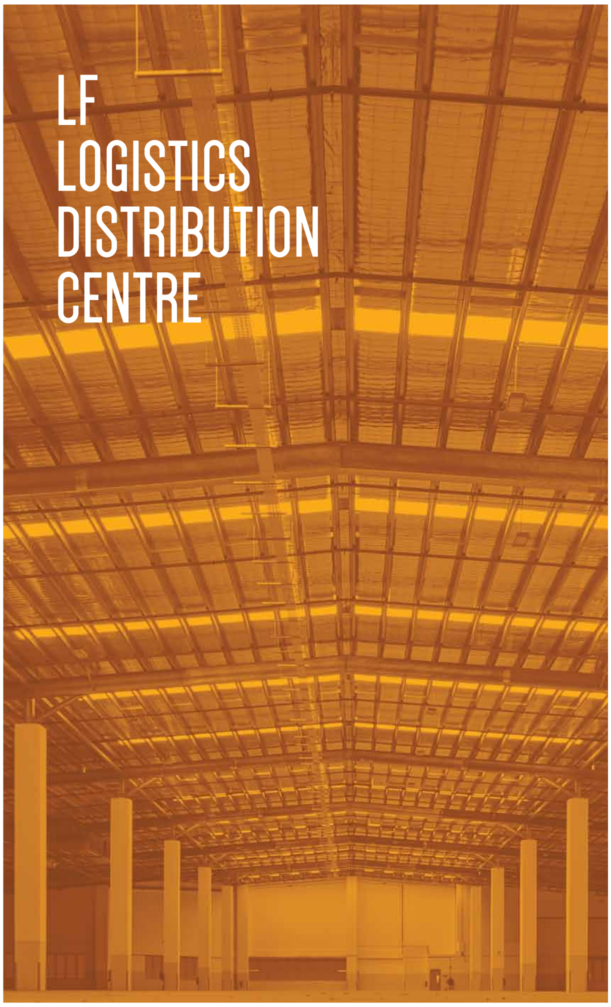
AUSTRALIA – PROJECTS UNDER DEVELOPMENT

This 44-storey skyscraper is prominently located in the prime 293-303 La Trobe Street in Central Melbourne, Australia. It comprises retail and café outlets on the ground floor, 215 residential units of one-, two- and three- bedroom apartments, and recreational and communal facilities. Launched in October 2016, approximately 97% of the residential units have been sold.





SINGAPORE – COMPLETED PROJECTS



MEETING YOUR NEEDS

DESIGN AND BUILD SOLUTIONS FOR CUSTOMERS; YEAR-ON-YEAR GROWTH FOR SHAREHOLDERS

CHINA

Leveraging its successful track record of completed projects in Singapore and China, Figtree will continue to look for opportunities that will drive long term sustainable growth and increase shareholder value.

BOARD OF DIRECTORS

SIAW KEN KET @ DANNY SIAW

Executive Chairman & Managing Director

Mr Siaw was appointed as Executive Chairman and Managing Director of the Company on 5 June 2013.

Primarily responsible for the business development and overall management of the Group, Mr Siaw started his career in November 1990 as a site engineer with Civil & Civic Pty Ltd, a wholly-owned subsidiary of Lend Lease Corporation Limited in Australia.

Following which, he was transferred to Bovis Lend Lease Pte Ltd (a design and build company) in Singapore in July 1993 as a project manager and rose through the ranks to become a business development manager. He went on to Magdecon Projects Pte Ltd in 1998 as an executive director in charge of business development and design. On the back of his stellar work performance, Mr Siaw was subsequently promoted to the post of managing director in 2004, a position he held until December 2010.

The following year, Mr Siaw joined Figtree Projects Pte. Ltd. as its managing director and subsequently became the director of Figtree Projects Sdn Bhd and Figtree Projects (Shanghai) Co., Ltd in the latter part 2011. In 2013, Mr Siaw was also appointed as a director of Figtree Developments Pte. Ltd.

Mr Siaw holds a Bachelor of Planning and Design, as well as a Bachelor of Building, from the University of Melbourne, Australia.

TAN CHEW JOO

Executive Director & Cost Director

Mr Tan was appointed as Executive Director and Cost Director of the Company on 5 June 2013.

He is chiefly responsible for the overall management of costing and budgeting of projects for the Group. Mr Tan started his career in 1973 as a quantity surveyor with the Singapore Public Works Department before joining Soh Beng Tee Pte Ltd, a general building contractor, as its contracts manager in 1975. Five years later, Mr Tan joined Bovis Lend Lease Pte Ltd in 1980 as its cost manager where he rose through the ranks to become senior director and general manager. Subsequently, he joined Magdecon Projects Pte Ltd in 1998 as its managing director and undertook the position of the executive chairman from 2004 to 2007. Following which, Mr Tan assumed the position of technical consultant for Magdecon Projects Pte Ltd from 2007 to 2009 and was also an executive director of Singa MP Corporation Pte Ltd, the holding company of Magdecon Projects Pte Ltd, from 2008 to 2009. In 2011, Mr Tan joined the Group and became the cost director for Figtree Projects Pte. Ltd. before becoming a director of Figtree Developments Pte. Ltd. in 2013.

Mr Tan holds a Bachelor of Science (Building) from the then University of Singapore. He is also a Member of the Singapore Institute of Surveyors and Valuers.

BOARD OF DIRECTORS

THOMAS WOO SAI MENG

Non-Executive Director

Mr Woo was appointed as Non-Executive Director of the Company on 8 October 2013.

Currently the executive director and chief investment officer of Vibrant Group Limited (formerly known as Freight Links Express Holdings Limited) ("Vibrant"), Mr Woo first joined Vibrant in May 1997 as the chief financial officer. He was appointed as executive director of Vibrant in September 2001 and assumed his current chief investment officer role in November 2010. Mr Woo also sits on the board of a number of Vibrant's subsidiaries and associated companies. Prior to joining Vibrant, Mr Woo held senior managerial appointments with a number of private sector organisations.

Mr Woo holds a Bachelor of Economics from the University of New England and a Master of Business Administration from the University of Queensland. He is also a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants and a Fellow of CPA Australia.

LEE KIM HUAT

Lead Independent Director

Mr Lee was appointed as Lead Independent Director of the Company on 8 October 2013.

He is currently the chief operating officer and finance director of Nordic Global Holdings Pte. Ltd., an investment holding company, as well as the chief operating officer and finance director of Nordic Lift- Truck Pte. Ltd., Nordic Trading & Engineering Pte. Ltd. and PT. Peralatan Pelabuhan Global. Notably, these companies are engaged in the sale, refurbishment, servicing and repair of container and material handlers, terminal tractors, heavy forklifts, quayside cranes and port equipment.

Mr Lee also has extensive experience in finance and accounting. From 2002 to 2009, he was the group chief financial officer of BBR Holdings (S) Ltd ("BBR Holdings"), a SGX Mainboard-listed company that engages in, amongst others, design and build as well as property development. As group chief financial officer of BBR Holdings, he was responsible for the overall finance, administration and other operational matters within the group. Prior to Mr Lee's appointment as group chief financial officer, he was also the executive director responsible for finance, administration and other operational matters in several of BBR Holdings' main subsidiaries such as Singapore Piling & Civil Engineering Private Limited, Singa Development Pte Ltd and BBR Construction Systems Pte Ltd.

Mr Lee holds a Bachelor of Arts (Accounting) from Newport University, a Diploma in Business Studies from the City College of Higher Education (London) and a Post-graduate Diploma in Accounting and Finance from The London School of Economics and Political Science. He is an Associate of The Association of Cost and Executive Accountants and a Fellow Certified Corporate Executive Accountant of the Association of Certified Project Accountants.

LEE CHOONG HIONG

Independent Director

Mr Lee was appointed as Independent Director of the Company on 8 October 2013.

He is also currently the owner of LCH Quantity Surveying Consultant, a sole-proprietorship which he started in 1986, that provides quantity surveying services, business and management consultancy services, as well as LTY + LCH (JV), a partnership registered in 2005 that provides quantity surveying services.

With more than 40 years of experience in quantity surveying, Mr Lee worked as a senior quantity surveyor at LT&Y from 1973 to 1981. Thereafter, he became a partner at Lim Chan Hoe & Partners, a company in the business of quantity surveying from 1981 to 1986.

Mr Lee holds a Bachelor of Science (Building) from the University of Singapore and is a member of The Singapore Institute of Surveyors and Valuers.

PONG CHEN YIH

Independent Director

Mr Pong was appointed as Independent Director of the Company on 8 October 2013.

Specialising in legal work pertaining to capital markets, compliance, investments and acquisitions, Mr Pong is a principal in Baker & Mckenzie Wong & Leow and has been with the firm since October 2014. In practice since May 2002, Mr Pong started his legal profession as an associate in Shook Lin & Bok LLP prior to joining WongPartnership LLP as an associate in 2003 before being promoted to the position of partner in 2008.

Mr Pong holds a Bachelor of Law from the National University of Singapore and is a member of the Singapore Academy of Law and the Law Society of Singapore.

SENIOR MANAGEMENT

LING LIONG KIONG AUDREA

Chief Financial Officer

Ms Ling joined our Group in February 2013 and is our Chief Financial Officer.

Responsible for all finance-related areas of the Group, Ms Ling first started her career in 1997 as an auditor in Ernst & Young LLP before leaving in 2002 to join BBR Holdings, a design and build construction and property development company listed on the Mainboard of the SGX-ST. She joined Adventus Holdings Limited, an advanced materials and solutions and commodities and resources company listed on Catalist, as the group finance manager in 2010.

Ms Ling holds a Bachelor of Commerce in Marketing and Accounting from the University of New South Wales and is also a Certified Practising Accountant of CPA Australia.

TEOH HOON SONG

Mechanical and Electrical Engineering Director

Mr Teoh is the Mechanical and Electrical Engineering ("M&E") Director for Figtree Projects Pte. Ltd. and is responsible for all M&E-related matters for all projects as well as ensuring compliance with applicable ISO procedures and BCA Green Mark compliance.

Mr Teoh joined Hart Engineering Pte Ltd in 1995 as an engineer. In 2000, he left to join United Engineers Pte Ltd in the same capacity. In 2005, Mr Teoh joined Magdecon Projects Pte Ltd, a building and construction company, as an M&E Manager and became project manager subsequently. Mr Teoh joined Figtree Projects Pte. Ltd. in 2010 as M&E Director.

Mr Teoh holds a Bachelor of Engineering (Electrical & Electronic Engineering) from the Nanyang Technological University.

FUNG TZE PING

Project Director

Mr Fung is the Project Director for Figtree Projects Pte. Ltd. and is responsible for project management, project planning, management of budgeting and costing.

Mr Fung started his career in 2000 with Magdecon Projects Pte Ltd. He was promoted to project manager in 2004, where he started managing various projects involving utilities pipework hook-up for Hermes-Epitek as well as managing the design and construction of a chemicals warehouse for LTH Logistic (Singapore) Pte Ltd. In 2011, Mr Fung joined Figtree Projects Pte. Ltd. as Project Director.

Mr Fung holds a Diploma in Technology (Building) from Tunku Abdul Rahman College and a Master of Science in Construction Management (Project Management) from Heriot-Watt University.

OEI TJHING BO ROBERT

Technical Director

Mr Oei is the Technical Director for Figtree Projects Pte. Ltd. and is responsible for the preparation of conceptual structural designs and evaluation of the final foundation and structural designs.

From 1971 to 1977, Mr Oei joined HDB and set up the civil structural engineering section of URA. From 1978 to 1998, Mr Oei took on various roles within the L&M group of companies, a specialist engineering contractor in Singapore, where he was the technical director of L&M Prestressing Pte Ltd, chief executive officer of L&M Geotechnic Pte Ltd and L&M Foundation Specialist Pte Ltd and country director for its subsidiaries in Brunei and Indonesia. Mr Oei joined Yongnam Engineering & Construction Pte Ltd as a technical manager for projects in Singapore, Hong Kong and India in 1999. Subsequently, he joined various other engineering and construction companies as technical director/consultant from 2003, before joining the Group in 2011.

Mr Oei holds a Bachelor of Engineering in Civil Engineering from the University of Sydney. He is a certified Professional Engineer, a registered Accredited Checker with the BCA in Singapore, and a member of the Institution of Engineers of Singapore and American Society of Civil Engineers.

CORPORATE GOVERNANCE

Disclosure Table for Annual Report in Compliance to the Code of Corporate Governance 2012 and Catalist Rules

The Board of Directors (the "**Board**") of Figtree Holdings Limited, (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 31 December 2017 ("**FY2017**"), with specific reference made to the principles of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**").

Guideline	Code and/or Guide Description and Company's Compliance or Explanation
General	**(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.** The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code? Not applicable. The Company did not adopt any alternative corporate governance practices in FY2017.
BOARD MATTERS	
The Board's Conduct of Affairs	
1.1	**What is the role of the Board?** The Board has six (6) members and comprises the following: ***Table 1.1 – Composition of the Board***

Name of Director	Designation
Siaw Ken Ket @ Danny Siaw	Executive Chairman and Managing Director
Tan Chew Joo	Executive Director and Cost Director
Thomas Woo Sai Meng	Non-Executive Director
Lee Kim Huat	Lead Independent Director
Lee Choong Hiong	Independent Director
Pong Chen Yih	Independent Director

CORPORATE GOVERNANCE

1.1	The Board is entrusted to lead and oversee the Group, with the fundamental principle to act in the best interests of the Group. 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 performance such as reviewing and approving of financial results announcements and financial statements; • Overseeing the processes for evaluating the adequacy of internal controls and risk management including the review and approval of interested person transactions; • Assuming responsibility for corporate governance and compliance with the Companies Act (Chapter 50) of Singapore and the rules and regulations of the relevant regulatory bodies; • Evaluating performance of the Management; • Reviewing and approving the remuneration framework for the Directors and key executives; • Providing entrepreneurial leadership, setting strategic objectives and ensuring the necessary human and financial resources are well in place to meet the Group's objectives; • Establishing a prudent framework and effective controls so that risks can be assessed and managed, which include the safeguarding of shareholders' interests and the Group's assets; and • Setting the Group's values and standards, including ethical standards, and ensuring that obligations to the shareholders are understood and met.
1.3	**Has the Board delegated certain responsibilities to committees? If yes, please provide details.** The Board has delegated certain responsibilities to the Audit Committee (the "**AC**"), the Remuneration Committee (the "**RC**"), and the Nominating Committee (the "**NC**") (collectively, the "**Board Committees**"). The compositions of the Board Committees are as follows:

	AC	NC	RC
Chairman	Lee Kim Huat	Pong Chen Yih	Lee Choong Hiong
Member	Lee Choong Hiong	Lee Kim Huat	Lee Kim Huat
Member	Pong Chen Yih	Tan Chew Joo	Pong Chen Yih

1.4 **Have the Board and Board Committees met in the last financial year?**

The Board meets on a quarterly basis, and as and when circumstances require. In FY2017, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.

	Board	AC	NC	RC
Number of Meetings Held	4	4	1	1
Name of Director	**Number of Meetings Attended**			
Siaw Ken Ket @ Danny Siaw	4	4*	1*	1*
Tan Chew Joo	4	4*	1	1*
Thomas Woo Sai Meng	4	4*	1*	1*
Lee Kim Huat	4	4	1	1
Lee Choong Hiong	4	4	1*	1
Pong Chen Yih	4	4	1	1

* By invitation

The Company's Articles of Association (the "**Articles**") allow for meetings to be held through audio-visual communication equipment.

<table>
<tr><td>1.5</td><td colspan="2">What are the types of material transactions which require approval from the Board?

Matters that require the Board's approval include, amongst others, the following:

• corporate strategy and business plans;
• material acquisitions and disposals of assets;
• corporate or financial restructuring;
• share issuance, proposal of dividends or changes in capital;
• budgets, financial results announcements, annual report and audited financial statements; and
• material interested person transactions.</td></tr>
<tr><td>1.6</td><td colspan="2">(a) Are new Directors given formal training? If not, please explain why.

All newly appointed Directors will undergo an orientation programme where the Director would be briefed by the Executive Chairman and Managing Director on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. All newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore will attend the training at the Singapore Institute of Directors or any other relevant courses.</td></tr>
<tr><td></td><td colspan="2">(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?

Briefings, updates and trainings for the Directors in FY2017 include:

• the external auditors ("EA") briefed the AC on changes or amendments to accounting standards during AC meetings;
• the Company Secretary briefed the Board on the regulatory updates; and
• the Directors are regularly briefed by the Managing Director and Executive Chairman on the business activities of the Group.</td></tr>
<tr><td colspan="3">Board Composition and Guidance</td></tr>
<tr><td>2.1
2.2
3.3</td><td colspan="2">Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.

In view that the Executive Chairman of the Board (the "Chairman") and the Managing Director is the same person, independent directors should make up half of the Board. As such, Guideline 2.2 of the Code is met as the Independent Directors make up half of the Board.

Mr Lee Kim Huat is the Lead Independent Director of the Company and makes himself available to shareholders if they have concerns relating to matters that contact through the Executive Chairman and Managing Director or the CFO has failed to resolve, or where such contact is inappropriate as well as at the Company's general meetings.</td></tr>
</table>

CORPORATE GOVERNANCE

<table>
<tr><td>2.3
4.3</td><td>Has the independence of the Independent Directors been reviewed in the last financial year?

The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors have also confirmed their independence in accordance with the Code.</td></tr>
<tr><td></td><td>(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.

(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.

There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.</td></tr>
<tr><td>2.4</td><td>Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.

There are no Independent Directors who have served beyond nine years since the date of their first appointment.</td></tr>
<tr><td>2.6</td><td>(a) What is the Board's policy with regard to diversity in identifying director nominees?

(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.

The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

<table>
<tr><th></th><th>Number of Directors</th></tr>
<tr><td>Core Competencies</td><td></td></tr>
<tr><td>– Accounting or finance</td><td>3</td></tr>
<tr><td>– Legal or corporate governance</td><td>1</td></tr>
<tr><td>– Relevant industry knowledge or experience</td><td>5</td></tr>
<tr><td>Gender</td><td></td></tr>
<tr><td>– Male</td><td>6</td></tr>
<tr><td>– Female</td><td>0</td></tr>
</table>
</td></tr>
</table>

2.6	**(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?** The Board has taken the following steps to maintain or enhance its balance and diversity: • Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and • Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board. The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.
2.8	**Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?** The Non-Executive Directors are scheduled to meet regularly, and as warranted, in the absence of key management personnel to discuss concerns or matters such as the effectiveness of Management. For FY2017, the Non-Executive Directors have met in the absence of Management.
Chairman and Chief Executive Officer	
3.1	**Are the duties between Chairman and CEO segregated?** There was no distinction of the roles of the Executive Chairman and Managing Director in FY2017. Mr Siaw Ken Ket @ Danny Siaw assumes the roles of the Executive Chairman and Managing Director. The Company believes that a single leadership structure will facilitate the decision-making process in relation to business opportunities and operational matters. The Board is of the opinion that there would be no need to separate the two roles after taking into consideration the following: • Size and capabilities of the Board; • Size and operations of the Group; and • Safeguards, checks and balances are in place to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group exercising any concentration of power or influence.
3.4	**Have the Independent Directors met in the absence of the other directors?** The Independent Directors have met in the absence of the other directors in FY2017.
Board Membership	
4.1	**What are the duties of the NC?** The NC is guided by key terms of reference as follows: • Review and recommend the nomination or re-nomination of the Directors having regard to the Director's contribution and performance; • Determine on an annual basis whether or not a Director is independent; • Develop appraisal criteria for evaluation of Board's and Board Committee's performances; • Review of the training and development programs for the Board; • Assess whether or not a Director is able to and has been adequately carrying out his duties; and • Review and approve any new employment of related persons and the proposed terms of their employment.

CORPORATE GOVERNANCE

<table>
<tr><td rowspan="4">4.4</td><td>(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?

The Board has not capped the maximum number of listed company board representations each Director may hold.</td></tr>
<tr><td>(b) If a maximum has not been determined, what are the reasons?

The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his other listed company board directorships and other principal commitments. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. Save for Mr Thomas Woo Sai Meng who has one other board representation, the other Directors have no board representations.</td></tr>
<tr><td>(c) What are the specific considerations in deciding on the capacity of directors?

The considerations in assessing the capacity of Directors include the following:

• Expected and/or competing time commitments of Directors;
• Competencies of Directors;
• Geographical location of Directors;
• Size and composition of the Board; and
• Nature and scope of the Group's operations and size.</td></tr>
<tr><td>(d) Have the Directors adequately discharged their duties?

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately for FY2017.</td></tr>
<tr><td>4.5</td><td>Are there alternate Directors?

The Company does not have any alternate directors.</td></tr>
</table>

4.6

Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.

Table 4.6(a) – Process for the Selection and Appointment of New Directors

1. Determination of selection criteria	• The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills/experience/knowledge to complement and strengthen the Board and increase its diversity.
2. Search for suitable candidates	• The NC would consider candidates proposed by the Directors, key management personnel or search companies, and may engage external search consultants where necessary.
3. Assessment of shortlisted candidates	• The NC would meet and interview the shortlisted candidates to assess their suitability.
4. Appointment of director	• The NC would recommend the selected candidate to the Board for consideration and approval.

Table 4.6(b) – Process for the Re-electing Incumbent Directors

1. Assessment of director	The NC would: • assess the performance of the Director in accordance with the performance criteria set by the Board; • review the annual evaluations done by the Board, Board committees and individual Directors; and • assess the current needs of the Board.
2. Re-appointment of director	• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.

The Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to the Articles, at least one third of the Board (including the Executive Chairman and Managing Director) is to retire from office by rotation and be subject to re-election at the Annual General Meeting ("**AGM**") of the Company.

Directors appointed by the Board during the financial year, shall only hold office until the next AGM and thereafter be eligible for re-election at the AGM.

After assessing their contribution and performance, the NC has recommended the following Directors who are retiring at the forthcoming AGM pursuant to the respective sections of the Company's Articles, to be nominated for re-election:

Table 4.6(c) – Re-election of Directors retiring at the forthcoming AGM

Name	Designation	Pursuant to Article
Tan Chew Joo	Executive Director and Cost Director	98
Thomas Woo Sai Meng	Non-Executive Director	98

The above Directors have offered themselves for re-election and the Board has accepted the recommendation.

CORPORATE GOVERNANCE

4.7	**Please provide Directors' key information.** The key information of the Directors, including their appointment dates and directorships held in the past 3 years, are set out on pages 19 to 21 of this annual report. Their last re-election dates are tabled as follows:

Table 4.7 – Last re-election dates of Directors

Name	Designation	Last Re-election date
Siaw Ken Ket @ Danny Siaw	Executive Chairman and Managing Director	27 April 2017
Tan Chew Joo	Executive Director and Cost Director	23 April 2015
Thomas Woo Sai Meng	Non-Executive Director	23 April 2015
Lee Kim Huat	Lead Independent Director	27 April 2016
Lee Choong Hiong	Independent Director	27 April 2016
Pong Chen Yih	Independent Director	27 April 2017

Board Performance

5.1 5.2 5.3	**What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?** Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board to address how the Board has enhanced long-term shareholders' value:

Table 5 – Performance Criteria for Evaluating Board Effectiveness

Performance Criteria	Board and Board Committees	Individual Directors
Qualitative	1. Size and composition 2. Access to information 3. Board processes 4. Strategic planning 5. Board accountability 6. Risk management	1. Commitment of time 2. Knowledge and abilities 3. Teamwork 4. Independence (if applicable) 5. Overall effectiveness
Quantitative	1. Attendance at Board and Board Committee meetings	

No external facilitator was used in the evaluation process.

<table>
<tr><td>5.1
5.2
5.3</td><td>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?

The review of the performance of the Board and the Board Committees is conducted by the NC annually. The review of the performance of each Director is also conducted at least annually and when the individual Director is due for re-election.

For FY2017, the review process was as follows:

1. The NC completed a board evaluation questionnaire on the effectiveness of the Board, the Board Committees and all Directors individually completed a self-evaluation performance questionnaire based on criteria disclosed in Table 5;
2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman; and
3. The NC discussed the report, addressing concerns that arose and concluded the performance results during the NC meeting.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of their performance.</td></tr>
<tr><td></td><td>(b) Has the Board met its performance objectives?

Yes, the Board Committees and the Directors have met their performance objectives.</td></tr>
<tr><td colspan="2">Access to Information</td></tr>
<tr><td>6.1
10.3</td><td>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?

Table 6 – Types of information provided by key management personnel to Independent Directors
<table><tr><th></th><th>Information</th><th>Frequency</th></tr><tr><td>1.</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>Whenever Applicable</td></tr><tr><td>2.</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr><tr><td>3.</td><td>Budgets and forecasts (with variance analysis)</td><td>Quarterly</td></tr><tr><td>4.</td><td>Consolidated management accounts (with financial ratios analysis)</td><td>Quarterly</td></tr><tr><td>5.</td><td>Reports on on-going or planned corporate actions</td><td>Whenever Applicable</td></tr><tr><td>6.</td><td>Internal auditors' ("IA") and EA's reports</td><td>Annually</td></tr></table>
Key management personnel will provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Monthly management accounts are made available to Directors when requested.</td></tr>
</table>

CORPORATE GOVERNANCE

6.3	**What is the role of the Company Secretary?** The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows: • Ensuring that Board procedures are observed and that the Company' Articles, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore and the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), are complied with; • Assisting the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value; • Assisting the Chairman to ensure good information flows within the Board and its committees and key management personnel; • Facilitating orientation and assisting with professional development as required; • Training, designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information; • Attending and preparing minutes for all Board meetings; • As secretary to all the other Board Committees, assisting to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and • Assisting the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings.
REMUNERATION MATTERS	
Developing Remuneration Policies	
7.1	**What is the role of the RC?** The RC is guided by key terms of reference as follows: • Review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework; • Review annually the remuneration packages of employees who are related to any of the Directors or any substantial shareholder of the Group; and • Administer the Figtree Employee Share Option Scheme.
7.3	**Were remuneration consultants engaged in the last financial year?** No remuneration consultants were engaged by the Company in FY2017.
7.4	**Termination Clause** There is currently no amount for termination, retirement and post-employment benefits granted or may be granted to Directors, the Executive Chairman and Managing Director, and the top key management personnel (who are not Directors or the Executive Chairman and Managing Director).

Level and Mix of Remuneration	
8.4	**Claw-back mechanism** The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company avails itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.
Disclosure on Remuneration	
9	**What is the Company's remuneration policy?** The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff that total compensation is linked to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.
9.1 9.2	**Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?** The breakdown for the remuneration of the Directors for FY2017 is as follows:

Table 9 – Directors' Remuneration

Name	Remuneration (S$'000)	Directors Fees[1] (%)	Salary (%)	Bonus[2] (%)	Benefits-in-kind[3] (%)	Total (%)
Siaw Ken Ket @ Danny Siaw	996	4.0	44.0	47.8	4.2	100
Tan Chew Joo	499	8.0	41.4	43.6	7.0	100
Thomas Woo Sai Meng	43	93.2	–	–	6.8	100
Lee Kim Huat	45	100	–	–	–	100
Lee Choong Hiong	43	93.2	–	–	6.8	100
Pong Chen Yih	40	100	–	–	–	100

1. Fees are subject to approval by shareholders as a lump sum at the AGM.
2. Bonus includes an incentive bonus which is to be paid within three months after the AGM that has approved the audited consolidated financial statements of the Group.
3. Benefits-in-kind refer to benefits such as fixed allowances, share-based payments and payments in respect of Company's statutory contributions to the Singapore Central Provident Fund.

CORPORATE GOVERNANCE

<table>
<tr><td>9.3</td><td>

(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?

The Company only has four (4) top key management personnel.

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2017 is as follows:

Table 9.3 – Remuneration of Key Management Personnel

	Salary (%)	Bonus[1] (%)	Benefits-in-kind[2] (%)	Total (%)
Above S$250,000 to S$500,000				
Oei Tjhing Bo Robert	45.3	47.7	7.0	100
Teoh Hoon Song	42.0	47.0	11.0	100
Fung Tze Ping	42.4	47.5	10.1	100
Below S$250,000				
Ling Liong Kiong Audrea	70.3	11.7	18.0	100

1. Bonus includes an incentive bonus which is to be paid within three months after the AGM that has approved the audited consolidated financial statements of the Group.
2. Benefits-in-kind refer to benefits such as fixed allowances, share-based payments and payments in respect of Company's statutory contributions to the Singapore Central Provident Fund.

</td></tr>
<tr><td></td><td>

(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).

The total remuneration paid to the top four (4) key management personnel for FY2017 was S$1,527,205.

</td></tr>
<tr><td>9.4</td><td>

Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.

Mr Kevin Tan is the Development Manager of the Company and the Director of the Group's subsidiaries Figtree Real Estate Pty Ltd and Figtree La Trobe Pty Ltd in Australia. He is the son of Mr Tan Chew Joo, the Executive Director and Cost Director of the Company, and his remuneration was between S$100,000 and S$150,000.

</td></tr>
<tr><td>9.5</td><td>

Please provide details of the employee share scheme(s).

<u>Figtree Share Option Scheme</u>

The Company has a share option scheme under the Figtree Employee Share Option Scheme (the "**ESOS**") which was approved by the shareholders at an extraordinary general meeting held on 8 October 2013. The RC administers the ESOS in accordance with the rules of the ESOS.

</td></tr>
</table>

9.5 Under the rules of the ESOS, Executive Directors and Non-Executive Directors (including Independent Directors) and confirmed full time employees of the Group are eligible to participate in the ESOS. Executive Directors, Non-Executive Directors and confirmed full time employees of the Group who are also controlling shareholders or associates of a controlling shareholder are also eligible to participate in the ESOS, provided that (a) the participation of, and (b) the terms of any options to be granted and the actual number of shares to be granted under the ESOS, to a participant who is a controlling shareholder or an associate of a controlling shareholder shall be approved by the independent shareholders in separate resolutions for each such person.

The total number of new shares over which options may be granted pursuant to the ESOS, when added to the number of shares issued and issuable under such other share-based incentive plans (where applicable) of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant of the options.

The number of options to be offered to a participant shall be determined at the discretion of the RC which shall take into account criteria such as rank, responsibilities within the Group, past performance, years of service and potential for future development of that participant. However, in relation to controlling shareholders or associates of controlling shareholders, the aggregate number of shares which may be granted shall not exceed 25% of the total number of shares available under the ESOS and the aggregate number of shares which may be granted to any individual controlling shareholders or associate of a controlling shareholder shall not exceed 10% of the total number of shares available under the ESOS.

The options that are granted under the ESOS may have exercise prices that are, at the RC's discretion, set at a price (the "**Market Price**") equal to the average of the last dealt prices for the shares on the Official List of Catalist over the five consecutive Market Days immediately preceding the relevant date of grant of the relevant option; or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the ESOS will expire upon the tenth anniversary of the date of grant of that option.

The ESOS shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

On 29 August 2017, the Company had granted options to eligible participants to the ESOS. Details of the options granted are provided in the Directors' Statement section on pages 45 to 48.

In accordance with Rule 851(l)(b) of the Catalist Rules, the following table sets out the options granted to the following Director:

Name of Director	Options granted in FY2017	Aggregate options granted since the commencement of the ESOS till the end of FY2017	Aggregate options exercised since the commencement of the ESOS till the end of FY2017	Aggregate options outstanding as at the end of FY2017
Tan Chew Joo	200,000	680,000	230,000	450,000

Further details of the ESOS are set out in the Company's offer document dated 29 October 2013 ("**Offer Document**").

CORPORATE GOVERNANCE

9.6

(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.

The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2017. The remuneration policy for employees comprises 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 package of the Executive Chairman and Managing Director, Mr Siaw Ken Ket @ Danny Siaw ("**Mr Siaw**"), includes an incentive bonus.

Mr Siaw had entered into a service agreement with the Company in which terms of his employment are stipulated. His initial term of employment is for a period of three (3) years from the date of admission of the Company to the Official List of the Catalist of the SGX-ST (the "**Initial Term**") on 11 November 2013. At the end of the Initial Term, his employment shall be automatically renewed on a year-on-year basis on such terms and conditions as may be agreed between the Company and Mr Siaw. For the current financial year, Mr Siaw's service agreement was automatically renewed and all terms and conditions remain the same.

Under the service agreement, Mr Siaw is entitled to an incentive bonus, to be paid within three months after the AGM of the Company approving the audited consolidated financial statements of the Group, based on the Group's audited consolidated profit before taxation and before profit sharing (excluding non-recurring exceptional items and extraordinary items) but before non-controlling interests of the Group for the relevant financial year.

(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?

The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:

Table 9.6(b) – Incentive Performance Conditions

Performance Conditions	**Short-term Incentives** (such as performance bonus)
Qualitative	1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Job performance
Quantitative	1. Profit Before Tax[1]

1. Please refer to page 138 and 139 of the Offer Document for more detailed information.

2,770,000 options were granted to all employees, including Executive Directors and key management personnel during FY2017 under the ESOS. For such long-term incentives, the criteria taken into account include rank, responsibilities within the Group, past performance, years of service, etc.

(c) Were all of these performance conditions met? If not, what were the reasons?

Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2017.

ACCOUNTABILITY AND AUDIT	
Risk Management and Internal Controls	
11.3	**(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.** The Board, with the concurrence of the AC, is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2017. The bases for the Board's view are as follows: 1. Assurance has been received from the Executive Chairman and Managing Director, CFO and the IA (refer to Section 11.3(b) below); 2. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed; 3. Key management personnel regularly evaluates, monitors and reports to the AC on material risks; and 4. Discussions were held between the AC and the IA in the absence of the key management personnel to review and address any potential concerns. The Company is gradually placing emphasis on sustainability and would implement appropriate policies and programmes when the opportunities arise. In addition, the Company has ongoing efforts to achieve and meet best practices set by industry standards from projects, in particular to environmental and workplace safety standards; this has been affirmed by the receipt of several accreditations and awards, such as BCA Green Mark Award and bizSAFE Star for FY2017.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above? Yes, the Board has obtained such assurance from the Executive Chairman and Managing Director and CFO in respect of FY2017.

CORPORATE GOVERNANCE

Audit Committee	
12.1 12.4	**What is the role of the AC?** The AC is guided by the following key terms of reference: • Review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements made by the EA so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance; • Review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operation, compliance and information technology risks; • Review the effectiveness and adequacy of the Group's internal audit function; • Review the scope and results of the external audit, and the independence and objectivity of the EA; • Make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the EA, and approve the remuneration and terms of engagement of the EA; • Review the system of internal controls and management of financial risks with the IA and the EA; • Review the co-operation given by the Management to the EA and IA, where applicable; • Review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time; • Review and approve any interested person transactions; • Review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests; • Review the risk management framework, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGXNET; • Investigate any matters within its terms of reference; • Review the policy and arrangements by which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow-up; and • Undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.
12.5	**Has the AC met with the auditors in the absence of key management personnel?** Yes, the AC has met with the IA and the EA in the absence of key management personnel in FY2017.

12.6	**Has the AC reviewed the independence of the EA?** The AC has reviewed and is satisfied that the EA is independent, and has recommended the re-appointment of the EA at the forthcoming AGM.
	(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year. There were no non-audit fees incurred for FY2017.
	(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA. There were no non-audit services rendered during FY2017.
12.7	**Does the Company have a whistle-blowing policy?** Yes. The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle-blowing report to figtree@nexiats.com.sg or through the hotline at +65 6597 7293.
12.8	**What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?** The AC has been kept abreast of the latest accounting standards and issues which have a direct impact on financial statements by the EA through the AC meetings held in FY2017.
12.9	**Exclusion from membership of AC** None of the AC members are a former partner or director of the Company's existing auditing firm or audit corporation within the last twelve months and none of the AC members hold any financial interest in the external audit firm.
Internal Audit	
13.1 13.2 13.3 13.4 13.5	**Please provide details of the Company's internal audit function, if any.** The Company's internal audit function is outsourced to Nexia TS Risk Advisory Pte Ltd that reports directly to the AC Chairman and administratively to the Executive Chairman and Managing Director. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that the IA is adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.

Table 12.6(a) – Fees Paid to the EA for FY2017

	S$	% of total
Audit fees		
– Auditor of the Company	126,000	63
– Other auditors	75,205	37
Total	201,205	100

CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND RESPONSIBILITIES AND CONDUCT OF SHAREHOLDER MEETINGS	
Communication with Shareholders	
15.1	**Please disclose if the Company has an investor policy in place.** In line with continuous disclosure obligations, the Company is committed to regular and proactive communication with its shareholders. All announcements are released via SGXNET including the quarterly and full year financial results, distribution of notices, press releases and other major developments. Price sensitive information to shareholders is publicly released on an immediate basis where required under the Catalist Rules. All shareholders will receive the annual report which is made available on the SGXNET. The Company solicits feedback from and addresses the concerns of shareholders via the following: • general meetings held; and • a dedicated external investor relations team.
15.2 15.3 15.4	**(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?** The Company held numerous investor briefings and investor road shows during FY2017 to meet with institutional and retail investors. **(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?** The Company outsources its investor relations function to a team of investor relations specialists at August Consulting who focuses on facilitating communications with and by all shareholders and other stakeholders as well as analysts and the media. To enable ease of contact, the details of the IR personnel are set out in this Annual Report: **August Consulting** Tel: +65 6733 8873 Karen Ting, karenting@august.com.sg Serene Chia, serenechia@august.com.sg
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report? Apart from the SGXNET announcements and its Annual Report, the Company updates shareholders on its corporate developments through its corporate website at http://www.figtreeasia.com.

15.5	**Does the Company have a dividend policy?** The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, *inter alia*, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration.
	Is the Company is paying dividends for the financial year? If not, please explain why. The Board has proposed a first and final dividend of 0.63 Singapore cents per ordinary share for FY2017 which will be subject to shareholders' approval at the forthcoming AGM.
Conduct of Shareholder Meetings	
14.1 14.2 14.3	**Stakeholder rights and responsibility** Shareholders are encouraged to attend the AGM to ensure a greater level of shareholders' participation and for them to be kept up to date with the strategies and goals of the Group. All shareholders of the Company receive a copy of the Annual Report, the notice of AGM and circular and notice pertaining to any extraordinary general meetings of the Company. To facilitate participation by the shareholders, the Articles allow the shareholders to attend and vote at general meetings of the Company or to appoint not more than two proxies, other than a relevant intermediary (as defined in section 181(6) of the Companies Act) to attend and vote on their behalf. Separate resolutions on each distinct issue are requisite. A relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the general meetings.
16.1 16.3 16.4 16.5	**How are the general meetings of shareholders conducted?** At the AGM, the EA as well as the Directors are in attendance to answer queries from shareholders. Shareholders are given the opportunity at the general meetings of the Company to air their views and query the Directors and the Management on matters relating to the Group and its operations. The Company views the AGM as a principal forum of dialogue and interaction with all shareholders. The Company will consider the use of other forums set out in the Code as and when such needs arise. At the forthcoming AGM, all resolutions will be put to vote by way of a poll, and their detailed results will be announced via SGXnet after the conclusion of the AGM. All minutes of general meetings will made available to shareholders upon their request.

CORPORATE GOVERNANCE

COMPLIANCE WITH APPLICABLE CATALIST RULES	
Catalist Rule	**Rule Description and Company's Compliance or Explanation**
712, 715	**Appointment of Auditors** The Company confirms its compliance to the Catalist Rules 712 and 715.
1204(8)	**Material Contracts** Save for the transactions as disclosed under 1204(17), if any, as below, there were no material contracts entered into by the Group involving the interests of the Executive Chairman and Managing Director, any Director, or controlling shareholder, which are either still subsisting at the end of FY2017 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	**Confirmation of adequacy of internal controls** The Board and the AC are of the opinion that the internal controls are adequate to address the financial, operational and compliance risks based on the following: • internal controls and the risk management system established by the Company; • work performed by the IA and the EA; • assurance from the Executive Chairman and Managing Director and CFO; and • reviews done by the various Board Committees and key management personnel.
1204(17)	**Interested Persons Transaction ("IPT")** The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. There were no IPTs with value of S$100,000 or more transacted during FY2017.
1204(19)	**Dealing in Securities** The Company has adopted an internal policy which prohibits the Directors and officers from dealings in the securities of the Company while in possession of price-sensitive information. The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full-year financial statements, and ending on the date of the announcement of the relevant results. In addition, Directors and key management personnel are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.
1204(21)	**Non-sponsor fees** No non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2017.
Practice Note 7F	**Update on Sustainability Report** The Company is currently in the process of preparing the Sustainability Report and will be released before the end of the financial year ending 31 December 2018. The Sustainability Report will be publicly accessible through the Company's website as well as on SGXNET.

OUR NUMBERS

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 31 December 2017

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Figtree Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2017.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

(a) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement, together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

DIRECTORS

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

Siaw Ken Ket @ Danny Siaw	(Executive Chairman and Managing Director)
Tan Chew Joo	(Executive Director and Cost Director)
Thomas Woo Sai Meng	(Non-Executive Director)
Lee Kim Huat	(Lead Independent Director)
Lee Choong Hiong	(Independent Director)
Pong Chen Yih	(Independent Director)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as described in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2017

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of Director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Siaw Ken Ket @ Danny Siaw	77,126,023	83,353,900	253,365	273,824
Tan Chew Joo	30,816,199	33,553,160	14,399,675	14,399,675
Lee Kim Huat	1,665,303	1,799,775	–	–
Share options of the Company				
Tan Chew Joo	480,000	450,000	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and on 21 January 2018.

By virtue of Section 7 of the Singapore Companies Act, Chapter 50, Siaw Ken Ket @ Danny Siaw is deemed to have interests in the shares held by the Company in its subsidiaries.

Except as disclosed in this statement, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

SHARE OPTIONS

The Company has a share option scheme under the Figtree Employee Share Option Scheme (the "2013 ESOS") which was approved by the shareholders at an extraordinary general meeting held on 8 October 2013. The scheme is administered by the Remuneration Committee ("RC"), comprising three Independent Non-Executive Directors, one of whom is also the Chairman of the Committee. The members of the RC are:

Lee Choong Hiong (Chairman)
Lee Kim Huat
Pong Chen Yih

DIRECTORS' STATEMENT

For the financial year ended 31 December 2017

SHARE OPTIONS (CONT'D)

Under the rules of the 2013 ESOS:

- Executive Directors and Non-Executive Directors (including Independent Directors) and confirmed full time employees of the Group are eligible to participate in the 2013 ESOS. Executive Directors, Non-Executive Directors and confirmed full time employees of the Group who are also controlling shareholders or associates of a controlling shareholder are also eligible to participate in the 2013 ESOS, provided that (a) the participation of, and (b) the terms of any options to be granted and the actual number of shares to be granted under the 2013 ESOS, to a participant who is a controlling shareholder or an associate of a controlling shareholder shall be approved by the independent shareholders in separate resolutions for each such person.

- The total number of new shares over which options may be granted pursuant to the 2013 ESOS when added to the number of shares issued and issuable under such other share-based incentive plans (where applicable) of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant of the options.

- The number of options to be offered to a participant shall be determined at the discretion of the RC which shall take into account criteria such as rank, responsibilities within the Group, past performance, years of service and potential for future development of that participant. However, in relation to controlling shareholders or associates of controlling shareholders, the aggregate number of shares which may be granted shall not exceed 25% of the total number of shares available under the 2013 ESOS and the aggregate number or shares which may be granted to any individual controlling shareholders or associate of a controlling shareholder shall not exceed 10% of the total number of shares available under the 2013 ESOS.

- The options that are granted under the 2013 ESOS may have exercise prices that are, at the RC's discretion, set at a price (the "Market Price") equal to the average of the last dealt prices for the shares on the Official List of Catalist over the five consecutive Market Days immediately preceding the relevant date of grant of the relevant option; or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the 2013 ESOS will expire upon the tenth anniversary of the date of grant of that option.

- The 2013 ESOS shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Further details of the 2013 ESOS are set out in the Company's offer document dated 29 October 2013.

During the financial year, the Company granted 2,770,000 (2016: 2,800,000) share options under the 2013 ESOS for a consideration of S$1.00 (2016: S$1.00), where 310,000 (2016: 105,000) share options were not accepted by the employees. These options have a contractual life of 6 years (2016: 7 years) and will expire on 29 August 2023 (2016: 29 August 2023). The options are exercisable if the employee remains in service for 2 years from the date of grant (2016: 2 years).

DIRECTORS' STATEMENT

For the financial year ended 31 December 2017

SHARE OPTIONS (CONT'D)

Details of all the options to subscribe for ordinary shares of the Company pursuant to the 2013 ESOS as at 31 December 2017 are as follows:

Expiry date	Exercise price (cents)	Number of options
27 August 2021	13.06	555,000
29 August 2023	12.00	2,510,000
29 August 2023	14.00	2,460,000
Total		5,525,000

Details of the options to subscribe for ordinary shares of the Company granted to (a) participants who are also the Directors of the Company; and (b) participants who receive 5% or more of the total number of options available, pursuant to the 2013 ESOS are as follows:

Name of participant	Options granted during financial year	Aggregate options granted since commencement of plan to end of financial year	Aggregate options exercised since commencement of plan to end of financial year	Aggregate options outstanding as at end of financial year
Director:				
Tan Chew Joo	200,000[(1)]	680,000	230,000	450,000
Participants who receive 5% or more of the total number of options:				
Teoh Hoon Song	200,000	680,000	230,000	450,000
Fung Tze Ping	200,000	680,000	230,000	450,000
Oei Tjhing Bo Robert	200,000	680,000	–	680,000
	600,000[(1)]	2,040,000	460,000	1,580,000

(1) These options are exercisable between the periods from 30 August 2019 to 29 August 2023 at the exercise price of 14.00 cents if the vesting condition is met.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2017

SHARE OPTIONS (CONT'D)

Since the commencement of the 2013 ESOS till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates.
- No participant other than the participants mentioned in the table above has received 5% or more of the total options available under the 2013 ESOS.
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted.
- No options were granted at a discount to the market price of the shares at the time of the grant, except for those granted during the financial year in 2016 and 2017.

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option, except as described in the preceding paragraphs.

AUDIT COMMITTEE

The Audit Committee ("AC") comprises the following three Independent Directors:

Lee Kim Huat (Chairman)
Lee Choong Hiong
Pong Chen Yih

The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors.
- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors.
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance, information technology controls and risk management via reviews carried out by the internal auditor.
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC.
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2017

AUDIT COMMITTEE (CONT'D)

- Reviewed the cost effectiveness and the independence and objectivity of the external auditor.
- Reviewed the nature and extent of non-audit services provided by the external auditor.
- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit.
- Reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate.
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Corporate Governance Report.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Siaw Ken Ket @ Danny Siaw
Director

Tan Chew Joo
Director

Singapore
29 March 2018

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2017
To the Members of Figtree Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Figtree Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 31 December 2017, statements of changes in equity of the Group and Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2017
To the Members of Figtree Holdings Limited

Key Audit Matters (cont'd)

Accounting for construction contracts

The Group's revenue is derived mainly from the design and building of commercial and industrial facilities. The Group recognises contract revenue and contract cost by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the total estimated costs. The amount of revenue recognised and the corresponding profit or loss on contracts are affected by a variety of uncertainties that depend on the outcome of future events and precision of the cost estimation during the budgeting process, where management is required to exercise significant judgement and use estimates to:

- determine the total estimated contract costs, including estimating contingencies and costs to complete the project up to delivery;
- determine the stage of completion of the contract;
- forecast the profit margin after consideration of variation orders and claims; and
- provide for foreseeable loss, if any, for the contracts.

As such, we have identified this as a key audit matter. As part of our audit, we obtained an understanding of the key processes and controls regarding the Group's accounting for contract work-in-progress, including revenue recognition. We also examined project documentation and traced project revenues and costs incurred to underlying documents for a sample of on-going projects. The audit procedures that we performed included the following:

- we traced the total contract revenue to signed contracts, customers' payment certificates and approved variation orders;
- we traced the total estimated costs to project budgets approved by management and reviewed the reasonableness of management's cost to complete analysis for the Group's major on-going projects;
- we traced the total project costs to sub-contractors' invoices and other supporting documents, on a sampling basis; and
- we recomputed management's percentage of completion computations for a sample of the projects.

In addition, we also discussed the status of major projects under construction with management, finance personnel and project managers for any potential issues, technical complexity or other significant events that could impact the total estimated contract costs. We analysed changes in management's estimates of forecasted profit margins, total estimated contract costs and costs to complete from the prior periods and assessed the consistency of these changes with the progress of the projects during the year.

The Group's accounting policies and disclosures on revenue recognition and amounts due from and due to customers are included in Note 2.15, Note 2.23, Note 3.2, Note 4 and Note 20 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2017
To the Members of Figtree Holdings Limited

Key Audit Matters (cont'd)

Impairment of trade receivables and loans to an associate

As at 31 December 2017, the carrying amounts of trade receivables and loans to an associate amounted to S$11,617,590 and S$20,751,986, respectively. These balances are significant to the Group as they represent 36% of the total assets of the consolidated balance sheet. During the year, allowance for doubtful debt on trade receivables amounting to S$1,125,000 was provided in the consolidated balance sheet.

(a) Trade receivables

The collectability of trade receivables is a key element of the Group's working capital management, which is managed on an ongoing basis by management. The determination as to whether the balance is collectible involves management judgement, as disclosed in Note 3 to the financial statements. Specific factors management considers include the age of the balance, existence of disputes, recent historical payment patterns and other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether an allowance for impairment is required. As impairment assessment requires significant management judgement and the use of estimates, we determined this to be a key audit matter.

As part of our audit procedures, we obtained an understanding of the Group's processes and controls relating to the monitoring of trade receivables. We also evaluated management's assumptions used to calculate the impairment amount by performing procedures that included the following:

- we tested the ageing of the receivables,
- we analysed the ageing of the receivables and assessed significant overdue individual trade receivables to identify collection risks;
- we checked for payments received after the year end for a sample of overdue trade receivables; and
- we reviewed historical payment patterns and correspondences with the debtors on expected settlement dates.

(b) Loans to an associate

The Group's shareholder loans to an associate, Vibrant Properties Pte Ltd, were used to fund the associate's partially-owned subsidiaries carrying out property development and industrial property leasing business in the People's Republic of China ("PRC"). Management's assessment of the recoverability of these loans, including the determination of whether there is any indication of impairment, requires management to exercise significant judgement and the use of estimates. As such, we determined this to be a key audit matter. In assessing whether these loans may be impaired, management reviews the associate's financial information having regards to the financial performance of its investment in subsidiaries.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2017
To the Members of Figtree Holdings Limited

Key Audit Matters (cont'd)

Impairment of trade receivables and loans to an associate (cont'd)

(b) Loans to an associate (cont'd)

As part of our procedures, we performed the following:

- we reviewed the financial information of the associate's significant subsidiaries in assessing whether indicators of impairment are present;
- we inquired and held discussions with management to understand the current property development projects and the future business plans of the underlying subsidiaries of the associate; and
- we assessed management's evaluation on whether the associate's financial condition may be adversely affected by its subsidiaries' financial performance.

The Group's accounting policies and disclosures on trade receivables and loans to an associate are included in Note 2.13, Note 2.14, Note 14 and Note 17 to the financial statements respectively.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2017
To the Members of Figtree Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2017
To the Members of Figtree Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ang Chuen Beng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
29 March 2018

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2017

	Note	Group 2017 S$	2016 S$
Revenue	4	**17,563,288**	57,562,087
Cost of sales		**(5,855,210)**	(39,730,134)
Gross profit		**11,708,078**	17,831,953
Other income	5	**2,527,020**	1,311,372
General and administrative expenses		**(6,081,432)**	(8,613,044)
Finance costs	6	**(52,486)**	(2,399)
Share of results of associates		**(629,569)**	1,781,582
Profit before taxation	7	**7,471,611**	12,309,464
Tax expense	8	**(1,982,322)**	(2,068,105)
Profit for the year		**5,489,289**	10,241,359
Attributable to:			
Owners of the Company		**5,569,682**	10,247,447
Non-controlling interests		**(80,393)**	(6,088)
		5,489,289	10,241,359
Earnings per share (cents)			
Basic	9	**1.70**	3.37
Diluted	9	**1.70**	3.35

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2017

	Note	Group 2017 S$	Group 2016 S$
Profit for the year		**5,489,289**	10,241,359
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of foreign operations	27	**(424,113)**	(663,606)
Other comprehensive income for the year, net of tax		**(424,113)**	(663,606)
Total comprehensive income for the year		**5,065,176**	9,577,753
Attributable to:			
Owners of the Company		**5,145,569**	9,583,841
Non-controlling interests		**(80,393)**	(6,088)
		5,065,176	9,577,753

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 December 2017

		Group		Company	
	Note	2017 S$	2016 S$	2017 S$	2016 S$
Non-current assets					
Property, plant and equipment	10	**3,446,573**	3,443,916	**–**	52
Investments in subsidiaries	11	**–**	–	**9,152,597**	9,152,597
Interests in associates	12	**7,146,762**	3,855,893	**–**	–
Loans to a subsidiary	13	**–**	–	**1,953,419**	1,837,415
Loans to an associate	14	**16,446,064**	6,411,343	**–**	–
Other receivables	18	**13,680,062**	5,732,716	**–**	–
		40,719,461	19,443,868	**11,106,016**	10,990,064
Current assets					
Development properties	16	**30,610,897**	22,502,370	**–**	–
Gross amount due from customers for contract work-in-progress	20	**117,759**	–	**–**	–
Loans to an associate	14	**4,305,922**	16,599,298	**–**	–
Amounts due from subsidiaries	15	**–**	–	**22,091,370**	20,282,649
Prepayments		**67,356**	64,078	**3,887**	2,821
Trade receivables	17	**11,617,590**	19,345,263	**–**	–
Other receivables	18	**178,754**	122,912	**–**	–
Cash and short-term deposits	19	**1,754,387**	13,353,237	**73,294**	723,505
		48,652,665	71,987,158	**22,168,551**	21,008,975
Current liabilities					
Gross amount due to customers for contract work-in-progress	20	**–**	9,063,885	**–**	–
Trade and other payables	21	**13,371,154**	24,890,689	**1,159,775**	1,829,874
Bank borrowings	22	**3,300,000**	–	**–**	–
Provision for taxation		**1,560,933**	1,807,489	**4,048**	7,590
		18,232,087	35,762,063	**1,163,823**	1,837,464
Net current assets		**30,420,578**	36,225,095	**21,004,728**	19,171,511
Non-current liabilities					
Trade and other payables	21	**17,269,616**	6,627,130	**–**	–
Deferred tax liabilities	23	**861,520**	552,985	**56,094**	39,485
		18,131,136	7,180,115	**56,094**	39,485
Net assets		**53,008,903**	48,488,848	**32,054,650**	30,122,090

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 December 2017

	Note	Group 2017 S$	Group 2016 S$	Company 2017 S$	Company 2016 S$
Equity attributable to owners of the Company					
Share capital	24	**29,418,521**	26,083,664	**29,418,521**	26,083,664
Accumulated profits		**31,941,192**	30,330,588	**2,525,948**	3,976,550
Merger deficit	25	**(8,152,595)**	(8,152,595)	**–**	–
Share option reserve	26	**110,181**	61,876	**110,181**	61,876
Foreign currency translation reserve	27	**(759,859)**	(335,746)	**–**	–
Other reserves	28	**488,000**	488,000	**–**	–
		53,045,440	48,475,787	**32,054,650**	30,122,090
Non-controlling interests		**(36,537)**	13,061	**–**	–
Total equity		**53,008,903**	48,488,848	**32,054,650**	30,122,090

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

Group 2017	Share capital (Note 24) S$	Accumulated profits S$	Merger deficit (Note 25) S$	Share option reserve (Note 26) S$	Foreign currency translation reserve (Note 27) S$	Other reserves (Note 28) S$	Total reserves S$	Total equity attributable to owners of the Company S$	Non-controlling interests ("NCI") S$	Total equity S$
	Attributable to owners of the Company									
Opening balance at 1 January 2017	26,083,664	30,330,588	(8,152,595)	61,876	(335,746)	488,000	22,392,123	48,475,787	13,061	48,488,848
Profit for the year	–	5,569,682	–	–	–	–	5,569,682	5,569,682	(80,393)	5,489,289
Other comprehensive income										
Foreign currency translation	–	–	–	–	(424,113)	–	(424,113)	(424,113)	–	(424,113)
Total comprehensive income for the year	**–**	**5,569,682**	**–**	**–**	**(424,113)**	**–**	**5,145,569**	**5,145,569**	**(80,393)**	**5,065,176**
Contributions by and distributions to owners										
Dividends on ordinary shares (Note 29)	3,187,330	(3,959,078)	–	–	–	–	(3,959,078)	(771,748)	–	(771,748)
Share issuance expense	(31,345)	–	–	–	–	–	–	(31,345)	–	(31,345)
Exercise of employee share options	178,872	–	–	(27,376)	–	–	(27,376)	151,496	–	151,496
Share-based expense	–	–	–	75,681	–	–	75,681	75,681	–	75,681
Total contributions by and distributions to owners	3,334,857	(3,959,078)	–	48,305	–	–	(3,910,773)	(575,916)	–	(575,916)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

Group 2017	Share capital (Note 24) S$	Accumulated profits S$	Merger deficit (Note 25) S$	Share option reserve (Note 26) S$	Foreign currency translation reserve (Note 27) S$	Other reserves (Note 28) S$	Total reserves S$	Total equity attributable to owners of the Company S$	Non-controlling interests ("NCI") S$	Total equity S$
	Attributable to owners of the Company									
Changes in ownership interests in subsidiary										
Contributions from non-controlling interest for a newly incorporated subsidiary	–	–	–	–	–	–	–	–	30,795	30,795
Total changes in ownership interests in subsidiary	–	–	–	–	–	–	–	–	30,795	30,795
Total transactions with owners in their capacity as owners	**3,334,857**	**(3,959,078)**	**–**	**48,305**	**–**	**–**	**(3,910,773)**	**(575,916)**	**30,795**	**(545,121)**
Closing balance at 31 December 2017	**29,418,521**	**31,941,192**	**(8,152,595)**	**110,181**	**(759,859)**	**488,000**	**23,626,919**	**53,045,440**	**(36,537)**	**53,008,903**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

Group 2016	Share capital (Note 24) S$	Accumulated profits S$	Merger deficit (Note 25) S$	Share option reserve (Note 26) S$	Foreign currency translation reserve (Note 27) S$	Other reserves (Note 28) S$	Total reserves S$	Total equity attributable to owners of the Company S$	Non-controlling interests ("NCI") S$	Total equity S$
	Attributable to owners of the Company									
Opening balance at 1 January 2016	22,485,430	24,764,951	(8,152,595)	14,107	327,860	–	16,954,323	39,439,753	19,149	39,458,902
Profit for the year	–	10,247,447	–	–	–	–	10,247,447	10,247,447	(6,088)	10,241,359
Other comprehensive income										
Foreign currency translation	–	–	–	–	(663,606)	–	(663,606)	(663,606)	–	(663,606)
Total comprehensive income for the year	**–**	**10,247,447**	**–**	**–**	**(663,606)**	**–**	**9,583,841**	**9,583,841**	**(6,088)**	**9,577,753**
Contributions by and distributions to owners										
Dividends on ordinary shares (Note 29)	3,629,290	(4,681,810)	–	–	–	–	(4,681,810)	(1,052,520)	–	(1,052,520)
Share issuance expense	(31,056)	–	–	–	–	–	–	(31,056)	–	(31,056)
Share-based expense	–	–	–	47,769	–	–	47,769	47,769	–	47,769
Total contributions by and distributions to owners	3,598,234	(4,681,810)	–	47,769	–	–	(4,634,041)	(1,035,807)	–	(1,035,807)
Total transactions with owners in their capacity as owners	**3,598,234**	**(4,681,810)**	**–**	**47,769**	**–**	**–**	**(4,634,041)**	**(1,035,807)**	**–**	**(1,035,807)**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

	Attributable to owners of the Company									
Group 2016	Share capital (Note 24)	Accumulated profits	Merger deficit (Note 25)	Share option reserve (Note 26)	Foreign currency translation reserve (Note 27)	Other reserves (Note 28)	Total reserves	Total equity attributable to owners of the Company	Non-controlling interests ("NCI")	Total equity
	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Other items										
Acquisition of NCI without a change in control in a subsidiary of an associate	–	–	–	–	–	488,000	488,000	488,000	–	488,000
	–	–	–	–	–	488,000	488,000	488,000	–	488,000
Closing balance at 31 December 2016	**26,083,664**	**30,330,588**	**(8,152,595)**	**61,876**	**(335,746)**	**488,000**	**22,392,123**	**48,475,787**	**13,061**	**48,488,848**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

Company **2017**	**Share capital (Note 24)** **S$**	**Accumulated profits** **S$**	**Share option reserve (Note 26)** **S$**	**Total equity** **S$**
Opening balance at 1 January 2017	26,083,664	3,976,550	61,876	30,122,090
Profit, representing total comprehensive income for the year	–	2,508,476	–	2,508,476
Contributions by and distributions to owners				
Dividends on ordinary shares (Note 29)	3,187,330	(3,959,078)	–	(771,748)
Share issuance expense	(31,345)	–	–	(31,345)
Exercise of employee share options	178,872	–	(27,376)	151,496
Share-based expense	–	–	75,681	75,681
Total transactions with owners in their capacity as owners	3,334,857	(3,959,078)	48,305	(575,916)
Closing balance at 31 December 2017	**29,418,521**	**2,525,948**	**110,181**	**32,054,650**
2016				
Opening balance at 1 January 2016	22,485,430	5,236,302	14,107	27,735,839
Profit, representing total comprehensive income for the year	–	3,422,058	–	3,422,058
Contributions by and distributions to owners				
Dividends on ordinary shares (Note 29)	3,629,290	(4,681,810)	–	(1,052,520)
Share issuance expense	(31,056)	–	–	(31,056)
Share-based expense	–	–	47,769	47,769
Total transactions with owners in their capacity as owners	3,598,234	(4,681,810)	47,769	(1,035,807)
Closing balance at 31 December 2016	**26,083,664**	**3,976,550**	**61,876**	**30,122,090**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2017

	Note	Group 2017 S$	2016 S$
Cash flows from operating activities			
Profit before taxation		**7,471,611**	12,309,464
Adjustments for:			
(Write back)/allowance for doubtful debt (trade)	17	**(1,322,932)**	2,454,632
Depreciation of property, plant and equipment	10	**184,462**	183,265
Finance costs	6	**52,486**	2,399
Share of results of associates		**629,569**	(1,781,582)
Share-based expense		**75,681**	47,769
Interest income	5	**(1,090,722)**	(1,057,750)
Unrealised exchange loss		**340,146**	134,429
Operating cash flows before changes in working capital		**6,340,301**	12,292,626
(Increase)/decrease in:			
Development properties		**(5,834,600)**	(980,924)
Trade receivables		**9,050,605**	11,044,432
Other receivables and prepayments		**(57,914)**	85,827
Decrease in:			
Gross amount due to customers for contract work-in-progress		**(9,181,644)**	(5,240,165)
Trade and other payables		**(10,987,795)**	(7,568,524)
Cash flows (used in)/generated from operations		**(10,671,047)**	9,633,272
Income tax paid		**(1,920,343)**	(2,795,919)
Interest received		**39,908**	81,340
Net cash flows (used in)/generated from operating activities		**(12,551,482)**	6,918,693
Cash flows from investing activities			
Purchases of property, plant and equipment	10	**(187,965)**	(30,306)
Loans to an associate		**(1,034,702)**	(5,559,677)
Repayment of loans from an associate		**3,631,940**	–
Acquisition of an associate		**(4,083,353)**	–
Net cash flows used in investing activities		**(1,674,080)**	(5,589,983)
Cash flows from financing activities			
Dividends paid on ordinary shares	29	**(771,748)**	(1,052,520)
Share issuance expense	24	**(31,345)**	(31,056)
Contributions from non-controlling interest for a newly incorporated subsidiary		**30,795**	–
Proceeds from exercise of employee share options		**151,496**	–
Proceeds from bank borrowings	22	**4,300,000**	500,000
Repayment of bank borrowings	22	**(1,000,000)**	(500,000)
Interest paid		**(52,486)**	(2,399)
Net cash flows generated from/(used in) financing activities		**2,626,712**	(1,085,975)
Net (decrease)/increase in cash and cash equivalents		**(11,598,850)**	242,735
Cash and cash equivalents at beginning of the year		**13,353,237**	13,110,502
Cash and cash equivalents at end of the year	19	**1,754,387**	13,353,237

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

1. CORPORATE INFORMATION

Figtree Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on Catalist board of the Singapore Exchange.

The registered office and the principal place of business of the Company is located at 8 Jalan Kilang Barat, #03-01, Central Link, Singapore 159351.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries and associates are disclosed in Note 11 and Note 12 respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD" or "S$") unless otherwise stated.

<u>Convergence with International Financial Reporting Standards</u>

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("SFRS(I)"), a new financial reporting framework identical to International Financial Reporting Standards. The Group will adopt SFRS(I) on 1 January 2018.

The Group has performed an assessment of the impact of adopting SFRS(I). On transition to the new financial reporting framework, the Group expects to elect the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017, and accordingly, the gain or loss that will be recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 January 2017. The Group expects to reclassify an amount of S$335,746 of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

Other than the effects of the matter as described above and the adoption of the new standards that are effective on 1 January 2018, the Group expects that the adoption of the new framework will have no material impact on the financial statements in the year of initial application.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2017, including the Amendments to FRS 7 Disclosure Initiative. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 102 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 40 Transfers of Investment Property	1 January 2018
FRS 109 Financial Instruments	1 January 2018
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116 Leases	1 January 2019
Improvements to FRSs (December 2016)	
- Amendments to FRS 28 Investments in Associates and Joint Ventures	1 January 2018
INT FRS 122 Foreign Currency Transactions and Advance Consideration	1 January 2018
INT FRS 123 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 109 Prepayment Features with Negative Compensation	1 January 2019
Amendments to FRS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Improvements to FRSs (March 2018)	
- Amendments to FRS 103 Business Combinations	1 January 2019
- Amendments to FRS 111 Joint Arrangements	1 January 2019
- Amendments to FRS 12 Income Taxes	1 January 2019
- Amendments to FRS 23 Borrowing Costs	1 January 2019
- Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

As disclosed in Note 2.1, the Group will adopt SFRS(I) on 1 January 2018. Upon adoption of SFRS(I) on 1 January 2018, the SFRS(I) equivalent of the above standards that are effective on 1 January 2018 will be adopted at the same time.

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the SFRS(I) equivalent of the above standards will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has performed a preliminary assessment of adopting FRS 115 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts FRS 115 in 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective (cont'd)

FRS 115 *Revenue from Contracts with Customers* (cont'd)

The Group plans to apply the changes in accounting policies retrospectively to each reporting year presented, using the full retrospective approach. The Group also plans to apply the following practical expedients:

– For completed contracts, the Group plans not to restate completed contracts that begin and end within the same year or are completed contracts at 1 January 2017, and

– For completed contracts that have variable consideration, the Group plans to use the transaction price at the date the contract was completed instead of estimating variable consideration amounts in the comparative year.

The Group is in a business of providing design and building of warehouse and related installations, property development and construction. Currently, the Group recognises contract revenue arising from variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured. The amount of consideration expected for the variations in contract work may not reflect the stand-alone price of the services. Such instances give rise to contract modifications under FRS 115, and will be required to be estimated at date of modification. FRS 115 requires that only contract modifications that add distinct goods or services at their stand-alone selling price can be treated as separate contracts. The Group continues to assess individual contracts to evaluate whether promised goods or services at the date of modification to determine whether the remaining goods or services to be transferred are distinct and priced commensurate with their stand-alone selling prices. The Group expects that application of the constraint may result in less revenue being deferred than is under current FRS.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts FRS 109 in 2018.

(a) Classification and measurement

The Group's debt instruments are expected to give rise to cash flows representing solely payments of principal and interest, except for the interest-free loans to an associate. The Group intends to hold its debt instruments assets to collect contractual cash flows, and accordingly measured at amortised cost when it applies FRS 109. The Group does not expect any significant impact to arise from these changes.

For the interest-free loan to an associate, the Group expects a change in the classification of the debt instrument assets from amortised loss to fair value when it applies FRS 109 and accordingly, the difference between the carrying amount and the fair value would be adjusted retrospectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective (cont'd)

FRS 109 *Financial Instruments* (cont'd)

(b) Impairment

FRS 109 requires the Group and the Company to record expected credit losses on all of its debt securities, loans, trade receivables and financial guarantees, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. Upon application of the expected credit loss model, the Group does not expect any significant impact to the consolidated financial statements.

Based on preliminary assessment, except for the classification of the financial assets, management has assessed that the adoption of FRS 109 is not likely to have significant impact to the consolidated financial statements in the initial year of adoption.

FRS 116 *Leases*

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group has performed a preliminary impact assessment of the adoption of FRS 116 and expects that the adoption of FRS 116 will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

The Group plans to adopt the new standard on the required effective date by applying FRS 116 retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 January 2019.

The Group is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to FRS 116 and assessing the possible impact of adoption.

2.4 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Foreign currency (cont'd)

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the average exchange rates for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Basis of consolidation (cont'd)

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

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

2.6 Business combination involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

2.7 Subsidiaries

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

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Associates

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

The Group accounts for its investment in associates using the equity method from the date on which it becomes an associate.

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

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operation of the associates. Distributions received from the associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates are eliminated to the extent of the interest in the associates.

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

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

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Associates (cont'd)

The Group accounts for its share of the change of interest in the net assets of the associate as a result of the associate's equity transaction by reflecting it under "Other reserves" in the consolidated statement of changes in equity.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold properties	–	Leasehold period of 44 years
Leasehold improvements	–	5 years
Motor vehicles	–	4 years
Computers	–	3 - 4 years
Office equipment	–	3 - 4 years
Furniture and fittings	–	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.10 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held 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 in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Investment properties (cont'd)

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.12 Development properties

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value. Cost includes cost of land and building, amounts paid to contractors for construction, and other direct and related expenditure such as planning and design costs, costs of site preparation, professional fees for legal services and interest on borrowings incurred in developing the properties (if any). Interest and other related expenditure are capitalised as and when the activities that are necessary to get the asset ready for its intended development are in progress. Commissions paid to sales or marketing agents on the sale of real estate units are capitalised as part of the cost of development properties when incurred, and amortised to profit or loss as the Group expects to recognise the related revenue. Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Development properties (cont'd)

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

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

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 – Agreements for the Construction of Real Estate ("INT FRS 115"), the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties. The stage of completion is measured by reference to the physical surveys of construction work completed. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as expense immediately. The Group does not have any sale of development properties under INT FRS 115 during the year.

Refer to Note 2.23(b) for revenue recognition of properties for sale under development.

2.13 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Financial instruments (cont'd)

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.14 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of the impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Construction contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method), when the outcome of a construction contract can be estimated reliably.

When the outcome of a construction contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue multiplied by the actual completion rate based on the proportion of total contract costs incurred to date and the estimated costs to complete.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for warranty

The Group provides for warranty claims on contractual items with customers after the substantial completion of projects. The provision for warranty represents the best estimate of the Group's contractual obligations at the balance sheet date. The provision is based on past experience of the level of maintenance and rectification work. The majority of the costs is expected to be incurred over the applicable warranty periods. The assumptions used to estimate warranty provision are reviewed periodically in light of actual experience. The Group has assessed that provision for warranty is not necessary as at 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognise as expense the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss or deducted in reporting the related expenses.

2.18 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(c) Employee share option plan

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market condition or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied. The share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term fixed deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.20 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in the profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.22 Leases

As lessee

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) Contract revenue

Accounting policy for recognising construction contract revenue is stated in Note 2.15.

(b) Sales of development properties under construction

For sales of overseas development properties, the Group recognises revenue when the significant risks and rewards of ownership of the real estate have been transferred to the buyer (i.e. revenue is recognised using the completed contract method).

(c) Project management and consultancy fees

Project management and consultancy fees are recognised upon the rendering of project management and consultancy services to and acceptance by customers.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Dividend income

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxes (cont'd)

(b) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 Transactions with non-controlling interests

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

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

2.28 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosures of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

- ***Income taxes***

  The Group has exposure to income taxes mainly in Singapore. Significant judgement is involved in estimating the capital allowances and the deductibility of certain expenses in determining the provision for tax. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's provision for taxation and deferred tax liabilities at 31 December 2017 were S$1,560,933 (2016: S$1,807,489) and S$861,520 (2016: S$552,985) respectively.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

- ***Construction contracts***

  The Group recognises contract revenue based on the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for works performed to date to the total estimated costs. The amount of revenue recognised and the corresponding profit or loss on contracts are affected by variety of uncertainties that depend on the outcome of future events and precision of the cost estimation during the budgeting process. As such, significant judgement and use of estimates are required to determine the stage of completion, estimated total contract costs and budgeted margin for the respective projects.

  The carrying amount of liabilities arising from construction contracts at the end of each reporting period are disclosed in Note 20 to the financial statements. If the estimated total contract cost had been 5% higher than management estimate, the carrying amount of the liabilities arising from construction contracts would have been S$15,092,682 (2016: S$23,845,178) higher.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Key sources of estimation uncertainty (cont'd)

- ***Impairment of trade receivables and loans to an associate***

  The Group assesses at the end of each reporting period whether there is any objective evidence that the trade receivables and loans to an associate is impaired. Amongst others, specific factors management considers include the age of the balance, existence of disputes, recent historical payment patterns and other available information concerning the creditworthiness of the counterparties. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the market, economic or legal environment in which the debtor operates in.

  Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the trade receivables and loans to an associate at the end of the reporting period is disclosed in Notes 17 and 14 to the financial statements, respectively. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment for trade receivables and loans to an associate will increase by S$1,162,000 (2016: S$1,935,000) and S$2,075,000 (2016: S$2,301,000) respectively.

4. REVENUE

	Group	
	2017	**2016**
	S$	**S$**
Contract revenue	**17,107,977**	57,065,258
Project management fees	**455,311**	496,829
	17,563,288	57,562,087

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

5. OTHER INCOME

	Note	Group 2017 S$	Group 2016 S$
Income from government grants		**57,579**	44,705
Interest income from fixed deposits		**151,643**	81,340
Interest income from loans to an associate	30(a)		
– Accretion of interests on interest free loans		**619,683**	488,840
– Interest bearing loans		**319,396**	487,570
Rental income from temporary leasing out of development properties	16	**53,146**	157,189
Write back of allowance for doubtful debts (trade)	17	**1,322,932**	–
Others		**2,641**	51,728
		2,527,020	1,311,372

6. FINANCE COSTS

	Group 2017 S$	Group 2016 S$
Interest expense on bank borrowings	**52,486**	2,399

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

7. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

		Group	
	Note	2017 S$	2016 S$
Allowance for doubtful debts (trade)	17	**–**	2,454,632
Depreciation of property, plant and equipment	10	**184,462**	183,265
Employee benefits expense	A	**5,679,474**	7,261,719
Foreign exchange loss/(gain), net		**592,027**	(487,431)
Legal and professional fees		**218,094**	201,912
(Overprovision of)/Marketing expenses in relation to development property under construction, net		**(181,526)**	1,030,583
Operating lease expenses		**75,845**	54,999
Audit fees:			
- Auditor of the Company		**126,000**	113,000
- Other auditors		**75,205**	22,952

Note A: Employee benefits expense

	2017 S$	2016 S$
Employee benefit expense (including directors):		
– Salaries, bonuses and other benefits	**5,395,930**	6,933,123
– Defined contribution plans	**207,863**	280,827
– Share-based expense	**75,681**	47,769
	5,679,474	7,261,719
Presented in the consolidated income statement as:		
– Cost of sales	**1,292,029**	2,560,180
– General and administrative expenses	**4,387,445**	4,701,539
	5,679,474	7,261,719

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

8. TAX EXPENSE

Major components of tax expense

The major components of tax expense for the years ended 31 December 2017 and 2016 are:

	Group	
	2017	**2016**
	S$	**S$**
Consolidated income statement:		
Current taxation:		
– Current income taxation	**1,526,139**	1,786,285
– Under/(over)-provision in respect of prior years	**20,967**	(407,295)
	1,547,106	1,378,990
Withholding tax on foreign sourced interest income	**126,681**	158,960
Deferred taxation (Note 23):		
– Movement in temporary differences	**308,535**	530,155
Tax expense recognised in profit or loss	**1,982,322**	2,068,105

Relationship between income tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2017 and 2016 are as follows:

	Group	
	2017	**2016**
	S$	**S$**
Profit before taxation	**7,471,611**	12,309,464
Tax at domestic rates applicable to profits in the countries where the Group operates	**1,428,600**	2,143,263
Adjustments:		
Expenses not deductible for tax purposes	**104,244**	9,921
Tax effect of income not taxable	**(17,079)**	(104,711)
Utilisation of previously unrecognised deferred tax assets	**–**	(15,984)
Deferred tax assets not recognised	**196,729**	672,029
Tax effect of Singapore statutory stepped income exemption, corporate income tax rebate and tax incentives (productivity and innovation credit allowance)	**(46,890)**	(155,307)
Deferred tax on unremitted earnings of overseas subsidiaries of an associate	**–**	215,500
Under/(over)-provision in respect of prior years	**20,967**	(407,295)
Withholding tax on foreign sourced interest income	**126,681**	158,960
Share of results of associates	**157,392**	(445,395)
Others	**11,678**	(2,876)
Tax expense recognised in profit or loss	**1,982,322**	2,068,105

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

9. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing the profit for the year that is attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2017	**2016**
Profit for the year attributable to owners of the Company used in computation of basic and diluted earnings per share (S$)	**5,569,682**	10,247,447
Weighted average number of ordinary shares for basic earnings per share computation	**326,856,320**	304,260,608
Effects of dilution:		
– Share options	**1,490,825**	1,195,917
Weighted average number of ordinary shares for diluted earnings per share computation	**328,347,145**	305,456,525
Basic earnings per share (cents)	**1.70**	3.37
Diluted earnings per share (cents)	**1.70**	3.35

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

10. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold properties S$	Leasehold improvements S$	Motor vehicles S$	Computers S$	Office equipment S$	Furniture and fittings S$	Total S$
Cost							
At 1 January 2016	3,528,610	96,068	90,906	256,102	36,582	50,298	4,058,566
Additions	–	–	–	14,800	11,456	4,050	30,306
Translation adjustment	–	–	(4,003)	18	(569)	–	(4,554)
At 31 December 2016 and 1 January 2017	3,528,610	96,068	86,903	270,920	47,469	54,348	4,084,318
Additions	–	52,638	58,002	71,730	4,975	620	187,965
Translation adjustment	–	–	(1,167)	5	(166)	–	(1,328)
At 31 December 2017	3,528,610	148,706	143,738	342,655	52,278	54,968	4,270,955
Accumulated depreciation							
At 1 January 2016	168,923	32,978	22,726	186,951	21,822	25,030	458,430
Charge for the year	75,077	19,214	21,642	46,004	12,530	8,798	183,265
Translation adjustment	–	–	(917)	12	(388)	–	(1,293)
At 31 December 2016 and 1 January 2017	244,000	52,192	43,451	232,967	33,964	33,828	640,402
Charge for the year	75,077	21,237	26,050	43,797	9,763	8,538	184,462
Translation adjustment	–	12	(366)	1	(129)	–	(482)
At 31 December 2017	319,077	73,441	69,135	276,765	43,598	42,366	824,382
Net carrying amount							
At 31 December 2017	3,209,533	75,265	74,603	65,890	8,680	12,602	3,446,573
At 31 December 2016	3,284,610	43,876	43,452	37,953	13,505	20,520	3,443,916

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Computers S$
Cost	
At 1 January 2016	1,868
Additions	–
At 31 December 2016 and 1 January 2017	1,868
Additions	–
At 31 December 2017	1,868
Accumulated depreciation	
At 1 January 2016	1,194
Charge for the year	622
At 31 December 2016 and 1 January 2017	1,816
Charge for the year	52
At 31 December 2017	1,868
Net carrying amount	
At 31 December 2017	–
At 31 December 2016	52

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

11. INVESTMENTS IN SUBSIDIARIES

	Company 2017 S$	Company 2016 S$
Unquoted equity shares, at cost	**9,152,597**	9,152,597

The details of the Group's investments in subsidiaries are as follows:

Name of subsidiary	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2017	Proportion (%) of ownership interest 2016
Held by the Company				
Figtree Projects Pte. Ltd. ("FPPL")*	Singapore	General contractors (building construction including major upgrading works) and providers of general building engineering services	**100**	100
Figtree Developments Pte. Ltd. ("FDPL")*	Singapore	Property development	**100**	100
Held through FPPL				
Figtree Projects (Shanghai) Co., Ltd#	People's Republic of China ("PRC")	Project management service	**60**	60
Figtree Projects (Chongqing) Co., Ltd+~	PRC	Project management service	**85**	–
Figtree Projects Sdn Bhd@	Malaysia	Project management service	**100**	100
Held through FDPL				
Figtree Real Estate Pty Ltd ("FREPL")+	Australia	Property development	**100**	100
Held through FREPL				
Figtree La Trobe Pty Ltd+	Australia	Property development	**100**	100

* Audited by Ernst & Young LLP, Singapore.
\# Audited by Shanghai Yuanzhi Certified Public Accountants, PRC.
@ Audited by Gow and Tan Chartered Accountants, Malaysia.
\+ Not required to be audited.
~ Incorporated during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

12. INTERESTS IN ASSOCIATES

	Group 2017 S$	Group 2016 S$
Unquoted equity shares, at cost	**4,123,353**	40,000
Deemed capital contribution[1]	**1,842,397**	1,709,498
Accumulated share of profits	**1,302,279**	1,931,848
Accumulated share of translation and other reserves	**(121,267)**	174,547
Net carrying amount	**7,146,762**	3,855,893
Comprising of:		
Vibrant Properties Pte Ltd	**3,244,779**	3,855,893
Vibrant Pucheng Logistics (Chongqing) Co., Ltd	**3,901,983**	–
Net carrying amount	**7,146,762**	3,855,893

(1) Relates to the fair value of interest free loans granted to an associate (Note 14).

The details of the Group's interests in associates are as follows:

Name of associates	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest 2017	Proportion (%) of ownership interest 2016
Held through FDPL				
Vibrant Properties Pte. Ltd. ("VPPL")*	Singapore	Investment holding	**40**	40
Vibrant Pucheng Logistics (Chongqing) Co., Ltd. ("Vibrant Pucheng")#	PRC	Logistics services	**20**	–
Held through VPPL				
Fervent Industrial Development (Suzhou) Co. Ltd ("Fervent")^	PRC	Development of industrial and storage facilities	**80**	80
DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd^	PRC	Real estate development	**60**	60
Vibrant Investment & Management (Shanghai) Co., Ltd ("VIM")+	PRC	Investment holding	**100**	100
Held in trust for VIM				
Master Development (Jiangyin) Co., Ltd ("MDJ")#@	PRC	Real estate development	**60**	60

* Audited by KPMG LLP, Singapore.
\# Audited by KPMG LLP, China
^ Audited by Grant Thornton LLP(致同会计师事务所)(特殊普通合伙), PRC
\+ Not required to be audited.
@ The 60% shareholding in MDJ is held in trust by an external party via a trust agreement dated 20 June 2016.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

12. INTERESTS IN ASSOCIATES (CONT'D)

Acquisition of an associate

On 20 July 2017 ("the acquisition date"), the Group's subsidiary company, Figtree Developments Pte Ltd, acquired 20% equity interest in Vibrant Pucheng Logistics (Chongqing) Co., Ltd ("Vibrant Pucheng"). Upon acquisition, Vibrant Pucheng became an associate of the Group.

The Group has acquired Vibrant Pucheng to develop the land into a Multi-Modal Logistics Distribution Centre (the "DC"), providing integration of land, sea, rail and air logistics services, in line with China's "one belt one road initiative" and the announced Chongqing Connectivity Initiative ("CCI") between Singapore and PRC.

The purchase price allocation for this acquisition is not completed as the Group is currently finalising its identification and measurement of all intangible assets and its allocated goodwill. The Group has up to 12 months to complete such allocation. Accordingly, on a provisional basis, the Group recognised a goodwill of S$2,955,000.

The summarised financial information in respect of VPPL and its subsidiaries ("VPPL Group") and Vibrant Pucheng based on its FRS financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet:

	VPPL Group		Vibrant Pucheng
	2017	**2016**	**2017**
	S$'000	**S$'000**	**S$'000**
Non-current assets	**56,280**	44,747	**4,118**
Current assets (inclusive cash and cash equivalents of S$19,716,848; 2016: S$19,764,118)	**201,636**	184,627	**12,248**
Total assets	**257,916**	229,374	**16,366**
Non-current liabilities	**28,340**	65,939	**–**
Current liabilities	**200,308**	133,600	**11,629**
Total liabilities	**228,648**	199,539	**11,629**
Net assets	**29,268**	29,835	**4,737**
Less: Non-controlling interests	**(25,761)**	(24,467)	**–**
Net assets attributable to parent	**3,507**	5,368	**4,737**
Proportion of Group's ownership	**40%**	40%	**20%**
Group's share of net assets	**1,403**	2,147	**947**
Deemed capital contribution	**1,842**	1,709	**–**
Provisional goodwill on acquisition	**–**	–	**2,955**
Carrying amount of the investments	**3,245**	3,856	**3,902**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

12. INTERESTS IN ASSOCIATES (CONT'D)

Acquisition of an associate (cont'd)

Summarised statement of comprehensive income:

	VPPL Group		Vibrant Pucheng
	2017	**2016**	**2017**
	S$'000	**S$'000**	**S$'000**
Revenue	**1,103**	71,587	**2,016**
(Loss)/profit after tax, attributable to parent	**(1,198)**	4,453	**(752)**
Other comprehensive income	**(662)**	(1,542)	**–**
Total comprehensive income, attributable to parent	**(1,860)**	2,911	**(752)**

13. LOANS TO A SUBSIDIARY

	Company	
	2017	**2016**
	S$	**S$**
Loans to a subsidiary	**1,628,377**	1,628,377
Accrued interests on loans to a subsidiary	**325,042**	209,038
	1,953,419	1,837,415

Loans to a subsidiary are dominated in Singapore dollars, unsecured and bear interests at 6% (2016: 6%) per annum. The loans and interests are repayable in August 2019 (2016: August 2018) and are to be settled in cash.

14. LOANS TO AN ASSOCIATE

	Group	
	2017	**2016**
	S$	**S$**
Loans to an associate:		
– Interest-free loans	**15,971,974**	14,737,745
– Interest-bearing loans	**4,780,012**	8,272,896
	20,751,986	23,010,641
Presented as:		
Current	**4,305,922**	16,599,298
Non-current	**16,446,064**	6,411,343
	20,751,986	23,010,641

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

14. LOANS TO AN ASSOCIATE (CONT'D)

Interest-free loans

Interest-free loans are unsecured and repayable between May 2018 and January 2020 (2016: between May 2017 and December 2018). The loans are denominated in Singapore dollars, except for an amount of S$5,336,471 (2016: S$4,414,014) which are denominated in United States dollars.

Interest-bearing loans

The loans are unsecured, bear fixed interest at 6% (2016: 6% - 8%) per annum, repayable in January 2019 (2016: January 2017) and are to be settled in cash. The loans are denominated in Singapore dollars, except for an amount of S$Nil (2016: S$4,353,510) which are denominated in United States dollars.

15. AMOUNTS DUE FROM SUBSIDIARIES

Amounts due from subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash. Such amounts include dividend receivable of S$3,050,000 (2016: S$4,100,000) and management fees charged to the subsidiaries of S$1,724,932 (2016: S$2,185,119); while the remaining balance relates to payments made on behalf of the subsidiaries.

16. DEVELOPMENT PROPERTIES

	Group	
	2017	**2016**
	S$	**S$**
Properties under construction:		
– Freehold land and building	**18,212,260**	18,165,204
– Development costs	**12,398,637**	4,337,166
	30,610,897	22,502,370

The entire development properties are expected to be recovered more than 12 months after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

16. DEVELOPMENT PROPERTIES (CONT'D)

Details of the development properties are as follows:

Description	Tenure	Effective interest	Site area/ gross floor area (sqm)	Stage of completion as of date of annual report	Expected date of completion
303 La Trobe					
A residential development comprising 317 units of condominium apartments, along La Trobe Street, Melbourne, Australia.	Freehold	100%	17,000/ 25,700	–	2020

17. TRADE RECEIVABLES

	Group 2017 S$	Group 2016 S$
Trade receivables	**1,879,544**	4,315,172
Accrued receivables	**2,313,893**	6,148,246
Retention receivables	**8,549,153**	11,336,477
	12,742,590	21,799,895
Less: Allowance for doubtful debt	**(1,125,000)**	(2,454,632)
	11,617,590	19,345,263

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days' term. These are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

17. TRADE RECEIVABLES (CONT'D)

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to S$1,582,126 (2016: S$439,224) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the year is as follows:

	Group	
	2017	**2016**
	S$	**S$**
Trade receivables past due:		
Lesser than 30 days	**1,203,846**	–
30 to 60 days	**–**	289
60 to 90 days	**–**	–
90 to 120 days	**255,911**	–
More than 120 days	**122,369**	438,935
	1,582,126	439,224

Trade receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2017	**2016**
	S$	**S$**
Trade receivables – nominal amounts	**1,125,000**	2,454,632
Less: Allowance for impairment	**(1,125,000)**	(2,454,632)
	–	–
Movement in allowance accounts:		
At 1 January	**2,454,632**	–
Charge for the year	**–**	2,454,632
Written off	**(6,700)**	–
Write back	**(1,322,932)**	–
At 31 December	**1,125,000**	2,454,632

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to balances which had been long outstanding. These receivables are not secured by any collateral or credit enhancements.

Related party balances

Included in trade receivables are amounts due from related parties amounting to S$2,961,199 (2016: S$4,430,875).

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For the financial year ended 31 December 2017

18. OTHER RECEIVABLES

	Group	
	2017	2016
	S$	S$
Non-current:		
Deposits held in trust	**13,680,062**	5,732,716
Current:		
Refundable deposits	**81,589**	91,217
Sundry receivables	**97,165**	31,695
	178,754	122,912
Total other receivables	**13,858,816**	5,855,628

Deposits held in trust

Deposits held in trust relate to cash deposits held in trust by conveyancing lawyer on development properties sold prior to the date of revenue recognition. Included in the deposits are interest receivables of S$110,528 (2016: S$Nil) at prevailing bank rates. Such cash deposits are correspondingly recognised as "Trade and other payables" in non-current liabilities on the consolidated financial statements (Note 21). Such deposits are denominated in Australian dollars.

19. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
Cash at banks and on hand	**737,756**	7,315,222	**73,294**	723,505
Short-term fixed deposits	**1,016,631**	6,038,015	**–**	–
Cash and cash equivalents in the consolidated cash flow statement	**1,754,387**	13,353,237	**73,294**	723,505

Short-term deposits are made for varying periods of less than 3 months, depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate of the short-term fixed deposits is 1.00% (2016: 1.00%) per annum.

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For the financial year ended 31 December 2017

19. CASH AND SHORT-TERM DEPOSITS (CONT'D)

Cash and short-term deposits denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2017	2016	2017	2016
	S$	S$	S$	S$
United States dollars	**30,382**	–	**–**	–

20. GROSS AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK-IN-PROGRESS

	Group	
	2017	2016
	S$	S$
Aggregate amount of costs incurred and recognised profits to date	**117,759**	292,007,142
Less: Progress billings to date	**–**	(301,071,027)
	117,759	(9,063,885)
Presented as:		
Gross amount due from customers for contract work-in-progress	**117,759**	–
Gross amount due to customers for contract work-in-progress	**–**	(9,063,885)

The retention sums on construction contracts are included in the trade receivables (Note 17).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 S$	2016 S$	2017 S$	2016 S$
Non-current:				
Deposits received from customers (Note 18)	**13,569,534**	5,732,716	**–**	–
Accrued operating expenses	**3,700,082**	894,414	**–**	–
	17,269,616	6,627,130	**–**	–
Current:				
Trade payables	**3,648,430**	6,332,340	**22,980**	13,355
Accrued subcontractors' costs	**7,287,447**	13,979,274	**–**	–
Accrued operating expenses	**2,201,080**	4,194,946	**1,135,955**	1,789,963
GST payables	**20,208**	289,869	**840**	26,556
Sundry payables	**213,989**	94,260	**–**	–
	13,371,154	24,890,689	**1,159,775**	1,829,874
Total trade and other payables	**30,640,770**	31,517,819	**1,159,775**	1,829,874

Trade payables/sundry payables

These amounts are non-interest bearing. Trade payables are normally settled on 30-60 days' terms while sundry payables have an average term of 2 months.

22. BANK BORROWINGS

Bank borrowings relate to the drawdown of facilities extended by banks. The amounts are denominated in Singapore Dollars, unsecured and bear interests at 2.6% to 3.6% per annum. An amount of S$1,300,000 has been repaid on 21 March 2018 and the remaining S$2,000,000 is repayable between 15 April 2018 and 27 June 2018.

A reconciliation of liabilities arising from financing activities is as follows:

	2016 S$'000	Cash flows S$'000	Non-cash changes S$'000	2017 S$'000
Bank borrowings	–	3,300	–	3,300

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For the financial year ended 31 December 2017

23. DEFERRED TAX LIABILITIES

Deferred tax as at 31 December relates to the following:

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2017	2016	2017	2016	2017	2016
	S$	S$	S$	S$	S$	S$
Gross deferred tax liabilities:						
Differences in depreciation for tax purpose	**(17,110)**	(18,770)	**1,660**	25,792	**–**	–
Undistributed earnings of overseas subsidiaries held by an associate	**(215,500)**	(215,500)	**–**	(215,500)	**–**	–
Unremitted interest income	**(648,910)**	(433,552)	**(215,358)**	(238,778)	**(56,094)**	(39,485)
	(881,520)	(667,822)			**(56,094)**	(39,485)
Gross deferred tax assets:						
Provisions	**20,000**	114,837	**(94,837)**	(101,669)	**–**	–
	20,000	114,837			**–**	–
Net deferred tax liabilities	**(861,520)**	(552,985)			**(56,094)**	(39,485)
Deferred income tax expense (Note 8)			**(308,535)**	(530,155)		

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately S$5,577,912 (2016: S$4,922,148) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Tax consequences of proposed dividends

There are no income tax consequences (2016: S$Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

24. SHARE CAPITAL

	Group and Company			
	2017 No. of shares	**2017 S$**	**2016 No. of shares**	**2016 S$**
Issued and fully paid ordinary shares:				
At 1 January	**315,656,244**	**26,083,664**	292,613,134	22,485,430
Issuance of ordinary shares as scrip dividend	**20,589,988**	**3,187,330**	23,043,110	3,629,290
Exercise of employee share options	**1,160,000**	**178,872**	–	–
Share issuance expense	**–**	**(31,345)**	–	(31,056)
At 31 December	**337,406,232**	**29,418,521**	315,656,244	26,083,664

In June 2017, the Company issued 20,589,988 (2016: 23,043,110) new ordinary shares for the value of S$3,187,330 (2016: S$3,629,290) to eligible shareholders who have elected to participate in the Scrip Dividend Scheme in respect of the dividend declared and paid for the financial year ended 31 December 2016 (2016: 31 December 2015).

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company has an employee share option plans under which options to subscribe for the Company's ordinary shares have been granted to employees of the Group.

25. MERGER DEFICIT

The merger deficit records the difference between the purchase consideration and the share capital of the subsidiary restructured under common control.

26. SHARE OPTION RESERVE

Employee share option reserve represents the equity-settled share options granted to employees under the 2013 ESOS. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

Figtree Employee Share Option Scheme (the "2013 ESOS")

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these awards. There were no cancellations or modifications to the 2013 ESOS in both 2017 and 2016. Details of the 2013 ESOS are included in the Directors' Statement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

26. SHARE OPTION RESERVE (CONT'D)

Figtree Employee Share Option Scheme (the "2013 ESOS") (cont'd)

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	2017		2016	
	Number '000	**WAEP cents**	**Number '000**	**WAEP cents**
Outstanding at 1 January	**4,435**	**12.42**	1,790	13.06
Granted and accepted	**2,460**	**14.00**	2,695	12.00
Forfeited	**(210)**	**12.72**	(50)	13.06
Exercised	**(1,160)**	**13.06**	–	–
Outstanding at 31 December	**5,525**	**13.01**	4,435	12.42

– The weighted average fair value of options granted during the financial year was 64.20 (2016: 50.42) cents.

– The range of exercise prices for the share options outstanding at the end of the year was between 12.00 and 14.00 (2016: 12.00 and 13.06) cents.

– The weighted average remaining contractual life for these options is 5.46 years (2016: 5.89 years).

Fair value of share options granted

The fair value of the share options granted is estimated at the date of the grant using Black-Scholes Pricing model, taking into account the terms and conditions upon which the options were granted. The model takes into account historic dividends, share price fluctuation covariance of the Company and each entity of the group of competitors to predict the distribution of relative share performance. The following table lists the inputs to the Black-Scholes Pricing model for the years ended 31 December 2017 and 2016:

	2017	**2016**
Dividend yield (%)	**5.96% - 7.43%**	7.94%
Expected volatility (%)	**65.9%**	33% - 73%
Risk-free interest rate (% per annum)	**1.30%**	2.39%
Expected life of option (years)	**4**	4.50
Weighted average share price (cents)	**17.00**	15.00

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

27. FOREIGN CURRENCY TRANSLATION RESERVE

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group 2017 S$	Group 2016 S$
At 1 January	**(335,746)**	327,860
Net effect of exchange differences arising from translation of financial statements of foreign operations	**(424,113)**	(663,606)
At 31 December	**(759,859)**	(335,746)

28. OTHER RESERVES

This reserve represents the difference between the amount by which non-controlling interest is adjusted and the fair value of consideration paid or received, arising from a change in the ownership interest of a subsidiary held by an associate, without a loss of control.

29. DIVIDENDS

	Group and Company 2017 S$	Group and Company 2016 S$
Declared and paid during the financial year:		
Dividends on ordinary shares:		
Final exempt (one-tier) dividends for 2016: 1.25 cents (2015: 1.60 cents) per share		
– Cash payment	**771,748**	1,052,520
– Issue of scrip dividend (Note 24)	**3,187,330**	3,629,290
	3,959,078	4,681,810
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
– Final tax-exempt (one-tier) dividends for 2017: 0.63 cents (2016: 1.25 cents) per share	**2,125,659**	3,959,078

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) *Sales and purchases of services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Note	Group 2017 S$	Group 2016 S$
Contract revenue from related parties		**1,914,469**	10,834,769
Interest income from loans to an associate	5	**939,079**	976,410

(b) *Compensation of key management personnel*

	Group 2017 S$	Group 2016 S$
Salaries and bonuses	**2,819,220**	4,038,567
Defined contributions plans	**64,347**	64,859
Directors' fees	**245,000**	245,000
Other short-term benefits	**32,588**	37,794
Share-based payments	**31,767**	23,292
Total compensation paid to key management personnel	**3,192,922**	4,409,512
Comprise amounts paid to:		
– Directors of the Company	**1,665,717**	2,392,763
– Other key management personnel	**1,527,205**	2,016,749
Total compensation paid to key management personnel	**3,192,922**	4,409,512

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

30. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of key management personnel (cont'd)

Directors' interests in the 2013 ESOS

During the financial year:

- 200,000 (2016: 250,000) share options were granted to a Company's Executive Director under the 2013 ESOS (Note 26) at an exercise price of 14.00 (2016: 12.00) cents each, which remained outstanding at the end of the financial year.

- The Director exercised options for 230,000 (2016: Nil) ordinary shares of the Company at a price of 13.06 (2016: Nil) cents each, with a total consideration of S$30,038 (2016: S$Nil) paid to the company.

At the end of the reporting period, the total number of outstanding share options granted by the Company to the abovementioned Director under the 2013 ESOS amounted to 450,000 (2016: 480,000). No share options have been granted to the Company's Non-Executive Directors.

31. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Operating lease commitments – as lessee

The Group has entered into commercial property leases for its office premise and certain office equipment. Future minimum rentals payables under non-cancellable operating leases as at 31 December 2017 and 2016 are as follows:

	Group	
	2017	**2016**
	S$	**S$**
Not later than one year	**73,454**	37,658
Later than one year but not later than five years	**51,901**	37,321
	125,355	74,979

(b) Contingent liabilities

The Company has provided the following guarantees at the end of the reporting period:

- It has provided corporate guarantees to certain banks in respect of banking facilities of S$32,000,000 (2016: S$32,000,000) offered to a subsidiary; and

- It has provided a corporate guarantee to a bank for the performance of a contract for a subsidiary. No liability is expected to arise (2016: Nil).

NOTES TO THE FINANCIAL STATEMENTS

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32. SEGMENT INFORMATION

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

- Design and build: Design and build commercial and industrial facilities. The scope of services covers the full spectrum of the project development process, including land search and authority liaison, feasibility studies, design and construction.
- Property development: Construct, develop, sell and/or lease out of residential, commercial and industrial properties.
- Corporate: Involved in Group-level corporate services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

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 profit margins of the products and services.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

32. SEGMENT INFORMATION (CONT'D)

	Design and build		Property development		Corporate		Per consolidated financial statements	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
	S$	**S$**	**S$**	**S$**	**S$**	**S$**	**S$**	**S$**
Revenue:								
Sales to external customers and a related party, representing total revenue	**17,563,288**	57,562,087	**–**	–	**–**	–	**17,563,288**	57,562,087
Results:								
(Write back of)/ allowance for doubtful trade debt	**(1,322,932)**	2,454,632	**–**	–	**–**	–	**(1,322,932)**	2,454,632
Interest income	**–**	–	**–**	–	**1,090,723**	1,057,750	**1,090,722**	1,057,750
Interest expense	**–**	–	**–**	–	**52,486**	2,399	**52,486**	2,399
Depreciation	**183,900**	182,147	**510**	495	**52**	623	**184,462**	183,265
Share of results of associates	**–**	–	**(629,569)**	1,781,582	**–**	–	**(629,569)**	1,781,582
Income tax expense	**–**	–	**–**	–	**1,982,322**	2,068,105	**1,982,322**	2,068,105
Segment profit/ (loss), before tax	**10,139,124**	13,777,904	**(331,723)**	1,458,753	**(2,335,790)**	(2,927,193)	**7,471,611**	12,309,464
Assets:								
Interests in associates	**–**	–	**7,146,762**	3,855,893	**–**	–	**7,146,762**	3,855,893
Additions to property, plant and equipment	**187,965**	30,306	**–**	–	**–**	–	**187,965**	30,306
Segment assets	**21,786,732**	43,613,357	**67,508,213**	47,091,291	**77,181**	726,378	**89,372,126**	91,431,026
Liabilities:								
Segment liabilities	**17,233,001**	33,297,024	**17,910,305**	7,768,206	**1,219,917**	1,876,948	**36,363,223**	42,942,178

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

32. SEGMENT INFORMATION (CONT'D)

Geographical information

Revenue and non-current assets information based on the geographical locations of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2017	**2016**	**2017**	**2016**
	S$	**S$**	**S$**	**S$**
Singapore	**17,107,977**	57,065,258	**26,908,783**	13,665,368
China	**455,311**	496,829	**130,113**	44,779
Australia	**–**	–	**13,680,565**	5,733,721
Malaysia	**–**	–	**–**	–
	17,563,288	57,562,087	**40,719,461**	19,443,868

Non-current assets information presented above consist of property, plant and equipment, interests in associates, loans to an associate and other receivables as presented in the consolidated balance sheet.

33. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of a financial instrument is 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. The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade receivables (Note 17), other receivables (Note 18), loans to an associate (current) (Note 14), amounts due from subsidiaries (Note 15), cash and short-term deposits (Note 19), trade and other payables (Note 21) and bank borrowings (Note 22).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

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33. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) *Assets and liabilities not carried at fair value but for which fair value is disclosed*

The following table shows an analysis of the Group's assets and liabilities not measured at fair value but for which fair value is disclosed:

	Fair value measurements at the end of the reporting period using				
	Level 1 S$	**Level 2 S$**	**Level 3 S$**	**Total S$**	**Carrying Amount S$**
2017					
Group					
Assets:					
Loans to an associate (Note 14)	–	–	20,751,986	20,751,986	20,751,986
Company					
Assets:					
Loans to a subsidiary (Note 13)	–	–	1,953,419	1,953,419	1,953,419
2016					
Group					
Assets:					
Loans to an associate (Note 14)	–	–	23,010,641	23,010,641	23,010,641
Company					
Assets:					
Loans to a subsidiary (Note 13)	–	–	1,837,415	1,837,415	1,837,415

Determination of fair value

Loans to a subsidiary (Note 13) and loans to an associate (non-current) (Note 14)

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk and credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks.

It is, and has been throughout the current and previous financial year, the Group's policy not to engage in foreign exchange and/or derivatives speculation or trading for profit purpose. It is not in the interest of the Group to engage in trading for profit or to speculate or trade in treasury instruments.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, loans to an associate, amounts due from subsidiaries and cash and short term deposits. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Group's objective is to seek continual revenue growth while minimising losses incurred due to credit risk exposure. The Group trades only with recognised and creditworthy third parties. Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

The carrying amounts of trade and other receivables, loans to an associate, loans to an associate and cash and short-term deposits represent the Group's maximum exposure to credit risk. Cash and short-term deposits are placed with banks of good standing. The Group performs ongoing credit evaluation of its customers' financial conditions and maintains an allowance for doubtful trade receivables based upon expected collectability of all trade debts.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	Group			
	2017		2016	
	S$	% of total	S$	% of total
By country:				
Singapore	**11,551,798**	**99**	19,247,315	99
China	**65,792**	**1**	97,948	1
Malaysia	**–**	**–**	–	–
Australia	**–**	**–**	–	–
	11,617,590	**100**	19,345,263	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) *Credit risk (cont'd)*

Credit risk concentration profile (cont'd)

	Group			
	2017		2016	
	S$	% of total	S$	% of total
By industry sector:				
Design and build	**11,617,590**	**100**	19,345,263	100
Property development	**–**	**–**	–	–
	11,617,590	**100**	19,345,263	100

At the balance sheet date, approximately:

- 99% (2016: 99%) of the Group's trade receivables were due from 5 (2016: 4) major customers who are multinational corporations and established developers located in Singapore under design and build operating segment; and

- An amount of S$2,961,199 (2016: S$4,430,875) was due from related parties (Note 17).

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (Trade receivables).

(b) *Liquidity risk*

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

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and mitigate the effect of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group 2017	**One year or less S$**	**One to five years S$**	**Total S$**
Financial assets:			
Loans to an associate	4,490,653	16,725,377	21,216,030
Trade receivables	11,617,590	–	11,617,590
Other receivables	178,754	14,222,843	14,401,597
Cash and short-term deposits	1,754,387	–	1,754,387
Total undiscounted financial assets	18,041,384	30,948,220	48,989,604
Financial liabilities:			
Trade and other payables (exclude GST payables)	13,350,946	17,269,616	30,620,562
Bank borrowings	3,334,750	–	3,334,750
Total undiscounted financial liabilities	16,685,696	17,269,616	33,955,312
Total net undiscounted financial assets	1,355,688	13,678,604	15,034,292
2016			
Financial assets:			
Loans to an associate	16,787,880	6,980,553	23,768,433
Trade receivables	19,345,263	–	19,345,263
Other receivables	122,912	5,732,716	5,855,628
Cash and short-term deposits	13,353,237	–	13,353,237
Total undiscounted financial assets	49,609,292	12,713,269	62,322,561
Financial liabilities:			
Trade and other payables (exclude GST payables)	24,600,820	6,627,130	31,227,950
Total undiscounted financial liabilities	24,600,820	6,627,130	31,227,950
Total net undiscounted financial assets	25,008,472	6,086,139	31,094,611

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) *Liquidity risk (cont'd)*

Analysis of financial instruments by remaining contractual maturities (cont'd)

Company 2017	One year or less S$	One to five years S$	Total S$
Financial assets:			
Loans to a subsidiary	–	2,051,122	2,051,122
Amounts due from subsidiaries	22,091,370	–	22,091,370
Cash and short-term deposits	73,294	–	73,294
Total undiscounted financial assets	22,164,664	2,051,122	24,215,786
Financial liabilities:			
Trade and other payables (exclude GST payables)	1,158,935	–	1,158,935
Total undiscounted financial liabilities	1,158,935	–	1,158,935
Total net undiscounted financial assets	21,005,729	2,051,122	23,056,851
2016			
Financial assets:			
Loans to a subsidiary	–	1,867,036	1,867,036
Amounts due from subsidiaries	20,282,649	–	20,282,649
Cash and short-term deposits	723,505	–	723,505
Total undiscounted financial assets	21,006,154	1,867,036	22,873,190
Financial liabilities:			
Trade and other payables (exclude GST payables)	1,803,318	–	1,803,318
Total undiscounted financial liabilities	1,803,318	–	1,803,318
Total net undiscounted financial assets	19,202,836	1,867,036	21,069,872

The table below shows the contractual expiry by maturity of the Company's contingent liabilities (Note 31). The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

		2017 and 2016	
	One year or less S$	One to five years S$	Total S$
Company			
Corporate guarantees	–	32,000,000	32,000,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Foreign currency risk*

The Group has transactional currency exposures arising from loans to an associate that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD, Malaysian Ringgit (Ringgit), Australian Dollar (AUD) and Renminbi (RMB). The foreign currencies in which these transactions are denominated are mainly United States Dollars (USD).

The Group and the Company also hold cash and short-term deposits denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		2017	**2016**
		S$	**S$**
		Profit before tax	**Profit before tax**
USD/SGD	- strengthened 5% (2016: 2%)	268,343	175,350
	- weakened 5% (2016: 2 %)	(268,343)	(175,350)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

35. FINANCIAL INSTRUMENTS BY CATEGORY

Set out below is the carrying amount of each of the categories of the Group's and the Company's financial instruments that are carried in the financial statements:

		Group		Company	
	Note	Loans and receivables S$	Liabilities at amortised cost S$	Loans and receivables S$	Liabilities at amortised cost S$
2017					
Assets					
Loans to a subsidiary	13	–	–	1,953,419	–
Loans to an associate	14	20,751,986	–	–	–
Amounts due from subsidiaries	15	–	–	22,091,370	–
Trade receivables	17	11,617,590	–	–	–
Other receivables	18	13,858,816	–	–	–
Cash and short-term deposits	19	1,754,387	–	73,294	–
Liabilities					
Trade and other payables[1]	21	–	30,620,562	–	1,158,935
Bank borrowings	22	–	3,300,000	–	–
		47,982,779	33,920,562	24,118,083	1,158,935
2016					
Assets					
Loans to a subsidiary	13	–	–	1,837,415	–
Loans to an associate	14	23,010,641	–	–	–
Amounts due from subsidiaries	15	–	–	20,282,649	–
Trade receivables	17	19,345,263	–	–	–
Other receivables	18	5,855,628	–	–	–
Cash and short-term deposits	19	13,353,237	–	723,505	–
Liabilities					
Trade and other payables[1]	21	–	31,227,950	–	1,803,318
		61,564,769	31,227,950	22,843,569	1,803,318

[i] Exclude GST payables

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2017 and 2016.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. The Group regards total debt to comprise trade and other payables and bank borrowings and total capital to comprise equity attributable to the owners of the Company. The Group's policy is to keep the gearing ratio below 3.00 times.

The following table reflects the Group's total debt and total capital:

		Group	
	Note	2017 S$	2016 S$
Trade and other payables	21	**30,640,770**	31,517,819
Bank borrowings	22	**3,300,000**	–
Total debt		**33,940,770**	31,517,819
Equity attributable to owners of the Company		**53,045,440**	48,475,787
Debt to equity (times)		**0.64**	0.65

The Group will continue to be guided by prudent financial policies of which gearing is an important aspect.

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Directors on 29 March 2018.

SHAREHOLDING STATISTICS

As at 16 March 2018

Class of shares	No. of shares	%
Ordinary	337,406,232	100.0
Treasury	Nil	0.0
Total Issued Shares	337,406,232	100.0
Subsidiary Holdings	Nil	0.0

Voting Rights	On a poll :	One vote for each ordinary share

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 16 March 2018, 15.38% of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Siaw Ken Ket @ Danny Siaw	83,353,900	24.70	273,824[(1)]	0.08
Singapore Enterprises Private Limited	72,981,256[(2)]	21.63	–	–
Tan Chew Joo	33,553,160	9.94	14,399,675[(3)]	4.27
Fung Tze Ping	29,509,314	8.75	–	–
Teoh Hoon Song	27,165,750	8.05	–	–
Oei Tjhing Bo Robert	22,500,000	6.67	–	–

Notes:

(1) Mr Siaw Ken Ket @ Danny Siaw has a deemed interest in the shareholdings held by his wife, Ms Tay Guek Nah.

(2) Vibrant Group Limited is deemed to be interested in 72,981,256 shares held by Singapore Enterprises Private Limited ("SEPL") by virtue of its shareholding interest in SEPL.

(3) Mr Tan Chew Joo has a deemed interest in the shareholdings held by his daughter, Ms Eileen Tan.

SHAREHOLDING STATISTICS

As at 16 March 2018

DISTRIBUTION OF SHAREHOLDERS AS AT 16 MARCH 2017

Size of Shareholdings			No. of Shareholders	%	No. of shares	%
1	–	99	20	3.65	788	0.00
100	–	1,000	19	3.47	11,346	0.00
1,001	–	10,000	114	20.80	816,307	0.24
10,001	–	1,000,000	378	68.98	32,141,044	9.53
1,000,001	–	and above	17	3.10	304,436,747	90.23
Total			**548**	**100.00**	**337,406,232**	**100.00**

TWENTY LARGEST SHAREHOLDERS AS AT 16 MARCH 2018

	Shareholder's Name	No of Shares	%
1	SIAW KEN KET @ DANNY SIAW	83,353,900	24.70
2	SINGAPORE ENTERPRISES PTE LTD	72,981,256	21.63
3	TAN CHEW JOO	33,553,160	9.94
4	FUNG TZE PING	29,509,314	8.75
5	TEOH HOON SONG	27,165,750	8.05
6	OEI TJHING BO ROBERT	22,500,000	6.67
7	EILEEN TAN	12,763,153	3.78
8	DBS NOMINEES PTE LTD	7,012,380	2.08
9	CHONG CHOON LIM	2,856,096	0.85
10	HL BANK NOMINEES (SINGAPORE) PTE LTD	2,600,000	0.77
11	PHILLIP SECURITIES PTE LTD	2,063,513	0.61
12	LIM CHYE HAI (LIN CAIHAI)	1,617,298	0.48
13	MAYBANK KIM ENG SECURITIES PTE LTD	1,461,991	0.43
14	LAU KOK SENG (LIU GUOCHENG)	1,337,000	0.40
15	RAMESH S/O PRITAMDAS CHANDIRAMANI	1,302,597	0.39
16	CITIBANK NOMINEES SINGAPORE PTE LTD	1,231,102	0.36
17	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,128,237	0.33
18	LIEW YANN MIN	911,000	0.27
19	RAFFLES NOMINEES (PTE) LTD	899,612	0.27
20	LAM CHIN SIEW	750,422	0.22
	Total	**306,997,781**	**90.98**

NOTICE OF ANNUAL GENERAL MEETING

FIGTREE HOLDINGS LIMITED
Registration No. 201315211G
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Figtree Holdings Limited (the "Company") will be held at 8 Jalan Kilang Barat, #03-01 Central Link, Singapore 159351 on Friday, 27 April 2018 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the audited financial statements for the financial year ended 31 December 2017 together with the Independent Auditor's Report thereon. **[Resolution 1]**

2. To declare a one-tier tax exempt first and final dividend of S$0.0063 per ordinary share for the financial year ended 31 December 2017. **[Resolution 2]**

3. To re-elect Mr Tan Chew Joo retiring pursuant to Article 98 of the Articles of Association of the Company. **[Resolution 3]**

   Mr Tan Chew Joo will, upon re-election as Director of the Company, remain as the Executive Director and Cost Director of the Company. Information of Mr Tan Chew Joo can be found on page 19 of the Annual Report. There are no relationships including immediate family relationships between Mr Tan Chew Joo and other Directors or its 10% shareholders.

4. To re-elect Mr Thomas Woo Sai Meng retiring pursuant to Article 98 of the Articles of Association of the Company. **[Resolution 4]**

   Mr Thomas Woo Sai Meng will, upon re-election as Director of the Company, remain as the Non-Executive Director of the Company. Information of Mr Thomas Woo Sai Meng can be found on page 20 of the Annual Report. Mr Thomas Woo Sai Meng is the executive director of Vibrant Group Limited, which wholly-owns Singapore Enterprises Private Limited. Singapore Enterprises Private Limited is a controlling shareholder that has a shareholding interest of 21.63% in the Company. Save for as disclosed, there are no relationships including immediate family relationships between Mr Thomas Woo Sai Meng and other Directors or its 10% shareholders.

5. To approve Directors' fees of S$245,000 for the financial year ended 31 December 2017. [2016 :S$245,000] **[Resolution 5]**

6. To re-appoint Messrs Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **[Resolution 6]**

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions, with or without any modifications:

8. Authority to allot and issue shares

"That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "Act") and subject to Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors of the Company to:

(a) (i) allot and 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) options, 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 that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuant of any Instruments made or granted by the Directors while this Resolution was in force,

Provided always that:

(i) the aggregate number of Shares (including Shares to be issued in pursuance to Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 100% of the issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares (including Shares to be issued in pursuance to Instruments made or granted pursuant to this Resolution) to be issued other than on a pro-rata basis to existing shareholders of the Company does not exceed 50% of the issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (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 (i) above, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:-

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising of share options or vesting of share awards which are outstanding and/or subsisting at the time this Resolution is passed, provided the share options and share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares.

NOTICE OF ANNUAL GENERAL MEETING

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Articles of Association for the time being of the Company; and

(iv) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or by 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 1) **[Resolution 7]**

9. Authority to offer and grant options and to issue shares pursuant to the Figtree Employee Share Option Scheme

"That pursuant to Section 161 of the Act, the Directors of the Company be authorised (i) to offer and grant options in accordance with the provisions of the Figtree Employee Share Option Scheme (the "Scheme"); and (ii) to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options under the Scheme, provided always that the aggregate number of new Shares to be allotted and issued pursuant to the Scheme (including options granted under the Scheme and all outstanding options or awards granted under such other share-based incentive schemes of the Company) shall not at any time exceed 15% of the issued Shares (including treasury shares and subsidiary holdings) on the date preceding the grant of the option." (See Explanatory Note 2) **[Resolution 8]**

By Order of the Board
Lee Bee Fong
Company Secretary
Singapore, 12 April 2018

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(1) **Resolution 7**, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting, to allot and issue Shares and convertible securities in the Company. The number of Shares and convertible securities which the Directors may allot and issue under this Resolution would not exceed 100% of the issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing this Resolution. For issue of Shares other than on a pro-rata basis to all shareholders of the Company, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(2) **Resolution 8**, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the next Annual General Meeting, to grant options and to allot and issue Shares pursuant to the exercise of options granted under the Figtree Employee Share Option Scheme (the "Scheme"). The maximum number of new Shares to be issued under the Scheme (including options granted under the Scheme and all outstanding options or awards granted under such other share-based incentive schemes of the Company) shall not exceed 15% of the issued Shares (including treasury shares and subsidiary holdings) from time to time. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

NOTES:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company, 8 Jalan Kilang Barat, #03-01, Central-Link, Singapore 159351 not less than 48 hours before the time appointed for holding the meeting.

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 (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) 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 or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (b) 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 or service providers), 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 or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) 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.

FIGTREE HOLDINGS LIMIED
Company Registration No. 201315211G
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

*I/We ______________________________ * NRIC/Passport No. ______________________

of ____ (Address)

being a *member/members of FIGTREE HOLDINGS LIMITED (the "Company") hereby appoint

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings (%)

or failing *him/her/them, the Chairman of the Annual General Meeting as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at 8 Jalan Kilang Barat, #03-01 Central Link, Singapore 159351 on Friday, 27 April 2018 at 10.00 a.m., and at any adjournment thereof.

Note: Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions or in the event of any item arising not summarised below, the proxy/proxies may vote or abstain as he/she/they may think fit.

No.	Resolutions Relating To:	Number of Votes For	Number of Votes Against
	ORDINARY BUSINESS		
1	Adoption of Directors' Statement, Independent Auditor's Report and the Audited Financial Statements for the financial year ended 31 December 2017		
2	Declaration of a one-tier tax exempt first and final dividend of S$0.0063 per ordinary share for the financial year ended 31 December 2017		
3	Re-election of Mr Tan Chew Joo as a Director of the Company		
4	Re-election of Mr Thomas Woo Sai Meng as a Director of the Company		
5	Approval of Directors' Fees of S$245,000 for the financial year ended 31 December 2017		
6	Re-appointment of Messrs Ernst & Young LLP as Auditors of the Company		
	SPECIAL BUSINESS		
7	Authority for Directors of the Company to allot and issue new shares		
8	Authority for Directors of the Company to grant options and to allot and issue new shares pursuant to the Figtree Employee Share Option Scheme		

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Annual General Meeting for the full purpose and intent of the Resolutions to be passed.

Dated this ____________________ day of ____________ 2018

Total No. of Shares	No. of Shares Held
In CDP Register	
In Register of Members	

____

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

* Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

IMPORTANT NOTES TO PROXY FORM :

1. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore). If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50 of Singapore.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 8 Jalan Kilang Barat, #03-01 Central-Link, Singapore 159351 not less than 48 hours before the time appointed for holding the meeting.

5. Completion and return of this instrument appointing a proxy or proxies 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.

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 or proxies 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. The Company shall be entitled to reject an instrument appointing a proxy or proxies which 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 (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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 12 April 2018.

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FIGTREE HOLDINGS LIMITED
8 Jalan Kilang Barat,
#03-01 Central Link,
Singapore 159351

CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER

201315211G

REGISTERED OFFICE

8 Jalan Kilang Barat
#03-01 Central Link
Singapore 159351
Tel: (65) 6278 9722
Fax: (65) 6278 9747
Website: www.figtreeasia.com

DIRECTORS

Siaw Ken Ket @ Danny Siaw
(Executive Chairman and Managing Director)

Tan Chew Joo
(Executive Director and Cost Director)

Thomas Woo Sai Meng
(Non-Executive Director)

Lee Kim Huat
(Lead Independent Director)

Lee Choong Hiong
(Independent Director)

Pong Chen Yih
(Independent Director)

AUDIT COMMITTEE

Lee Kim Huat (Chairman)
Lee Choong Hiong
Pong Chen Yih

NOMINATING COMMITTEE

Pong Chen Yih (Chairman)
Lee Kim Huat
Tan Chew Joo

REMUNERATION COMMITTEE

Lee Choong Hiong (Chairman)
Lee Kim Huat
Pong Chen Yih

COMPANY SECRETARY

Lee Bee Fong

SHARE REGISTRAR

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

PRINCIPAL BANKERS

DBS Bank Ltd.
United Overseas Bank Limited
Australia and New Zealand
Banking Group Limited
The Bank of East Asia, Limited

INDEPENDENT AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge :
Ang Chuen Beng
Date of appointment :
Since financial year
ended 31 December 2015

SPONSOR

PrimePartners
Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

FIGTREE HOLDINGS LIMITED
8 Jalan Kilang Barat / #03-01 Central Link
Singapore 159351

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