



EXTENDING OUR REACH

2017 ANNUAL REPORT



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OUR VISION

To be a leader in building construction services in Singapore and a sizeable investor in property development in the region.

OUR MISSION

We are committed to contributing social and economic benefits to our society through the provision of high quality and cost-effective services in construction and niche property development activities in the region.

We provide innovative solutions in an efficient and professional manner to meet our customers' requirements in building and property businesses by bringing together the best available resources and continually improving our processes to deliver excellence.

As we achieve the above, we will also generate fair and satisfying economic value for our shareholders.

CORPORATE PROFILE

KSH Holdings Limited (“KSH” or the “Group”) (“金成兴控股有限公司”) is a well-established Construction, Property Development and Property Investment group that was incorporated in 1979 and has been listed on the Mainboard of the SGX-ST since February 8, 2007.

KSH is an A1-graded contractor under BCA CW01, with the ability to tender for Public Sector Construction projects of unlimited value, and is a main contractor for both the public and private sectors in Singapore. The Group also has an A2 grade under BCA’s CW02 category for civil engineering, allowing KSH to tender for Public Sector projects for values of up to \$85 million.

KSH has an established track record of handling construction projects across a broad spectrum of industries, and its projects have performed well in CONQUAS, a standard assessment system on the quality of building projects. KSH had won several BCA Construction Excellence Awards including that for Fullerton Bay Hotel and NUS University Town’s Education Resource Centre in 2013 and Madison Residences in 2014, amongst others.

Through strategic alliances and joint ventures, KSH’s property development and investment presence spans across various real estate sectors including residential, commercial, hospitality, and mixed-use developments. Apart from having successfully executed residential and mixed-use development projects in Singapore and the People’s Republic of China (“PRC”), it has jointly acquired properties in other geographies including the United Kingdom, Australia, Malaysia and Japan. It will continue to explore opportunities in new geographies with favourable real estate cycles with a focus on Southeast Asia.

On the Property Investment front, the Group invests in yield-accretive assets that generate a sustainable stream of income with potential capital gains. Its investments include strata units in a 30-storey Grade A office development, Prudential Tower in Raffles Place, and a 36-storey retail and office complex, Tianxing Riverfront Square, in the heart of the business district of Tianjin, PRC.

The Group seeks to continue broadening its businesses and projects, and exploring opportunities in new markets while striving towards sustainable growth to enhance shareholder value.





ONGOING PROJECTS

Construction Projects

1. Community Building at Bedok North
2. Sports Centre Building at the National University of Singapore
3. Material Research and Engineering Building at National University of Singapore
4. Three Blocks of Residential Towers
5. Research Building at National University of Singapore

Property Development Projects

1. Rezi 3Two
2. Floraville/Floraview/Floravista
3. Trio
4. High Park Residences



Trio



High Park Residences



Community Building at Bedok North

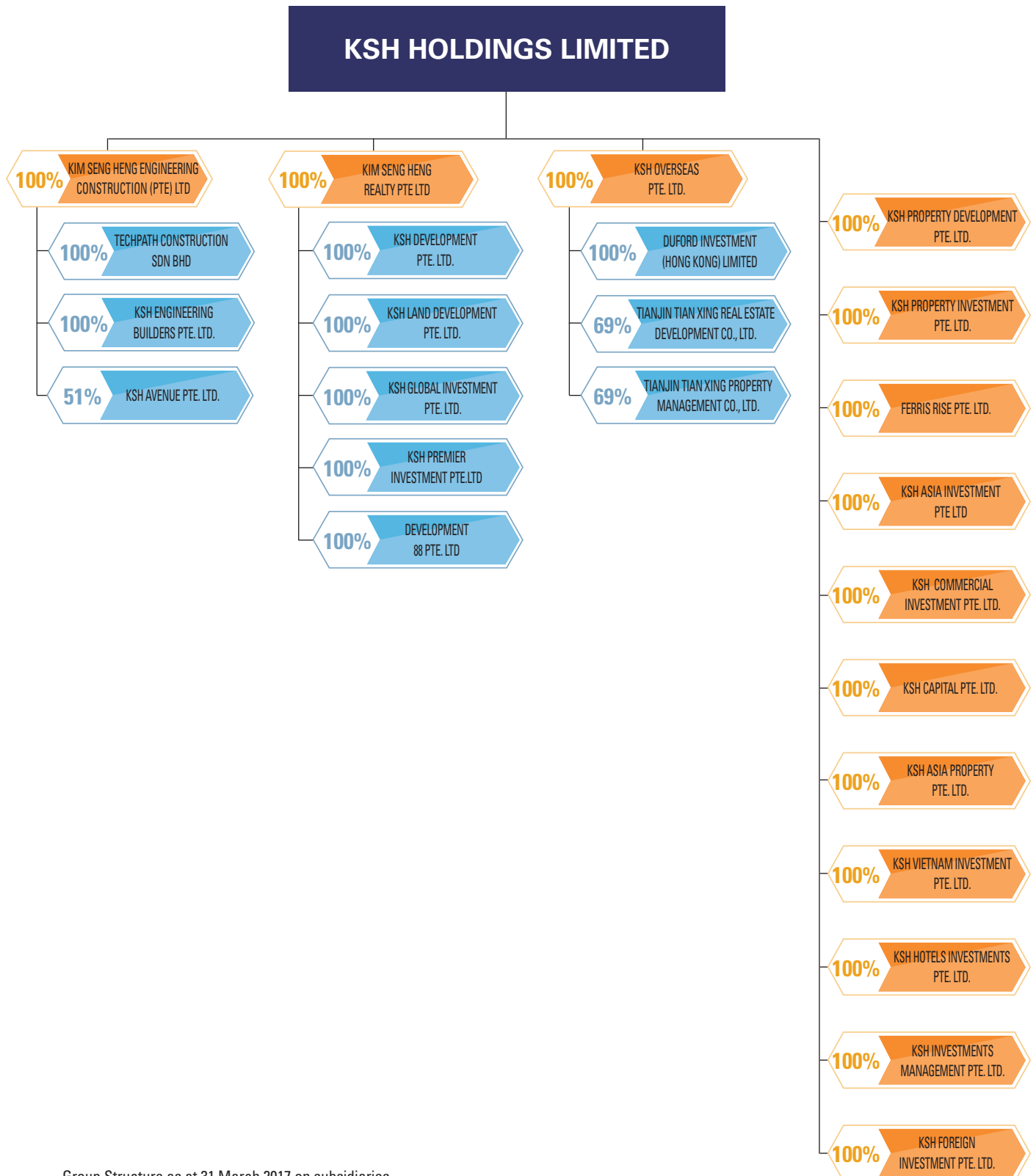


Rezi 3Two



National University of Singapore Sports Centre

GROUP STRUCTURE



Group Structure as at 31 March 2017 on subsidiaries.

* Associates and joint ventures (Note 6 and Note 7) on pages 88 to 96 of this Annual Report.

MESSAGE FROM EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR

Our strong balance sheet will offer us financial flexibility to capitalise on opportunities as they arise, and puts us in good stead to selectively take on strategic construction projects to protect our healthy construction margins



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you our annual report for the financial year ended March 31, 2017 ("FY2017").

It has been an eventful past 12 months for us as we continued to build upon our solid fundamentals to ensure sustained long-term growth for resilience during these volatile times.

Amidst the increasingly challenging operating environment, we are heartened that KSH has continued to record a set of resilient results for the year. We achieved revenue of S\$199.3 million and net profit attributable to owners of the company of S\$41.0 million in FY2017.

While topline was an 18.8% decline from S\$245.5 million a year ago ("FY2016") due to lower contributions from the construction segment, our strategy for prudent selection has paid off, as reflected in our higher construction gross profit margin of 21.6% achieved in FY2017, as compared to 15.1% in FY2016.

Despite the lower revenue, our efforts to raise productivity and efficiency is evident in our overall decline in expenses that has allowed our profits from operations to grow 78.7% to S\$32.7 million in FY2017.

The lower net profit of S\$41.0 million in FY2017 as compared to S\$61.5 million in FY2016 was mainly due to lower share of results of associated companies of

S\$8.5 million, with an absence of S\$12.2 million profit recognised last year on completion of Sequoia Mansion, S\$3.9 million preliminary costs incurred on the Gaobeidian project in the PRC, and a one-off S\$3.6 million provision on impairment loss on unsold properties for accounting prudence.

Total borrowing and debt was reduced to S\$66.7 million, while fixed deposit, cash and bank balances was S\$145.9 million, translating into a net cash position of S\$79.2 million.

Our strong balance sheet will offer us financial flexibility to capitalise on opportunities as they arise, and puts us in good stead to selectively take on strategic construction projects to protect our healthy construction margins.

CORE CONSTRUCTION BUSINESS

Construction remains our largest revenue driver, constituting 97.2% of our total FY2017 Group revenue at S\$199.3 million. Our order book stood at a healthy level of more than S\$340.0 million, as at March 31, 2017.

Our established track record of both public and private projects, and close relationships with strategic customers, have allowed us to clinch several new contracts this year, including two contracts from National University of Singapore ("NUS") – a 24-month term contract (with

option to extend for a further 12 months) and a S\$145.7 million contract to erect a research building comprising 16 floors and a basement – and a S\$139.1 million construction contract to build three blocks of residential towers, inclusive of basements.

Expecting costs to escalate further, with the help of government grants, we are actively sending our workers for skills upgrading and training, and adopting greater use of technology and building methods to reduce reliance on manpower, increase productivity and efficiency. We are also looking to redevelop and automate our factory and invest in new equipment and machinery to enhance our efficiency and competitiveness.

The Singapore Building and Construction Authority retains an optimistic outlook and expects construction demand in 2017 to remain robust at between S\$28 billion and S\$35 billion, of which 70% will be derived from the public sector¹. Apart from pursuing projects in the private space, there are also several large-scale public projects in the pipeline, which presents good opportunity for us to replenish our order book.

PROPERTY DEVELOPMENT & INVESTMENT

During the year, we continued to work closely with our JV partners and associates to execute our ongoing projects, while

keeping a look out for yield-accretive opportunities, both locally and overseas.

As at March 31, 2017, we have launched 15 projects and sold approximately 95.8% of all launched units, translating into S\$163.2 million of attributable share of progress billings to be progressively recognised.

SINGAPORE

On Singapore's real estate outlook, latest statistics from the Urban Redevelopment Authority ("URA") suggests healthy demand from the market, with 1,555 private homes being sold in April 2017, double that of the 750 units sold in April 2016². The URA's 1Q 2017 real estate statistics also showed a gentler 0.4% decline in private residential property prices, compared to the 0.5% dip in 4Q 2016³, signalling stabilising prices.

During the year, we've soft-launched our 30%-owned 121 Collection on Whitley, which consists 8 semi-detached houses and a bungalow – all of which are freehold properties. Located in the prime District 11, 121 Collection on Whitley offers a pillar-less ground floor and an expansive glass facade. The exclusive residential neighbourhood is at the doorstep of the upcoming Mount Pleasant MRT station, Orchard Road, Dempsey Hill and a myriad of amenities.

We've also replenished our land bank in Singapore with the acquisition of a 49%-owned property in Geylang that

spans 1,115 square metres, which we plan to develop into a block of 8-storey residential flats with roof terrace and swimming pool. The project is targeted to be launched in 2017.

THE PRC

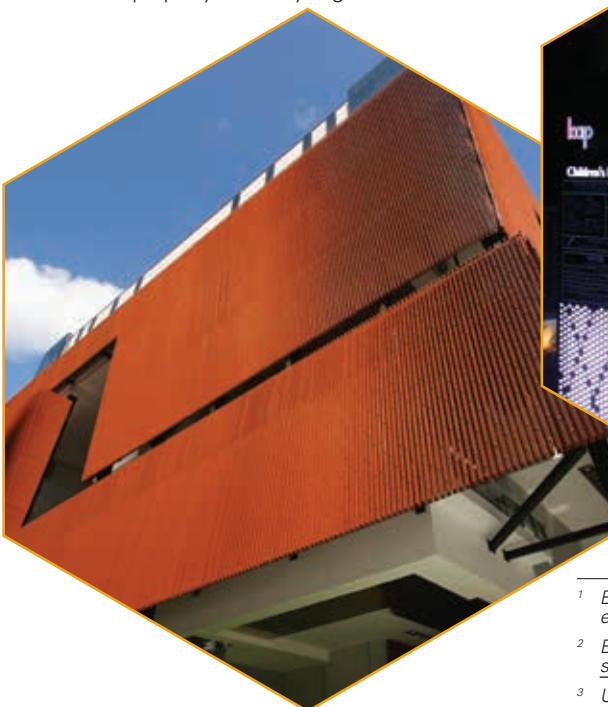
Our 22.5%-owned Gaobeidian township project has received considerable interest recently arising from an announcement in April 2017 by the PRC Government on the establishment of the Xiongan New Special Economic Zone ("NSEZ") that has sent property prices soaring in neighbouring cities of the NSEZ, such as that of Gaobeidian that is about 40 km away from Xiongxian, one of the cities of the NSEZ.

The Gaobeidian project, a satellite city merely 19 minutes from Beijing by high speed train, sits on a sprawling land size of about 5.3 million square metres (8,000 mu) and approximately 3,000 mu has been approved by the PRC authorities for development. The consortium is pending relevant approvals for the launch of 3,008 residential units for sale in the second half of 2017, as part of the 5,540 residential units and 27,500 square metres of commercial space approved for Phase 1. We'll continue to monitor the market closely and launch the units for sale at an opportune time to ride on the favourable market cycle.

On our Sequoia Mansion project, we've recognised the bulk of the earnings, approximately 10% of units remain unsold due to a deliberate decision to withhold the sale in anticipation of an expected rise in property prices stemming from the Beijing City government's anticipated relocation of some administrative functions to Tongzhou and the impending launch of a Universal Studios theme park in 2019.

UNITED KINGDOM

In FY2017, we've expanded our footprint in the United Kingdom ("UK") with a 30% acquisition of the Holiday Inn Express Manchester City Centre hotel in Manchester – our fifth joint acquisition in the UK with our partners. The 12-storey hotel has 147 bedrooms and convenient access to Greater Manchester and the UK

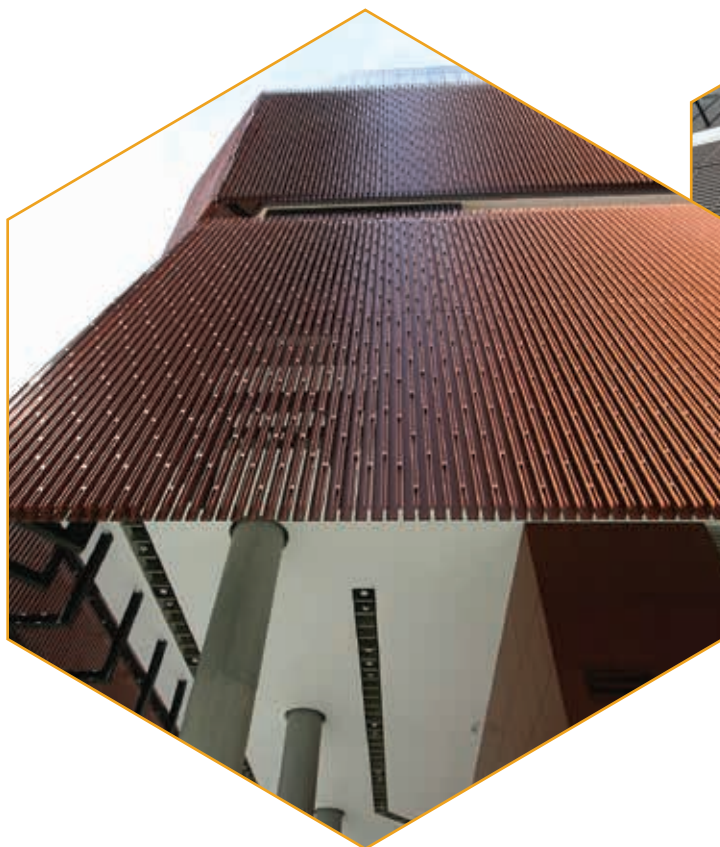


¹ Building and Construction Authority – Public sector construction demand is expected to increase this year, January 6, 2017

² Business Times, May 16, 2017 – April new home sales more than double year-ago showing: URA

³ Urban Redevelopment Authority, January 26, 2017 – Release of 4th Quarter 2016 real estate statistics

MESSAGE FROM EXECUTIVE CHAIRMAN AND MANAGING DIRECTOR



via the nearby railway and train stations. Managed by the world-leading hotel operator, InterContinental Hotels Group, the hotel is well positioned to attract both leisure and business travellers, and has since started contributing positive recurring income to the Group.

Following our acquisition of a prominent site in Leeds last February, the first phase of the consortium's proposed masterplan was approved in August 2016, which will see the refurbishment and extension of an existing office building into a 192-room hotel. Subsequent to the year end, Hilton was appointed in April 2017 to manage the hotel under its luxury brand, Hampton by Hilton, which is expected to launch in late-2019.

In London, our 10%-owned LUMA CONCEPT HOTEL has commenced operations in April 2017. Within close proximity to the Hammersmith train station and many places of interests, the 89-room concept hotel is expected to contribute positive recurring income to KSH going forward.

JAPAN

We have made our maiden entry into the Japanese market during the financial year, acquiring a 10% stake to purchase a 15-storey, 164-room hotel and a 14-storey building with 66 residential and 4 retail units in central Sapporo. Located within walking distance to subway stations and just two steps from the main transit hub of Sapporo Station, all hotel, retail and residential units will be leased to generate recurring income.

PROPERTY INVESTMENT

Despite concerns of looming pipeline office supply, we are pleased to report that an aggregate of 17 strata units in Prudential Tower have been sold and completed in FY2017, with remaining units leased expected to continue to contribute healthy recurring income.

Meanwhile, our investment property in the PRC, Tianjin Tianxing Riverfront Square, continues to enjoy healthy occupancy and contribute positively to the Group.

CONSISTENT & ATTRACTIVE DIVIDENDS

We are committed to rewarding shareholders, in appreciation of your support over the years. Hence, we've proposed final and special cash dividends of 1.5 SGD cents and 0.5 SGD cent per share, respectively. Coupled with the interim dividend of 1.25 SGD cents, this brings the total dividends declared in FY2017 to 3.25 cents per share.

Additionally, we have also proposed to issue one bonus share for every four existing shares. This will be subject to shareholders and regulatory approvals required.

APPRECIATION

KSH's resilience and solid fundamentals would not have been possible without the hard work of the management team, and our pool of long-serving and committed staff of engineers, quantity surveyors and site co-ordinators, whom I'd like to extend my heartfelt appreciation for their dedication and for lending their deep knowledge and experience to the Group.

Our Board of Directors have also provided invaluable guidance and opened many doors for us with their varied expertise and network. Not forgetting our shareholders, customers, suppliers, sub-contractors, partners and stakeholders, thank you for your confidence in us as we strive to bring the Group to the next level.

CHOO CHEE ONN

Executive Chairman and Managing Director
30 June 2017

执行主席兼董事经理致词



尊敬的股东们，

我很荣幸能代表董事会在此向大家提交本公司截止2017年3月31日的2017财年度报告（“2017财年”）。

随着过去12个月里集团不断地打造更坚实的基础以确保市场波动时维持可持续的增长，我们也经历了诸多重大事件。

尽管面临挑战逐渐严峻的市场运营环境，我们仍然取得了具有韧性的成绩。在2017财年，我们的总收入达19,930万新元，净利润达4,100万新元。

鉴于建筑工程收入的减少，2017财年的收入相比2016财年的24,550万新元虽然下降了18.8%，但我们谨慎筛选项目的策略还是取得成效，并且体现在2017财年21.6%的施工毛利率，高于2016财年的15.1%。

虽然收入减少，但我们为提高生产力以及效率所付出的努力收获了实际效益，并体现于综合开销降低，而使2017财年的项目利润攀升78.7%至3,270万新元。

相比2016财年6,150万新元的净利润，2017财年较低的4,100万新元净利润主要是受联营公司并账利润下降850万新元的影响，并且缺少2016年红衫公馆竣工时所收录的1,220万新元

利润，加上中国高碑店项目所收取的390万新元初步成本，以及在财务谨慎的原则上给予未售产业360万新元的一次性减值亏损拨备。

总负债降低至6,670万新元，而定期存款，现金银行结余则在14,590万新元，转化为7,920万新元的净现金额。

我们雄厚的资产负债表使公司在财务方面具备足够的资源与条件把握市场商机，选择具有战略意义的投资项目并借此保持良好施工毛利率。

核心建筑业务

建筑业务依旧是本公司最大的营收来源，占2017财年19,930万新元收入的97.2%。截至2017年3月31日，建筑订单仍保持稳健的水平，达34,000万新元。

我们在公共及私人工程项目里所累积的行业资质，加上与战略性客户缔交的良好关系，让我们今年取得数个新项目，其中包括两个来自于新加坡国立大学的工程合同——一项为期24个月（可供延期12个月）的长期合同和一项价值14,570万新元的研究大楼，内设16层楼和一个地下室——以及一个13,910万新元的建筑工程合同，来修建3栋包括地下室的住宅塔楼。

虽然预计建筑成本会持续增加，但通过政府补助，我们仍积极推进员工技术培训，更广泛地采用科技与建造方式以降低对人力的依赖，提高生产力和效率。我们也正在努力地开发工程自动化以及投资新器械设备以进一步加强效率和竞争力。

新加坡建设局对建筑行业前景保持乐观，预计2017将迎来280亿至350亿新元之间的巨额建筑需求，其中70%将来自公共领域⁴。除私人项目之外也有一些大型公共项目在筹备中，因而为我们提供了填补订单的良好时机。

房地产开发与投资

这一年里，我们不仅与合资及合作伙伴保持密切良好的关系，也随时关注着本地和海外市场里可增进收益的契机。

截至2017年3月31日，我们已正式推出15个项目，并且已售所有推出单位里的95.8%，转化为16,320万新元的陆续实现盈利分享。

新加坡

根据市区重建局的最新统计，新加坡房地产行业前景良好，市场需求量健康，2017年4月售出1,555套私人住宅，与2016年同期的750套相比高出一倍⁵。市区重建局2017年第一季度数据也显示私人住宅物业价格整体下降

执行主席兼董事经理致词

0.4%，相比2016年第四季度⁶下降的0.5%稍有改善，说明房价正逐渐平稳。

这一年里，我们软性推出了集团拥有30%权益的121 Collection on Whitley楼盘，包括8间半独立房和1间独立洋房——全部即为永久地契物业。坐落于11区的中央地带，121 Collection on Whitley以无柱底层和玻璃外墙为特色，并且邻近即将通车的快乐山地铁站、乌节路、登布西山以及应有尽有的设备设施。

我们也扩充了本地的土地储备，收购了集团拥有49%权益的芽笼地产。我们打算将这片占地面积1,115平方米的地皮开发成一栋带有屋顶楼台和游泳池的8层楼住宅单位。该项目力争于2017年推出。

中华人民共和国

自2017年4月中国政府发布成立雄安新区的通告以后，周边城市房价突飞猛涨，其中包括距离40公里以外的高碑店。我们拥有22.5%权益的高碑店乡镇发展项目因此从中受惠，吸引了可观的投资与商机。

高碑店，从北京乘高速铁路列车仅需19分钟，坐落于一块约530万平方米（8,000亩）的土地上，其中3,000亩为中国政府批准可开发面积。联营体目前正等待相关许可的审批以推出3,008套住宅单位供2017年下半年出售，作为项目第一阶段通过审批的5,540套住宅单位及27,500平方米商业地皮的组成部分。我们将继续密切跟踪市场动态，把握有利市场周期，在最佳时机推出住宅单位以供出售。

至于红杉公馆项目，我们已收录大部分款项，但出于特别决策剩余10%的单位尚未出售。由于北京市政府会将一些行政职能转移到通州区，预计未来房价呈上涨趋势，加上2019年即将推出的“环球影城”主题公园，因此我们决定暂且保留部分单位以更妥善的应对未来局势。

英国

2017财年，我们将业务足迹拓展至英国，并以30%的合资权益收购了曼彻斯特市区快捷假日酒店——作为与合资伙伴联营收购的第五个项目。该酒店楼高12层，内有147间房，邻近火车站及地铁站，通往大曼彻斯特郡与英国其他地区的路径十分便捷。由引领全球的酒店



运营商洲际酒店集团所管理，快捷假日酒店有效的吸引休闲与商业旅客，并已开始为集团贡献经常性收入。

随着去年2月合资购入利兹一处重要地皮，联营体投递的规划总蓝图于同年8月获得批准，并将一栋现有办公楼精修改建成拥有192个房间的酒店。财年结束之后，希尔顿于2017年4月被委任以名下豪华品牌，汉普顿希尔顿，来管理运营该酒店，预计将于2019年后期推出。

在伦敦，我们拥有10%权益的LUMA概念酒店也于2017年4月投入运营。紧挨着Hammersmith地铁站与各种休闲娱乐设施，拥有89个房间的LUMA概念酒店今后必定为集团贡献经常性收入。

日本

本财年内，我们首次进驻日本市场，并以10%的权益购入了一家15层楼高，拥有164间房的酒店以及札幌市中央地带一栋14层楼高，拥有66套住宅单位和4间零售单位的大楼。位于地铁站步行距离内并且紧挨主要交通枢纽札幌站，所有酒店、零售以及住宅单位均将出租，为集团带来经常性收入。

房地产投资

尽管对于即将落地的办公室供应项目表示关切，我们欣然宣布保诚大厦总共17户分层屋契单位已经出售并在2017财年落成，其余出租的单位将继续为集团贡献健康的经常性收入。

与此同时，我们在中国天津投资的天星河畔广场也享有良好的入住率，继续为集团提供积极稳健的收入。

稳健并具吸引力的股息

集团致力于奖励股东以深表对多年支持的谢意。对此，我们提议分发每股新币1.50分的末期现金股息和新币0.50分的特别现金股息。连同上次分发每股新币1.25分的中期现金股息，2017财年合计总股息分派为每股新币3.25分。

另外，我们也提议在现有4股的基础上额外分发1红利股，但需获得股东及监管机构的批准。

致谢

如果没有管理团队辛勤的努力和无私的奉献，金成兴控股有限公司将不会取得今日坚实的基础和有效的复原力。我也想对一群长期尽忠职守协助管理团队的工程师、工料测量师和工地操作师表示衷心地感谢与赞赏。

董事们也通过各自领域的专长知识以及人际网络为集团提供了宝贵的指导与意见。当然也包括股东们、客户、供应商、分包商、合作伙伴以及利益相关者，感谢你们伴随着集团登上更高一层楼，迈向另一高峰。

朱峙安

执行董事长兼董事总经理

2017年6月30日

⁴ 公共领域建筑需求今年有待增加——新加坡建设局，2017年1月6日

⁵ 新加坡城市发展局：四月新屋销售为去年同期双倍——商业时报，2017年5月16日

⁶ 2016年第四季度房地产数据——新加坡建设局，2017年1月26日

FINANCIAL AND OPERATIONS REVIEW

For FY2017, the Group reported revenue of S\$199.3 million and net profit of S\$41.0 million.

The 18.8% decrease in revenue compared to S\$245.5 million in FY2016 was mainly due to lower revenue contributed by the construction segment, which recorded S\$193.6 million of revenue, 19.1% lower than S\$239.2 million in FY2016. FY2017 rental income decreased 9.6% to S\$5.7 million from S\$6.3 million in FY2016.

Despite the lower revenue, the Group's construction gross margin improved 6.5 percentage points to 21.6% in FY2017 from 15.1% in FY2016, mostly as a result of prudent project selection and improved productivity.

Total expenses, including cost of construction, as a percentage of revenue

decreased substantially to 87.8% in FY2017 from 96.2% in FY2016, thereby allowing profits from operations to improve 78.7% to S\$32.7 million from S\$18.3 million over the comparative periods, despite the lower revenue recorded this financial year.

Mainly due to the absence of a one-time recognition on completion of Sequoia Mansion in FY2016 of S\$12.2 million, coupled with a S\$3.9 million preliminary cost incurred on the Gaobeidian project in the PRC, and S\$3.6 million provision for impairment loss on unsold properties provided for accounting prudence, share of results of associated companies for FY2017 reduced 82.5% to S\$8.5 million from S\$48.4 million a year ago.

The Group recorded S\$5.7 million in share of results of joint ventures, lifted by contributions on construction progress for the well-received High Park Residences development project, after a S\$1.4 million provision on impairment loss on unsold properties of a joint venture company.

As a result of the above, net profit attributable to owners of the company was S\$41.0 million, a 33.4% decline from S\$61.5 million in FY2016.

As a result of prudent capital management, the Group's balance sheet remains strong with total borrowing and debt of S\$66.7 million. Fixed deposit, cash and bank balances stood at S\$145.9 million, translating into a net cash position of S\$79.2 million. Shareholders' equity grew to S\$320.7 million as at March 31, 2017 from S\$293.2 million a year ago.

Based on an issued share capital of 455,788,599 shares as at March 31, 2017, the Group's fully-diluted earnings per share decreased to 9.07 SGD cents from 13.65 SGD cents while net asset value per share increased to 70.37 SGD cents from 65.44 SGD cents across the comparative periods.



**FY2017 SHAREHOLDERS
EQUITY**

S\$320.7_M

**FY2016 SHAREHOLDERS
EQUITY**

S\$293.2_M

FY2017 PROFIT

S\$41.0_M

FY2016 PROFIT

S\$61.5_M

FINANCIAL AND OPERATIONS REVIEW

CONSTRUCTION

Over the last four decades, the Group has built strong brand association and track records across various sectors including residential, commercial, industrial, hotels, institutions and infrastructure.

Apart from a 24-month term contract from repeat customer, National University of Singapore ("NUS"), the Group has also clinched a S\$145.7 million contract to erect a research building comprising 16 floors and a basement for NUS.

The Group has also won a S\$139.1 million construction contract to build three blocks of residential towers, inclusive of basements, which commenced in February, 2017.

KSH's ongoing projects stated in table 1.1, are progressing on schedule while the Group looks to aggressively tender for both public and private projects of healthy margins to replenish its order book, which remains strong more than S\$340.0 million as at March 31, 2017.

On the Construction sector's outlook, advanced estimates from the Ministry of Trade and Industry Singapore ("MTI")¹ showed a 5.4% growth on a quarter-on-quarter seasonally-adjusted annualised

Table 1.1

Project Name	Contract Value (S\$'m)	Project Type	
Community Building at Bedok North	147.83	Integrated Complex	Public
Sports Centre Building at the National University of Singapore	33.25	Institution	Public
Material Research and Engineering Building at National University of Singapore	17.97	Institution	Public
Three Blocks of Residential Towers	139.14	Residential	Private
Research Building at National University of Singapore	145.70	Institution	Public

basis, compared to a 0.8% growth in 4Q 2016.

The Building and Construction Authority of Singapore ("BCA") had projected demand to reach between S\$28 billion and S\$35 billion in 2017, 70% of which are to be derived from the public sector². The Government will also be pushing out a strong pipeline of major infrastructure projects in the next few years, and bringing forward S\$700 million worth

of public infrastructure projects to start construction in 2017 and 2018, providing a boost for the sector³.

Expecting costs to escalate further due to tightening manpower policies, increasingly stringent regulatory controls and rising construction materials and operating costs, KSH intends to invest S\$5 million to S\$8 million to develop its fabrication plant, and purchase new equipment and machinery, with the help of various government grants.

¹ Ministry of Trade and Industry, April 13, 2017 – *Singapore's GDP grew by 2.5 per cent in the first quarter of 2017*

² Building and Construction Authority – *Public sector construction demand is expected to increase this year*, January 6, 2017

³ Building and Construction Authority, March 7, 2017 – *More support and incentives to transform built environment sector*

REAL ESTATE

Table 2.1

	Total Units Launched	Total Units Sold	% Sold
Residential	3,113	3,049	97.9
Commercial	364	286	78.6
Office	37	29	86.5
Total	3,514	3,367	95.8

* Sale status is as per disclosed in FY2017 results





Table 2.2

No.	Project Name	Group Stake	Type of Development	Status of Construction	Revenue Recognition Method	Units Sold (%)
Singapore						
1	Lincoln Suites	25.00%	Residential	Completed	Percentage of Completion	96.6%
2	The Boutiq	35.00%	Residential	Completed	Percentage of Completion	100%
3	Palacio	32.00%	Residential	Completed	Percentage of Completion	100.0%
4	REZI26	45.00%	Residential	Completed	Percentage of Completion	100.0%
5	REZI3TWO	45.00%	Residential	Completed	Percentage of Completion	95.4%
6	Sky Green	25.00%	Residential	Completed	Percentage of Completion	97.7%
7	Cityscape@Farrer Park	35.00%	Residential	Completed	Percentage of Completion	95.6%
8	NEWest	12.25%	Residential and Commercial	Completed	Percentage of Completion	100.0%
9	KAP & KAP Residences	12.60%	Residential and Commercial	Completed	Percentage of Completion	99.2%
10	Floraville/Floraview/Floravista	12.25%	Residential and Commercial	Ongoing	Percentage of Completion	84.5%
11	Hexacube	30.00%	Commercial and Office	Completed	Completion	61.6%
12	Trio	35.00%	Commercial	Ongoing	Completion	37.2%
13	High Park Residences	20.00%	Residential and Commercial	Ongoing	Percentage of Completion	99.7%
14	121 Collection on Whitley**	30.00%	Residential	Completed	Percentage of Completion	–
Overseas						
15	Liang Jing Ming Ju Phase 4 – Sequoia Mansion	45.00%	Residential (Commercial and Office excluded)	Completed	Completion	92.8%

** soft launch only

FINANCIAL AND OPERATIONS REVIEW

SINGAPORE

Statistics from the Urban Redevelopment Authority ("URA") showed that developers sold 1,555 private homes in April 2017, double that of the 750 units sold in April 2016, signalling healthy demand from the market⁷. 1Q 2017's real estate statistics also showed a gentler 0.4% decline in private residential property prices, compared to the 0.5% dip in 4Q 2016⁸.

On the office front, due mainly to oncoming pipeline supply, prices and rentals continue to decline in 1Q2017 by 4.0% and 3.4%, respectively, compared to the 0.6% and 1.8% decline in 4Q2016.

Despite the weak market cycle for office assets, our Grade-A office building in the heart of Singapore's CBD, Prudential Tower, has sold 17 strata units in January 2017 for S\$206.6 million.

As at March 31, 2017, the Group officially launched 15 projects and sold approximately 95.8% of its launched units. This translates into S\$163.2 million of attributable share of progress billings to be progressively recognised.

Despite the sustained decline in the Singapore property downcycle most of the Group's residential and mixed-use development properties have been completely or substantially sold at prices within or above expectations, and will continue to contribute positively to the Group's performance progressively.

The Group has soft-launched 121 Collection on Whitley, 8 units of freehold semi-detached housing and a bungalow in the prime District 11. As it continues to push sales alongside its partner, KSH also targets to launch its Geylang project in FY2018, which will consist of a block of 8-storey residential flats with roof terrace and swimming pool.

OVERSEAS

The PRC

Pending the relevant approvals required, KSH looks forward to the Phase One launch of its 22.5%-owned Gaobeidian township development project in Hebei province, a satellite city merely 19 minutes from Beijing by high speed train earmarked by the government for development as part of its decentralisation strategy.

The Gaobeidian project is well poised to benefit from a recent surge in prices upon its launch due mainly to the announcement of the new Xiongan special economic zone⁹. The project is expected to contribute positively to the Group's performance upon its completion, estimated to be in 2019.

Following a deliberate decision to withhold 10% of the Sequoia Mansion units from sale – in view of an expected rise in property prices stemming from the Beijing City government's anticipated relocation of some administrative functions to Tongzhou and the impending launch of a Universal Studios theme park in 2019 – the Group will continue to monitor the market closely to maximise returns of its investments in the project.

Other Geographical Regions

During the year, the Group has further expanded its footprint overseas alongside its strategic partners who possess rich network and experience in the respective markets. Working with these reputable and experienced partners allows the Group to take on varied projects to maximise returns on its financial resources.

In line with the Group's strategy to strengthen its recurring income streams, these assets overseas are either primed for high yields upon development, or are operating assets that are immediately revenue-accretive to strengthen the Group's recurring income streams.

This is exemplified in the Group's maiden entry into Japan in April 2016, having acquired a 10% stake in a hotel and a mixed-development consisting of residential and retail units in central Sapporo. Both buildings have a total gross floor area of about 92,000 square feet and all hotel, retail and residential units will be leased to generate recurring income. Similarly, subsequent to the year-end, KSH's 10%-owned 89-room concept hotel in Hammersmith, London, UK, welcomed its first guests in late-April 2017.

The Group will continue to work closely with its partners to uncover attractive investment opportunities in existing markets, as well as new geographies with favourable market cycles.

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance for the financial year ending March 31, 2018.

June 30, 2017

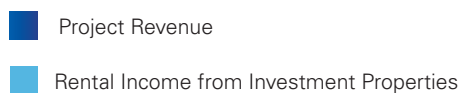
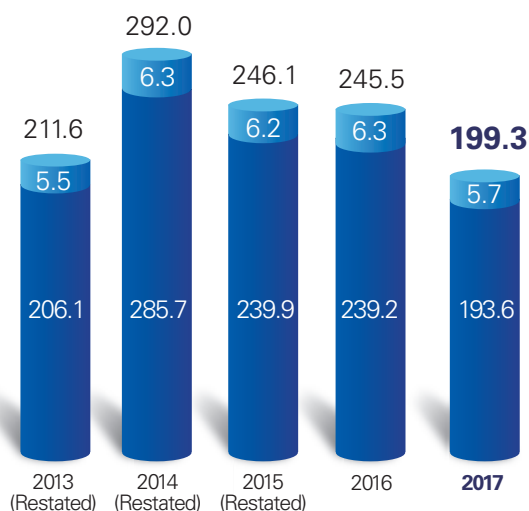
⁷ Business Times, May 16, 2017 – April new home sales more than double year-ago showing: URA

⁸ Urban Redevelopment Authority, January 26, 2017 – Release of 4th Quarter 2016 real estate statistics

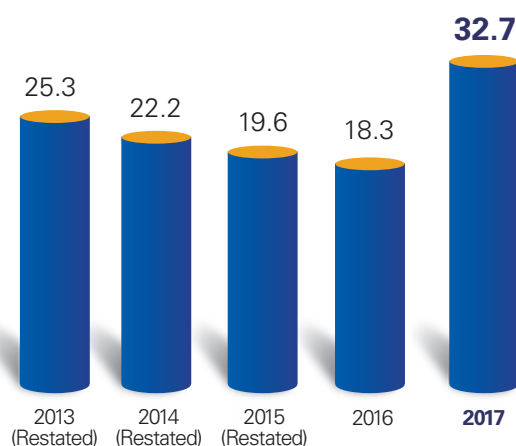
⁹ Straits Times, April 3, 2017 – Xiongan is China's new special economic zone

FINANCIAL HIGHLIGHTS

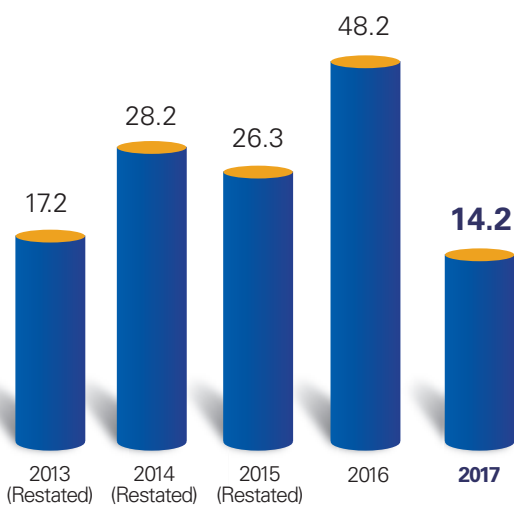
REVENUE (\$\$'m)



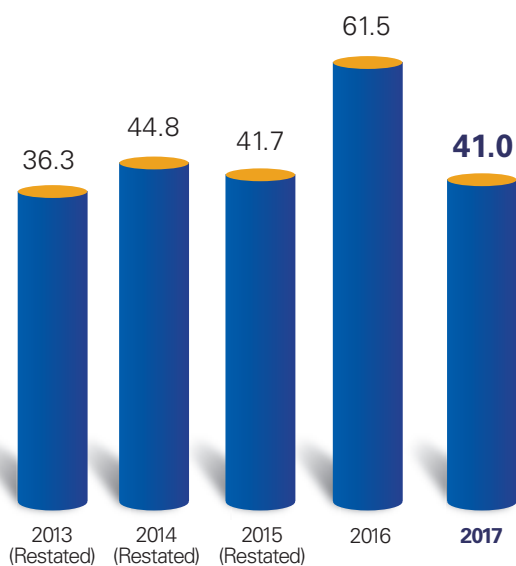
PROFIT FROM OPERATIONS BEFORE SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES (\$\$'m)



SHARE OF RESULTS OF ASSOCIATES AND JOINT VENTURES (\$\$'m)

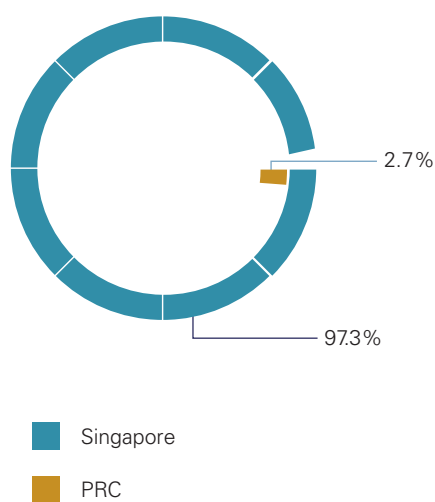


PROFIT ATTRIBUTABLE TO SHAREHOLDERS (\$\$'m)

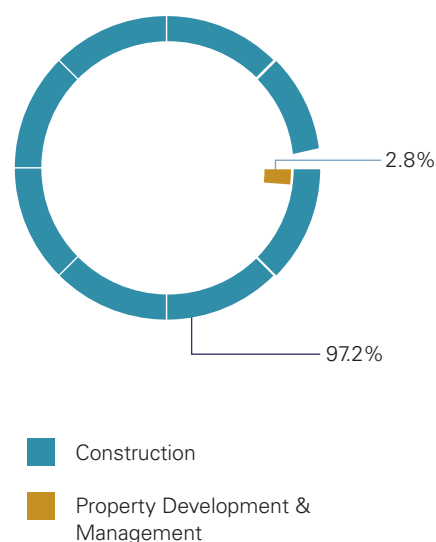


FINANCIAL HIGHLIGHTS

REVENUE BY GEOGRAPHICAL SEGMENT



REVENUE BY BUSINESS SEGMENT



S\$'m	FY2013 (Restated)*	FY2014 (Restated)*	FY2015	FY2016	FY2017
Balance Sheet Highlights					
Shareholders' Equity	180.4	217.3	253.3	293.2	320.7
Net Current Liabilities/Assets	(17.5)	62.0	40.8	30.2	57.0
Net Tangible Assets	202.3	238.8	277.0	315.6	342.8
Efficiency					
Return on Asset (%)	10.4	9.7	8.4	10.3	8.0
Return on Equity (%)	18.6	19.2	15.2	19.6	12.1
Healthy Debt Coverage					
Net Cash / (Net Debt) to Equity (x)	0.07	0.09	(0.004)	0.18	0.25
Interest Cover (x)	28.7	17.3	8.6	11.2	19.7

*Note: The comparative numbers in FY2013 and FY2014 are restated in line with the change in accounting policy following adoption of new and revised accounting standards which are effective for annual financial periods beginning on or after 1 April 2014.

BOARD OF DIRECTORS



MR. CHOO CHEE ONN, Executive Chairman and Managing Director, is one of the founders of the Group. Mr. Choo was appointed to the Board on March 9, 2006 and plays a vital role in charting the corporate direction of the Group. He is responsible for the overall management, strategic planning and business development of the Group, and oversees all key aspects of the Group's operations, including the tendering process of the Group's construction projects. He is also responsible for identifying and securing new projects for the Group. In addition, Mr. Choo also oversees the Group's overseas investments and operations, particularly the Group's property development industries in the PRC. Mr. Choo has over 40 years of experience in the construction and property development industries. As one of the Group's founders, Mr. Choo was instrumental in laying the Group's early foundations and has been pivotal in the development of the Group and its expansion into the PRC. Mr. Choo is a full member of the Singapore Institute of Directors.



MR. LIM KEE SENG, Executive Director and Chief Operating Officer, is one of the founders of the Group. Mr. Lim was appointed to the Board on March 22, 2006, and was last re-elected on July 25, 2014. Currently, he oversees the entire construction function and business operations of the Group. Since he founded a construction business in 1974 together with the Group's Executive Directors, Mr. Choo Chee Onn and Mr. Tok Cheng Hoe, Mr. Lim has accumulated over 40 years of experience in the construction, construction-related and property development industries. He has been instrumental in the development and growth of the Group. Mr. Lim is a full member of the Singapore Institute of Directors.



MR. TOK CHENG HOE, Executive Director, Project Director and QEHS Director, is one of the founders of the Group. Mr. Tok was appointed to the Board on March 22, 2006 and was last re-elected on July 25, 2016. As a Project Director, Mr. Tok is responsible for the management and execution of construction projects. Mr. Tok also oversees the functions of QEHS (Quality Environment Health & Safety) of the construction projects carried out by the Group. Since he founded a construction business in 1974 together with the Group's Executive Directors, Mr. Choo Chee Onn and Mr. Lim Kee Seng, Mr. Tok has accumulated over 40 years of experience in the construction, construction-related and property development industries. He has been instrumental in the development and growth of the Group. Mr. Tok is a full member of the Singapore Institute of Directors.

BOARD OF DIRECTORS



MR. KWOK NGAT KHOW, Executive Director and QAQC Director, was appointed to the Board on March 22, 2006, and was last re-elected on July 24, 2015. Mr. Kwok is assisting in the functions of tendering for construction projects and also oversees the functions of QAQC (Quality Assurance and Quality Control) of the construction projects carried out by the Group. Mr. Kwok has more than 40 years of experience in the construction, construction-related and property development industries. He has been instrumental in the development and growth of the Group. Mr. Kwok is a full member of the Singapore Institute of Directors.



MR. LIM YEOW HUA @ LIM YOU QIN, Lead Independent Director, was appointed to the Board on December 18, 2006, and was last re-elected on July 24, 2015. He is currently the Managing Director of Asia Pacific Business Consultants Pte. Ltd., a Singapore company providing tax and business consultancy services. Mr. Lim has more than 29 years of experience in the tax, financial services and investment banking industries. Prior to founding Asia Pacific Business Consultants Pte. Ltd., he had held several management positions in various organisations including senior regional tax manager with British Petroleum (BP), director (Structured Finance) at UOB Asia Ltd, senior tax manager at KPMG, senior vice president (Structured Finance) at Macquarie Investment Pte Ltd., senior tax manager at Price Waterhouse and deputy director at the Inland Revenue Authority of Singapore. Mr. Lim holds a Bachelor's Degree in Accountancy and a Master's Degree in Business Administration from the National University of Singapore. He is a fellow member of the Institute of Singapore Chartered Accountants and an Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals. He is also a full member of the Singapore Institute of Directors.



MR. KHUA KIAN KHENG IVAN, Independent Director, was appointed to the Board on December 18, 2006 and was last re-elected on July 25, 2016. He is the Executive Director of Hock Leong Enterprises Pte. Ltd., an oil and gas related servicing company where his responsibilities include overseeing the company's financial, administrative, human resource and business development aspects. From 2000 to 2001, he was a Research Officer at Rider Hunt Levett & Bailey, where he was involved in the research of various aspects of quantity surveying and the cost management of the company's quantity surveying services. From 2001 to 2004, he was a Manager with RHLB Terotech Pte. Ltd., where he provided property and infrastructure asset management consultancy services. Mr. Khua holds a Diploma in Building (with Merit) from Singapore Polytechnic and a Bachelor's Degree in Building Construction Management (First Class Honours) from the University of New South Wales, Australia. He is a member of the Singapore Institute of Arbitrators, and an associate of the Singapore Institute of Building. He is a full member of the Singapore Institute of Directors. He was awarded the prestigious Pingat Bakti Masyarakat, or The Public Service Medal in 2016.



MR. KO CHUAN AUN, Independent Director, was appointed to the Board on August 5, 2013 and was last re-elected on July 25, 2014. He is currently the Executive Director of KOP Limited, a company with businesses that encompass both the property and entertainment industries. Mr. Ko also holds chairmanships and directorships in various private and public companies. Mr. Ko was appointed as an Independent Director of San Teh Ltd, Koon Holdings Ltd, Lian Beng Group Limited and Pavillon Holdings Ltd.. Mr. Ko has more than 15 years of working experience with the then Trade Development Board of Singapore ("TDB") (now known as the International Enterprise Singapore or IE Singapore). His last appointment with the then TDB was Head of China Operations. In the past 26 years, Mr. Ko has been very actively involved in business investments in the PRC. In 2001, he was appointed as the Steering Committee Member of the Network China. Between 2003 to 2005, he served as the Chairman of the Tourism Sub-Committee under the Singapore-Sichuan Trade and Investment Committee. Mr. Ko holds a Diploma in Export Marketing, which is equivalent to the Danish Niels Brock International Business Degree Program.

MANAGEMENT

MR. TANG HAY MING TONY, Chief Financial Officer, was promoted to his current post in December 2006. He is responsible for the Group's finance, accounting and reporting functions as well as the overall financial risk management of the Group. He has several years of experience in auditing, accounting, taxation and financial management before he joined the Group in August 1999. He holds a Bachelor's Degree in Accountancy from the Nanyang Technological University, a Graduate Diploma in Business Administration from the Singapore Institute of Management and a Master's Degree in Business Administration from the University of Adelaide, Australia. He is a fellow member of the Institute of Singapore Chartered Accountants and a full member of the Singapore Institute of Directors.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS:

Choo Chee Onn
(Executive Chairman and Managing Director)

Lim Kee Seng
Tok Cheng Hoe
Kwok Ngat Khow

INDEPENDENT DIRECTORS:

Lim Yeow Hua @ Lim You Qin
(Lead Independent Director)

Khua Kian Kheng Ivan
Ko Chuan Aun

AUDIT & RISK COMMITTEE

Lim Yeow Hua @ Lim You Qin (CHAIRMAN)
Khua Kian Kheng Ivan
Ko Chuan Aun

NOMINATING COMMITTEE

Khua Kian Kheng Ivan (CHAIRMAN)
Lim Yeow Hua @ Lim You Qin
Ko Chuan Aun

REMUNERATION COMMITTEE

Ko Chuan Aun (CHAIRMAN)
Lim Yeow Hua @ Lim You Qin
Khua Kian Kheng Ivan

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner in charge: Low Yen Mei
(Date of appointment:
since financial year ended 31 March 2017)

JOINT COMPANY SECRETARIES

Tang Hay Ming Tony
Ong Beng Hong (LLB (Hons))

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
(a member of Boardroom Limited)
50 Raffles Place #32-01 Singapore Land Tower
Singapore 048623

PRINCIPAL BANKERS

CIMB Bank Berhad
Citibank, N.A.
Development Bank of Singapore
Industrial and Commercial Bank of China Limited
Malayan Banking Berhad
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
The Bank of East Asia, Limited
United Overseas Bank Limited
The Hong Kong and Shanghai Banking Corporation

REGISTERED OFFICE

36 Senoko Road
Singapore 758108

INVESTOR RELATIONS

Citigate Dewe Rogerson, i.MAGE Pte Ltd
55 Market Street #02-01/02
Singapore 048914
Email : dolores.phua@citigatedrimage.com/
amelia.lee@citigatedrimage.com
KSH contact : mainoffice@kimsengheng.com.sg

STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2017

KSH Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to achieving a high standard of corporate governance in line with the principles set out in the Code of Corporate Governance 2012 (“the **Code**”). Good corporate governance establishes and maintains a legal and ethical environment, which helps to preserve and enhance the interests of all shareholders.

This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code. The Company believes that it has largely complied with the spirit and intent of the Code and in areas where the Company’s practices have deviated from the Code, rationale for the same is provided herein.

(A) BOARD MATTERS

The Board’s Conduct of its Affairs

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

Role of the Board of Directors (the “Board”)

The primary role of the Board is to protect and enhance long-term shareholders’ value. It sets the corporate strategies of the Group, and sets directions and goals for the Management. It supervises the Management and monitors the performance of these goals to enhance shareholders’ value. The Board is responsible for the overall corporate governance of the Group.

Regular meetings are held to deliberate the strategic policies of the Company, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results.

The principal duties of the Board include the following:

- (i) protecting and enhancing long-term value and return to the Company’s shareholders (“**Shareholders**”);
- (ii) establishing, reviewing and approving the annual budget, corporate policies, strategies and objectives for the Group;
- (iii) ensuring the effectiveness and integrity of Management;
- (iv) chartering the corporate strategy and direction of the Group and setting goals for the Management;
- (v) supervising and monitoring the Management’s achievement of these goals;
- (vi) conducting periodic reviews of the Group’s financial performance, internal controls and reporting compliance;
- (vii) approving nominations to the Board and appointment of key personnel;
- (viii) ensuring the Group’s compliance with all relevant and applicable laws and regulations;
- (ix) assuming responsibility for the corporate governance of the Group;
- (x) setting the values and standards for the Group, and ensure that obligations to Shareholders and others are understood and met; and
- (xi) establishing a framework of prudent and effective controls which enables risks to be assessed and managed.

STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2017

All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The Board has formed a number of Board Committees, namely the Audit and Risk Committee, the Nominating Committee and the Remuneration Committee, to assist in carrying out and discharging its duties and responsibilities efficiently and effectively.

These Board Committees function within clearly defined terms of references and operating procedures. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decision and/or recommendations, the ultimate responsibility on all matters lies with the entire Board.

The Executive Directors also supervise the management of the business and affairs of the Company and reduce the administrative time, inconvenience and the expenses associated with the convening of meetings of the Board and circulation of resolutions in writing of the Board, without compromising the Group's corporate objectives and adversely affecting the day-to-day operations of the Company.

However, meetings of the Board are still held and/or resolutions in writing of the Board are circulated for matters which require the Board's approval, including, but are not limited to the following:

- (i) review of the annual budget and the performance of the Group;
- (ii) review of the key activities and business strategies;
- (iii) approval of the corporate strategy and direction of the Group;
- (iv) approval of transactions involving a conflict of interest for a substantial Shareholder or a Director or interested person transactions;
- (v) material acquisitions and disposals;
- (vi) corporate or financial restructuring and share issuances;
- (vii) declaration of dividends and other returns to Shareholders; and
- (viii) appointments of new Directors or key personnel.

A formal document setting out the guidelines and matters (including the matters set out above) which are to be reserved for the Board's decision has been adopted by the Board.

Board Meetings are conducted regularly at least once every quarter and ad-hoc meetings (including but not limited to the meetings of the Board Committees) are convened whenever a Director deems it necessary to address any issue of significance that may arise. Pursuant to Article 97 of the Company's Constitution, Directors may participate in Board Meetings by means of a conference telephone, video conferencing, audio visual or other similar communications equipment by means of which all persons participating in the Board Meetings can hear each other.

In addition to holding meetings, important matters concerning the Group are also put to the Board for its decision by way of written resolutions.

STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2017

The following table discloses the number of meetings held for the Board and Board Committees and the attendance of all Directors for the financial year ended 31 March 2017:

	BOARD MEETING	AUDIT AND RISK COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
Number of meetings held	4	4	1	1
Choo Chee Onn	4	–	–	–
Tok Cheng Hoe	4	–	–	–
Lim Kee Seng	4	–	–	–
Kwok Ngat Khow	4	–	–	–
Lim Yeow Hua @ Lim You Qin	4	4	1	1
Khua Kian Kheng Ivan	4	4	1	1
Ko Chuan Aun	4	4	1	1

While the Board considers Directors' attendance at Board Meetings to be important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

Generally, a newly-appointed Director will be given an orientation to familiarise him/her with the Group's business and governance practices and he/she will also be briefed on the duties and obligations of a director of a listed company. The Company will also provide the newly-appointed Director with a formal letter setting out his/her duties and obligations.

The Directors are updated, from time to time, when new laws or regulations affecting the Group are introduced. The professional advisors to the Company conduct briefings and presentations to update the Directors in this regard. The Directors are encouraged to attend seminars and training courses that will assist them in executing their obligations and responsibilities as directors to the Company.

STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2017

Board Composition and Guidance

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

As at the date of this Annual Report, the Board comprises seven (7) Directors, of whom four (4) are Executive Directors and three (3) are Independent Directors. The list of Directors is as follows:

Mr Choo Chee Onn	(Executive Chairman and Managing Director)
Mr Kwok Ngat Khaw	(Executive Director)
Mr Tok Cheng Hoe	(Executive Director)
Mr Lim Kee Seng	(Executive Director)
Mr Lim Yeow Hua @ Lim You Qin	(Lead Independent Director)
Mr Khua Kian Kheng Ivan	(Independent Director)
Mr Ko Chuan Aun	(Independent Director)

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 Board is of the view that the current Board members comprise persons whose diverse skills, experience, knowledge of the Company and attributes provide for effective direction for the Group. To maintain or enhance the Board's balance and diversity, the existing attributes and core competencies of the Board are reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of diversity, expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making. The Board, through the Nominating Committee, has examined the Board's size and is satisfied that it is appropriate for effective decision-making, taking into account the nature and scope of the Company's operations, and is of the view that the Board has a good balance of Directors who come from diverse backgrounds and have extensive industry knowledge and/or business, financial, accounting and management experience.

The criterion for independence is based on the definition given in the Code. The Board considers an "Independent" Director as one who has no relationship with the Company, its related companies, its 10% Shareholders or Officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement of the conduct of the Group's affairs. The Board has identified each of the Company's Independent Directors to be independent, after determining, taking into account the views of the Nominating Committee, whether the Director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. Each Director is required to disclose to the Board any such relationships or circumstances as and when they arise.

The non-executive Independent Directors constructively challenge and help develop proposals on strategy, assist the Board in reviewing the performance of Management in meeting agreed goals and objectives, and monitor the reporting of performance. The Independent Directors meet at least once annually without the presence of the other Directors and the Management and, where necessary, the Lead Independent Director provides feedback to the Executive Chairman after such meetings.

STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2017

Key information regarding the Directors is given in the “Board of Directors” section of this Annual Report.

Particulars of interests of Directors who held office at the end of the financial year in shares in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors’ Statement on pages 42 and 44 of this Annual Report.

Executive Chairman and Group Managing Director

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

The Executive Chairman and the Group Managing Director is Mr Choo Chee Onn (“**Mr Choo**”). In view of Mr Choo’s concurrent appointment as the Executive Chairman and Group Managing Director, the Board has appointed Mr Lim Yeow Hua @ Lim You Qin as the Lead Independent Director, in accordance with Guideline 3.3 of the Code. In accordance with the recommendations in the said Guideline 3.3, the Lead Independent Director is available to Shareholders where they have concerns which contact through the normal channels of the Executive Chairman and Group Managing Director or Chief Financial Officer has failed to resolve or for which such contact is inappropriate.

As at least one-third of the Board comprises Independent Directors, the Company believes the Board is able to exercise independent judgment on corporate affairs and the Board is satisfied that there is a strong and independent element on the Board. Guideline 2.2 of the Code, however, recommends that independent directors make up at least half of the Board where:

- (a) the Chairman of the Board and the Chief Executive Officer (or equivalent) is the same person;
- (b) the Chairman and the Chief Executive Officer are immediate family members;
- (c) the Chairman is part of the management team; or
- (d) the Chairman is not an independent director.

Under the present Board composition, guideline 2.2 of the Code is not met, however a transition period of up to the annual general meeting following the end of financial years commencing on or after 1 May 2016 has been provided for such recommendation. The Board will look into meeting such recommendation before the annual general meeting to be held in respect of the financial year ending 31 March 2018.

As the Executive Chairman, Mr Choo bears the following responsibilities:

- (a) leading the Board to ensure its effectiveness on all aspects of its role;
- (b) setting the Board’s agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;
- (c) promoting a culture of openness and debate at the Board;
- (d) ensuring that the Directors receive complete, adequate and timely information;
- (e) ensuring effective communication with shareholders;
- (f) encouraging constructive relations within the Board and between the Board and Management;
- (g) facilitating the effective contribution of Independent Directors towards the Company; and
- (h) together with the Audit and Risk Committee, promoting high standards of corporate governance.

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As the Group Managing Director, Mr Choo bears overall daily operational responsibility for the Group's business.

All major decisions made by the Executive Chairman and Group Managing Director are under the purview of review by the Audit and Risk Committee. His performance and appointment to the Board are also reviewed periodically by the Nominating Committee while his remuneration package is reviewed periodically by the Remuneration Committee. As such, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

The Board is of the view that power is not unduly concentrated in the hands of one individual nor is there any compromised accountability and independent decision-making as all major decisions and policy changes are conducted through the respective Board Committees, all of which are chaired by the Independent Directors.

Board Membership

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

As at the date of this Annual Report, the Nominating Committee ("NC") comprises the following three (3) Independent Non-Executive Directors:

Mr Khua Kian Kheng Ivan (Chairman)
Mr Lim Yeow Hua @ Lim You Qin (Member)
Mr Ko Chuan Aun (Member)

The NC functions under the terms of reference which sets out its responsibilities:

- (a) To recommend to the Board on all Board appointments, re-appointments and re-nominations;
- (b) To ensure that Independent Directors meet the Singapore Exchange Security Trading Limited's (the "**SGX-ST**") guidelines and criteria; and
- (c) To assess the effectiveness of the Board as a whole and the effectiveness and contribution of each Director to the Board.

In the event that there is a need to change the structure of the Board, the chairmanship of the Company or the membership of the Board Committees, the NC would also review the change to be implemented and make recommendations to the Board accordingly. For the appointment of new Directors, the NC would, in consultation with the Board, examine the existing Board's strengths, capabilities and the existing Directors' contribution of skills, knowledge and experience to the Group and the Board. Further to the above, the NC will take into account the future needs of the Group and, together with the Board, it will seek candidates who are able to contribute to the Group. The NC seeks candidates widely and beyond persons directly known to the existing Directors. Résumés of suitable candidates are reviewed and background checks are conducted before interviews are conducted again for the short-listed candidates. The NC shall then recommend suitable candidates to the Board.

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The NC is also tasked with deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, particularly when he has multiple board representations, and to assess the maximum number of listed entity board representations which any one of the Directors may hold. As a guide, Directors of the Company should not have more than six (6) listed company board representations and other principal commitments. After conducting reviews, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group.

There are no alternate directors appointed to the Board as at the date of this Annual Report. The Board will generally avoid approving the appointment of alternate directors unless alternate directors are appointed for limited periods in exceptional cases such as when a director has a medical emergency.

The NC examines the Board's size to satisfy that it is appropriate for effective decision making, taking into account the nature and scope of the Company's operations.

Details of the appointment of Directors including their respective dates of initial appointment and dates of last re-election and directorships in other listed companies, both current and for the preceding three years, are set out below:

Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Present and Past Directorship in Listed Companies
Mr Choo Chee Onn	66	9 March 2006	Not Applicable	Present Directorships – Past Directorships –
Mr Kwok Ngat Khow	69	22 March 2006	24 July 2015	Present Directorships – Past Directorships –
Mr Tok Cheng Hoe	66	22 March 2006	25 July 2016	Present Directorships – Past Directorships –
Mr Lim Kee Seng	65	22 March 2006	25 July 2014	Present Directorships – Past Directorships –

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Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Present and Past Directorship in Listed Companies
Mr Lim Yeow Hua @ Lim You Qin	55	18 December 2006	24 July 2015	Present Directorships KTL Global Limited Oxley Holdings Limited Ying Li International Real Estate Limited Past Directorships Great Group Holdings Ltd China Minzhong Food Corporation Limited Advanced Integrated Manufacturing Ltd Eratat Lifestyle Limited (in liquidation)
Mr Khua Kian Kheng Ivan	42	18 December 2006	25 July 2016	Present Directorships Moneymax Financial Services Ltd Past Directorships –
Mr Ko Chuan Aun	58	5 August 2013	25 July 2014	Present Directorships KOP Limited (formerly known as Scorpio East Holdings Ltd) San Teh Ltd Koon Holdings Limited Lian Beng Group Limited Pavillion Holdings Ltd. Past Directorships Brothers (Holdings) Limited

Further to the above, the NC reviews the independence of each of the Independent Directors annually. As part of their review process, the NC requires the Independent Directors to complete and execute declaration forms in relation to their independence. These declaration forms are drawn up based on the guidelines in the Code. The NC reviews declaration forms executed by the Independent Directors as well as any declaration they may make to determine their respective independence. Pursuant to its review, the NC is of the view that Mr Lim Yeow Hua @ Lim You Qin, Mr Khua Kian Kheng Ivan and Mr Ko Chuan Aun are independent of the Group and the Management.

Each of Mr Lim Yeow Hua @ Lim You Qin and Mr Khua Kian Kheng Ivan has served on the Board for a continuous period of more than nine (9) years. Each of Mr Lim Yeow Hua @ Lim You Qin and Mr Khua Kian Kheng Ivan has demonstrated independent mindedness and conduct at the Board and Board Committees meetings. After a rigorous review on their contributions and independence by the NC, the NC is satisfied that each of Mr Lim Yeow Hua @ Lim You Qin and Mr Khua Kian Kheng Ivan has remained independent in character and judgment in discharging their duties as Directors of the Company.

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The Constitution of the Company requires one-third of the Directors to retire from office at each Annual General Meeting (“AGM”), except that the Managing Director is not subject to retirement by rotation and not taken into account in determining the number of Directors to retire. Accordingly, the Directors submit themselves for re-nomination and re-election at regular intervals of at least once every three (3) years. After assessing each of their contributions and performance, the NC has recommended the re-elections of Mr Lim Kee Seng and Mr Ko Chuan Aun in accordance with Article 89 of the Company’s Constitution, at the forthcoming AGM.

Board Performance

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

The NC has established a process for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual Director to the effectiveness of the Board. This assessment is conducted by the NC at least once a year by way of a Board evaluation where the NC completes a questionnaire seeking their views on various aspects of Board performance, such as Board composition, information, process and accountability. The Chairman of the NC will act on the results of the performance evaluation, and in consultation with the NC, propose, where appropriate, that new members be appointed to the Board or seek the resignation of Directors.

Reviews of each individual Director’s contribution to the effectiveness of the Board, and the effectiveness of the Board as a whole and the Board Committees are also undertaken on a continuous basis by the NC. Given that the Board Committees comprise only of Independent Directors, there is no need at present to conduct a formal annual assessment of each of the Board Committees.

No external facilitator has been appointed by the Company.

To assess the effectiveness of the Board as a whole, the factors evaluated by the NC include but are not limited to:

- (i) the size and composition of the Board;
- (ii) the individual Directors’ contributions to the Board, including without limitation their participation at Board meetings and ability to contribute to the discussion conducted by the Board;
- (iii) the discussion and decision-making processes of the Board (including the conduct of meetings by the Board);
- (iv) the Board’s access to information;
- (v) the accountability of the Board to the Shareholders; and
- (vi) the performance of the Board (including the Board’s performance in relation to the discharge of its principal responsibilities in terms of the financial indicators set out in the Code).

The Board and the NC have endeavoured to ensure that the Directors possess the experience, knowledge and expertise critical to the Group’s business.

Based on the NC’s review, the NC considers the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board to be satisfactory and is of the view that the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

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Access to Information

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

All Directors are from time to time furnished with information concerning the Company, including board papers and related materials, background or explanatory information relating to matters to be brought before the Board, and copies of disclosure documents, budgets, forecasts and internal financial statements, to enable them to be fully cognisant of the decisions and actions of the Company's Executive Management. In respect of budgets, in the event that there are any material variances between the projections and actual results, these are disclosed and explained to the Board by Management. The Board has unrestricted access to the Company's records and information.

Senior Management Personnel are available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board Meetings, or by external consultants engaged on specific projects.

The Board has separate and independent access to the Joint Company Secretary and to other Senior Management Personnel of the Company and of the Group at all times in carrying out their duties. The Joint Company Secretary attends or is represented at all Board Meetings and meetings of the Board Committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with. The minutes of all Board and Board Committees meetings are circulated to the Board and the Board Committees. The appointment and removal of the Joint Company Secretary is a matter for the Board as a whole.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

As at the date of this Annual Report, the Remuneration Committee ("RC") comprises the following three (3) Independent Non-Executive Directors:

Mr Ko Chuan Aun (Chairman)
Mr Khua Kian Kheng Ivan (Member)
Mr Lim Yeow Hua @ Lim You Qin (Member)

The RC recommends to the Board a framework of remuneration for the Directors and key management personnel, and determines a specific remuneration package for each Executive Director. The recommendations are submitted for endorsement by the Board.

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All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in kind, are covered by the RC. Each RC member abstains from voting on any resolution in respect of his remuneration package.

The RC functions under the terms of reference which sets out its responsibilities:

- (a) To recommend to the Board a framework for remuneration for the Directors and key management personnel of the Company;
- (b) To determine a specific remuneration package for each Executive Director;
- (c) To review the appropriateness of compensation for Non-Executive Directors; and
- (d) To review the remuneration of employees occupying managerial positions who are related to the Directors and Substantial Shareholders.

The RC is provided with access to expert professional advice on remuneration matters as and when necessary. The expense of such services is borne by the Company. The RC ensures that in the event of such advice being sought, existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants. The Company appointed remuneration consultants, Remuneration Data Specialists Pte Ltd, during the financial year ended 31 March 2015 to provide consulting services in relation to remuneration and compensation matters and continued to work with the remuneration consultants during the financial year ended 31 March 2017.

Level and Mix of Remuneration

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

In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies as well as the performance of the Group as a whole and the performance of each individual director. The remuneration of Non-Executive Directors is also reviewed to ensure that the remuneration is commensurate with the contribution and responsibilities of the Directors.

The Directors' fees are reviewed annually and the Company submits the quantum of Directors' fees of each year to the Shareholders for approval at each AGM.

The Executive Chairman and Managing Director, Mr Choo, and the three (3) Executive Directors have service agreements. Such service agreements cover the terms of employment, salaries and other benefits. The terms of the service agreements are reviewed by the RC on an annual basis. Based on the RC's review, the RC is of the view that the service agreements include fair and reasonable termination clauses which are not overly generous. Non-Executive Directors have no service agreements.

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The Company currently has no employee share option scheme or other long-term incentive scheme in place for its Executive Directors and key management personnel.

The Independent Directors receive Directors' fees, in accordance with their contributions, taking into account factors such as effort and/or time spent, the responsibilities of the Independent Directors and the need to pay competitive fees to attract, retain and motivate the Independent Directors. The Independent Directors are not over-compensated to the extent their independence may be compromised.

The Company is of the view that there is no requirement to institute specific contractual provisions to allow the Company to reclaim incentive components of the Executive Directors' remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss, as they owe a fiduciary duty to the Company and the Company should be able to avail itself of remedies against the Executive Directors in the event of a breach of fiduciary duties.

Disclosure on Remuneration

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

The details of the remuneration of Directors of the Group disclosed in bands of S\$250,000 for services rendered during the financial year ended 31 March 2017 are as follows:

	Number of Directors
S\$1,500,000 to S\$1,749,999	1
S\$1,250,000 to S\$1,499,999	1
S\$750,000 to S\$999,999	2
Below S\$250,000	3
Total	7

As at the date of this Annual Report, the Company has seven (7) Directors. Of the seven (7) Directors, four (4) are Executive Directors who together with the Company's Chief Financial Officer comprise the five (5) key management personnel of the Company. There were no other key management personnel within the Group except for the abovementioned persons for the financial year ended 31 March 2017.

The Board is of the view that it is not necessary to present detailed disclosure on the Company's remuneration policy as the remuneration policy for Executive Directors and key management personnel is a management decision that the Board is generally entitled to make.

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Taking note of the competitive pressures in the labour market, the Board has, on review, decided not to fully disclose the remuneration of the Company's Directors and key management personnel. As such, the Company does not disclose the remuneration of the Company's Directors and key management personnel to the nearest thousand but in bands of S\$250,000. Details (in percentage terms) of the remuneration paid to the Directors and to the key management personnel (who is not also a Director) in bands of S\$250,000 for the financial year ended 31 March 2017 are set out below:

	Salary %	Bonus %	Directors' Fees %	Allowances and Other Benefits %	Total Compensation %
Directors					
<u>S\$1,500,000 to S\$1,749,999</u>					
Choo Chee Onn	30	68	–	2	100
<u>S\$1,250,000 to S\$1,499,999</u>					
Lim Kee Seng	30	66	–	4	100
<u>S\$750,000 to S\$999,999</u>					
Kwok Ngat Khow	30	66	–	4	100
Tok Cheng Hoe	30	66	–	4	100
<u>Below S\$250,000</u>					
Lim Yeow Hua @ Lim You Qin	–	–	100	–	100
Khua Kian Kheng Ivan	–	–	100	–	100
Ko Chuan Aun	–	–	100	–	100
Key Executives of the Group⁽¹⁾					
<u>S\$250,000 to S\$499,999</u>					
Tang Hay Ming Tony	48	48	–	4	100

Note:

(1) For the financial year ended 31 March 2017, Mr Tang Hay Ming Tony was the only key management personnel who is not also a director. The other key management personnel of the Group are the Executive Directors, Mr Choo Chee Onn, Mr Lim Kee Seng, Mr Tok Cheng Hoe, and Mr Kwok Ngat Khow.

There are no termination, retirement or post-employment benefits that may be granted to the Company's Directors and key management personnel.

Immediate Family Member of Directors or Substantial Shareholders

No employee of the Company and its subsidiaries is an immediate family member of a Director and/or a Substantial Shareholder whose remuneration exceeded S\$50,000 during the financial year ended 31 March 2017.

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(C) ACCOUNTABILITY AND AUDIT

Accountability

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

The Board is accountable to the Shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to Shareholders in compliance with statutory requirements and the Listing Manual of the SGX-ST. The Management closely monitors the Company's compliance with legislative and regulatory requirements, including requirements under the Listing Manual of the SGX-ST, and where appropriate, will propose the adoption of written policies to the Board.

The Board is mindful that one of its principal duties is to protect and enhance the long-term value and returns to the Shareholders. This accountability to the Shareholders is demonstrated through the presentation of its periodic financial statements as well as the timely announcements and news releases of significant corporate developments and activities so that the Shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

Price sensitive information is publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods.

The Management provides the Board with quarterly reports of the Group's financial performance, as well as progress reports on the achievements of the Management's goals and objectives determined by the Board. The Management also maintains close contact and communication with the Board by various means, including but not limited to holding meetings with the Board or via email in which documents are circulated to the Board for their review or for their information. The abovementioned arrangement allows the Directors to monitor the Group's performance as well as the Management's achievements of the goals and objectives determined and set by the Board.

Risk Management and Internal Controls

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

The Board acknowledges that it is responsible for the overall internal control framework, including the determination of the Company's levels of risk tolerance and risk policies, but recognises that all internal control systems contain inherent limitations and that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Audit and Risk Committee ("**ARC**") conducts regular reviews of the adequacy and effectiveness of the Group's internal controls and risk management system, including financial, operational and compliance controls and internal controls in relation to information technology risks.

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The ARC ensures that a review of the effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls and risk management, is conducted annually. In this respect, the ARC reviews the audit plans, and the findings of the Internal and External Auditors and ensures that the Company follows up on the Internal and External Auditors' recommendations raised, if any, during the audit process.

The ARC has, on behalf of the Board, reviewed the adequacy and effectiveness of the various systems put in place by the Management and it is satisfied that there are adequate internal controls and risk management systems in the Company to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of its assets.

The Group has in place a system of internal controls and risk management for ensuring proper accounting records and reliable financial information as well as management of business risks with a view to safeguarding Shareholders' investments and the Company's assets. The risk management framework implemented provides for systematic and structured review and reporting of the assessment of the degree of risk, evaluation and effectiveness of controls in place and the requirements for further controls. Management reviews all significant policies and procedures and highlights all significant matters to the Board and the ARC.

The Board has also received assurances from the Managing Director and the Chief Financial Officer on the integrity of the financial statements of the Group and the effectiveness of the Company's risk management and internal control systems. In particular, the Board has been assured that the financial statements give a true and fair view, in all material respects, of the Group's performance and financial position as at 31 March 2017.

The Internal Auditors review policies and procedures as well as key controls and highlight any issues to the Directors and the ARC. Separately, in performing the audit of the financial statements of the Group, the External Auditors perform tests over operating effectiveness of certain controls that they intend to rely on that are relevant to the preparation of its financial statements. The External Auditors also report any significant deficiencies in such internal controls to the Directors and the ARC.

Action plans to manage risks are continuously being monitored and refined by Management and the Board. Any material non-compliance in internal controls together with corrective measures are reported directly to the Directors and the ARC.

Based on the internal controls and risk management systems established and maintained by the Group, reviews conducted by the External and Internal Auditors and assurance from Management, the Board with the concurrence of the ARC, is of the opinion that the Group's system of internal controls, addressing financial, operational, compliance and information technology risks, and its risk management policies and systems (notably those systems that monitor and manage financial, operating, compliance, information technology and other risks) were adequate and effective as at 31 March 2017 in its current business environment.

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

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Audit and Risk Committee

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

The ARC comprises the following three (3) Independent Non-Executive Directors:

Mr Lim Yeow Hua @ Lim You Qin (Chairman)
Mr Khua Kian Kheng Ivan (Member)
Mr Ko Chuan Aun (Member)

The ARC meets periodically at least four times a year to review accounting, auditing and financial reporting matters so as to ensure that an effective system of control is maintained within the Group.

The ARC's main objective is to assist the Board in fulfilling its fiduciary responsibilities relating to internal controls and risk management, overseeing the external audit process, reviewing the financial information to be disclosed to the public and ensuring that arrangements are in place for the independent investigation and follow up of reports by staff of improprieties in financial reporting and other matters. To achieve this, the Board ensures that the ARC's members have the appropriate qualifications to provide independent, objective and effective supervision.

Specifically, the ARC functions under the terms of reference which sets out its responsibilities as follows:

- (a) To review the audit plans of both the Internal and External Auditors;
- (b) To review the Auditors' Reports and their evaluation of the Company's and the Group's system of internal controls and risk management policies and systems;
- (c) To review the effectiveness and adequacy of the internal audit function which is outsourced to a professional firm;
- (d) To review the co-operation given by the Company's Officers to the Internal and External Auditors;
- (e) To review the financial statements of the Company and the Group before submission to the Board;
- (f) To nominate and review appointment of Internal and External Auditors;
- (g) To review with Auditors and Management on the general internal control procedures;
- (h) To review the independence of the Internal and External Auditors; and
- (i) To review interested person transactions, if any.

The ARC has the power to conduct or authorise investigations into any matters within the ARC's scope of responsibility including without limitation internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore and other applicable law, rule or regulation which has or is likely to have material impact on the Company's or Group's operating results and/or financial position. The ARC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. All of the members of the ARC are Independent Directors. Each member of the ARC abstains from voting on any resolutions in respect of matters he is interested in.

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The ARC meets from time to time with the Group's External Auditors and the Executive Management to review accounting, auditing and financial reporting matters so as to provide the necessary checks and balances to ensure that an effective control environment is maintained in the Group. The ARC also studies proposed changes in accounting policies, examines the internal audit functions and discusses the accounting implications of major transactions. Furthermore, the ARC advises the Board regarding the adequacy of the Group's internal controls and risk management systems and the contents and presentation of its interim and annual reports. Based on the information provided to the ARC, nothing has come to the ARC's attention to indicate that the system of internal controls and risk management is inadequate.

The ARC has full access to and co-operation of the Management and has full discretion to invite any Director or Executive Officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The ARC meets with both the Internal and External Auditors without the presence of the Management at least once a year, with particular emphasis on the scope and quality of their audits, and the independence and objectivity of the Internal and External Auditors.

The ARC reviews the independence of the External Auditors, Ernst & Young LLP, annually. The ARC had assessed the External Auditors based on the factors such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, the size and complexity of the Group. None of the members of the ARC (i) are a partner or director of Ernst & Young LLP.

The ARC also conducted a review of non-audit services performed by the External Auditors and is satisfied that the nature and extent of such services do not prejudice the independence and objectivity of the External Auditors. For the financial year ended 31 March 2017, the audit and non-audit fees paid to the External Auditors of the Company were S\$318,000 and S\$79,000 (excluding disbursements and GST) respectively.

Having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit, the Board and the ARC are of the opinion that a suitable auditing firm has been appointed to meet the Company's auditing obligations.

The Company engages different audit firms for certain of its subsidiaries or associated companies and the names of these audit firms are disclosed on page 92 of this Annual Report. The Board and ARC have reviewed the appointment of these audit firms and are of the view that the appointment of these other audit firms does not compromise the standard and effectiveness of the audit of the Company.

The ARC is satisfied that Rules 712 and 715 of the Listing Manual of the SGX-ST are complied with and has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as Auditor at the forthcoming AGM.

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The Company has in place a whistle-blowing framework to provide a channel where staff of the Company have access to the Human Resource Manager to raise their concerns about possible improprieties for investigation. The procedures for submission of complaints have been explained to all employees of the Group. Following investigation and evaluation of a complaint, the ARC will then decide on recommended disciplinary or remedial action, if any. The action so determined by the ARC to be appropriate shall then be brought to the Board or to the appropriate members of senior Management for authorisation or implementation, respectively.

Internal Audit

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

The Company has engaged KPMG Services Pte. Ltd. as its Internal Auditors of the Group to perform internal audit work under an internal audit plan. KPMG Services Pte. Ltd. is a suitably appointed qualified firm of accountants which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The Internal Auditors report directly to the Chairman of the ARC on all internal audit matters.

The role of the Internal Auditors is to support the ARC in ensuring that the Company maintains a sound system of internal controls and risk management by monitoring and assessing the effectiveness of the key controls and procedures, conducting in-depth audits of high risk areas and undertaking investigation as directed by the ARC. The ARC approves the hiring, removal, evaluation and compensation of the Internal Auditors. The ARC ensures that the Internal Auditors are adequately resourced and have appropriate standing within the Company.

The primary functions of internal audit are to:

- (a) Assess if adequate systems of internal controls are in place to protect the funds and assets of the Group and to ensure control procedures are complied with;
- (b) Assess if operations of the business processes under review are conducted efficiently and effectively; and
- (c) Identify and recommend improvement to internal control procedures, where required.

The ARC is satisfied with the adequacy and effectiveness of the current risk management function and system and will assess the same regularly.

STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2017

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

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

The Shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights. Written policies and procedures are implemented to ensure that there is adequate disclosure of development in the Group in accordance with the Listing Manual of the SGX-ST.

Any notice of a general meeting of Shareholders is issued at least 14 days before the scheduled date of such meeting.

Communication with Shareholders

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

The Company is committed to keeping Shareholders regularly and timely informed of material developments in the Group, in accordance with the continuous disclosure obligations of the Company pursuant to the Listing Manual of the SGX-ST and the Companies Act. In line with continuous obligations of the Company pursuant to the Listing Manual of the SGX-ST, the Board's policy is that all Shareholders be informed of all major developments that impact the Group.

Price-sensitive information is released to all parties such as Shareholders, stakeholders and the public simultaneously to ensure a level playing field. Any material information or respective quarterly, half yearly and full year results (all issued within the mandatory period) is disseminated through SGXNET. In disclosing information, the Company strives to be as descriptive, detailed and forthcoming as possible, and to avoid boilerplate disclosures.

Information is disseminated to the Shareholders on a timely basis through:

- (a) SGXNET announcements and news releases;
- (b) Annual Report prepared and issued to all Shareholders;
- (c) Press releases on major developments of the Group;
- (d) Notices of and explanatory memoranda for AGM and extraordinary general meetings ("**EGM**"); and
- (e) Company's website at <http://www.kimsengheng.com> at which Shareholders can access information on the Group.

STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2017

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. Notwithstanding the foregoing, the Company has been declaring dividends on an annual basis and any pay-out of dividends is clearly communicated to Shareholders via announcements released on SGXNET.

Conduct of Shareholder Meetings

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

The Company's AGMs are the principal forums for dialogue with Shareholders. The Company encourages all Shareholders to attend the AGM to grasp a good understanding of the Group's business and be informed of its strategic goals and objectives. The Board and Management are committed to an open dialogue with the Shareholders at the AGM to address the Shareholders' issues, views and concerns. The Chairmen of the Audit and Risk, Nominating and Remuneration Committees are normally available at the AGM to answer any question relating to the work of these Board Committees. The External Auditors are also present to assist the Directors in addressing any relevant queries by the Shareholders.

Shareholders are encouraged to attend general meetings to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. The Company's Constitution provides that Shareholders of the Company are allowed to vote at general meetings in person or by way of duly appointed proxies. Notice of any general meeting of the Company is advertised in newspapers and announced on SGXNET.

The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and supports the Code's principle regarding "bundling" of resolutions. In the event that there are resolutions which are interlinked, the Board will explain the reasons and material implications.

The Joint Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from the Shareholders relating to the agenda of the meeting, and responses from the Board and Management, and such minutes are available to Shareholders upon their request. Results of each general meeting are also released as an announcement via SGXNET.

In compliance with Rule 730A(2) of the Listing Manual of the SGX-ST, resolutions tabled at general meetings of Shareholders will be put to vote by poll, the procedures of which will be explained by the appointed scrutineer(s) at the general meetings. The Company prefers non-electronic poll voting as it saves costs and still gives an acceptable turnaround time to generate poll results.

STATEMENT OF CORPORATE GOVERNANCE

FINANCIAL YEAR ENDED 31 MARCH 2017

ADDITIONAL INFORMATION

1. Dealing in Securities

The Company has in place a policy in accordance with Rule 1207(19) of the SGX-ST Listing Manual prohibiting share dealings by Directors, executives and employees of the Company during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements. Directors, executives and employees are also prohibited to deal in the Company's securities on short-term considerations, and are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

2. Interested Person Transactions Policy

The Company adopts an internal policy in respect of any transactions with interested person and establishes procedures for review and approval of the interested person transactions entered into by the Group. The ARC reviews the rationale and terms of the Group's interested person transactions and is of the view that the interested person transactions are on normal commercial terms and are not prejudicial to the interests of the Shareholders.

During the financial year ended 31 March 2017, the Company did not enter into any interested person transaction of a value amounting to S\$100,000 or more.

The Board confirms that for the financial year ended 31 March 2017, the Company has complied with Listing Rule 1207(18).

3. Material Contracts

Save as previously disclosed on SGXNET, there were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Managing Director, any Director, or Controlling Shareholder for the financial year ended 31 March 2017.

DIRECTORS' STATEMENT

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

Opinion of the Directors

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Company 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 March 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
- (ii) 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:

Choo Chee Onn	Executive Chairman and Managing Director
Lim Kee Seng	Executive Director
Tok Cheng Hoe	Executive Director
Kwok Ngat Khow	Executive Director
Lim Yeow Hua @ Lim You Qin	Independent Director
Khua Kian Kheng Ivan	Independent Director
Ko Chuan Aun	Independent Director

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose 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

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, interests in shares of the Company and related corporations as stated below:

Name of Director	Direct interest	
	At the beginning of year	At the end of year
The Company		
Ordinary shares		
Choo Chee Onn	87,074,639	87,074,639
Lim Kee Seng	54,589,888	54,589,888
Tok Cheng Hoe	65,004,219	65,004,219
Kwok Ngat Khow	65,004,219	65,004,219
Lim Yeow Hua @ Lim You Qin	242,000	242,000
Khua Kian Kheng Ivan	242,000	242,000

There was no change in any of the above-mentioned interests between the end of the financial year and 21 April 2017.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Options

No options were issued by the Company during the financial year. As at 31 March 2017, there were no options on the unissued shares of the Company or its subsidiaries which are outstanding.

Audit Committee

The Audit Committee ("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 reviews the Internal Auditors' 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 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 controls and risk management via reviews carried out by the Internal Auditor;

DIRECTORS' STATEMENT

Audit Committee (continued)

- Met with the External and Internal Auditors, 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;
- Reviewed the cost effectiveness, 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 be nominated for re-appointment, 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 considers appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST")'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 financial year. 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 Report on Corporate Governance.

Auditor

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

On behalf of the Board of Directors,

Choo Chee Onn
Managing Director

Lim Kee Seng
Executive Director

Singapore
30 June 2017

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

Independent auditor's report to the members of KSH Holdings Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of KSH Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2017, the statements of changes in equity of the Group and the 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 (FRSs) 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 March 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 then ended.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 MARCH 2017

Key audit matters (continued)

Accounting for construction contracts – Revenue recognition

The Group recognised revenue of \$193,596,000 from construction contracts using the percentage of completion method for the financial year ended 31 March 2017. The percentage of completion is measured by reference to professional surveys of work performed. The determination of the contract revenues and contract costs requires significant management estimates, which may have a material impact on the amounts of contract work-in-progress, contract revenue, contract cost and profits recognised during the year. Accordingly, we have identified this as a key audit matter.

We obtained an understanding and tested, on a sample basis, the key financial controls surrounding management's internal costing and revenue recognition process put in place to estimate contract revenues, costs and profit margin. We tested the mathematical accuracy of contract revenues, costs and profits based on the percentage of completion calculations. Where there has been a significant change in management's estimates of such revenues, costs and profit margins, we enquired with management the rationale of such changes and obtained supporting documentation to corroborate management's explanation. We conducted site visits, reviewed the project files and discussed with the management on the progress of significant contracts to determine if there are any changes such as delays, penalties, overruns where it is probable that total contract costs will exceed total contract revenue and require the recognition of foreseeable losses on such contracts.

Information regarding the Group's contract work-in-progress and revenue from construction contracts is disclosed in Notes 16 and 29 to the financial statements.

Accounting for interests in associates and joint ventures

The Group's interests in associates and joint ventures comprise the investment cost and loans due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property development. The accounting for interests in associates and joint ventures is significant to our audit due to the significant share of the associates and joint ventures net profit and net assets. Additionally, significant management judgement is required in identifying impairment indicators. For the year ended 31 March 2017, the Group's share of profit of associates and joint ventures amounted to \$8,486,000 and \$5,747,000 respectively which is 34.4% of the Group's net profit. As at 31 March 2017, the Group's interests in associates and joint ventures amounted to \$156,504,000 and \$44,657,000 respectively, representing 38.9% of the Group's total assets.

We carried out procedures to understand and walkthrough the Group's process for identifying impairment triggers, and considered management's assessment of impairment of interests in associates and joint ventures. We inquired and discussed with management to understand the current property development projects and the future business plans of the associates and joint ventures. We performed a review of the auditors' working papers of the significant associates and joint ventures of the Group and evaluated the audit evidence obtained as a basis for forming our opinion on the consolidated financial statements as a whole. In addition, we reviewed the equity accounting adjustments prepared by management in respect of these associates and joint ventures and assessed if the effects of the transactions between the Group and the associates and joint ventures for the financial year are appropriately reflected. We also evaluated the significant accounting policies of the associates and joint ventures to ensure alignment with the Group's accounting policies. Additionally, we assessed the adequacy of management's disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

Key audit matters (continued)

Accounting for interests in associates and joint ventures (continued)

Information regarding the Group's interests in associates and joint ventures is disclosed in Notes 6 and 7 to the financial statements.

Valuation of investment properties

The Group owns a portfolio of investment properties, comprising residential and commercial properties located in Singapore and China. The Group records its investment properties at their fair values based on independent external valuations using the following approaches:

- Market comparable approach where significant management judgements are required on transacted price of comparable properties adjusted for location, size, tenure, age and condition of the investment properties;
- Discounted cash flow approach which involved estimation uncertainties on the net income stream over a period, discount rate and terminal yield rate used

The valuation is significant to our audit due to their magnitude, complexity in valuation and high sensitivity to changes in the key assumptions applied. Accordingly, we determined this as a key audit matter.

As part of our audit, we considered the objectivity, independence and expertise of the external specialists engaged by management. We assessed the appropriateness of the valuation models, property related data, including estimates used by the external specialists. We also engaged internal valuation specialist to review the reasonableness of the models and key assumptions used by the external specialists. In addition, we assessed the appropriateness of the data used by the management and the external specialists in the estimation process, and the movements in fair value of the investment properties. We also evaluated the adequacy of Note 8 and 41(d)(i) relating to the investment properties and the assumptions used, given the estimation uncertainty and sensitivity of the valuations.

Other Information

Management is responsible for the 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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.

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 skepticism 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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

- 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.

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 Low Yen Mei.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

30 June 2017

BALANCE SHEETS

AS AT 31 MARCH 2017

		Group		Company	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-current assets					
Property, plant and equipment	4	6,726	8,572	–	–
Investments in subsidiaries	5	–	–	16,791	16,791
Interests in associates	6	156,504	179,870	–	–
Interests in joint ventures	7	44,657	37,912	–	–
Investment properties	8	120,109	123,340	–	–
Amount due from a minority shareholder of a subsidiary (non-trade)	9	2,242	2,311	–	–
Club membership	10	37	39	–	–
Other investments		–	1	–	–
Trade receivables	13	–	9,741	–	–
Other receivables	11	2,225	2,208	–	–
Amounts due from subsidiaries (non-trade)	15	–	–	77,954	121,064
Structured deposits	12	1,019	1,002	–	–
		333,519	364,996	94,745	137,855
Current assets					
Trade receivables	13	33,769	31,014	–	–
Other receivables and deposits	14	1,451	4,166	20	26
Prepayments		401	411	18	34
Construction work-in-progress in excess of progress billings	16	1,945	6,840	–	–
Fixed deposits	17	89,673	177,854	17,444	17,248
Cash and bank balances	18	56,180	15,155	1,038	3,604
		183,419	235,440	18,520	20,912
Current liabilities					
Trade payables	19	17,741	20,393	–	–
Other payables and accruals	20	58,041	69,704	3,930	7,307
Deferred income		88	131	–	–
Finance lease obligations		223	216	–	–
Provision for income tax		5,248	3,792	444	243
Progress billings in excess of construction work-in-progress	16	5,946	26,437	–	–
Bank term loans, secured	21	38,642	13,543	1,140	–
Bills payable to banks, secured	22	513	316	–	–
Term notes, unsecured	23	–	70,682	–	70,682
		126,442	205,214	5,514	78,232
Net current assets/(liabilities)		56,977	30,226	13,006	(57,320)

BALANCE SHEETS

AS AT 31 MARCH 2017

		Group		Company	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-current liabilities					
Amounts due to subsidiaries (non-trade)	15	–	–	34,354	8,224
Trade payables	19	1,321	5,115	–	–
Other payables and accruals	20	186	190	–	–
Finance lease obligations		413	636	–	–
Bank term loans, secured	21	26,934	54,173	8,385	–
Deferred tax liabilities	34	18,809	19,541	–	–
		47,663	79,655	42,739	8,224
Net assets		342,833	315,567	65,012	72,311
Equity attributable to owners of the Company					
Share capital	24	50,915	50,915	50,915	50,915
Treasury shares	25	–	(3,354)	–	(3,354)
Translation reserve	26	127	2,982	–	–
Accumulated profits		265,714	239,521	11,468	22,594
Asset revaluation reserve	27	219	–	–	–
Other reserves	28	3,774	3,178	2,629	2,156
		320,749	293,242	65,012	72,311
Non-controlling interests		22,084	22,325	–	–
Total equity		342,833	315,567	65,012	72,311
Net asset value per share (cents per share)					
	36	70.37	65.44		

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

INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

		Group		Company	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Revenue					
Project revenue	29	193,596	239,182	–	–
Rental income from investment properties		5,668	6,272	–	–
		199,264	245,454	–	–
Other income	30	8,364	9,041	10,220	24,616
Cost of construction		(151,874)	(202,962)	–	–
Personnel expenses	31	(11,839)	(14,857)	(5,020)	(7,333)
Depreciation of property, plant and equipment	4	(1,962)	(2,017)	–	–
Finance costs	32	(2,536)	(6,520)	(674)	(3,863)
Other operating expenses	33	(6,675)	(9,818)	(647)	(3,348)
		(174,886)	(236,174)	(6,341)	(14,544)
Profit from operations before share of results of associates and joint ventures		32,742	18,321	3,879	10,072
Share of results of associates		8,486	48,427	–	–
Share of results of joint ventures		5,747	(273)	–	–
Profit before taxation		46,975	66,475	3,879	10,072
Income tax expense	34	(5,564)	(4,624)	(346)	(214)
Profit for the year		41,411	61,851	3,533	9,858
Attributable to:					
Owners of the Company		40,975	61,487	3,533	9,858
Non-controlling interests		436	364	–	–
		41,411	61,851	3,533	9,858
Earnings per share (cents per share)					
– Basic and diluted	35	9.07	13.65		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	Group		Company	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Profit for the year		41,411	61,851	3,533	9,858
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Share of gain on property revaluation of associates		219	–	–	–
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		(3,532)	(8,236)	–	–
Other comprehensive income for the year, net of tax		(3,313)	(8,236)	–	–
Total comprehensive income for the year		38,098	53,615	3,533	9,858
Total comprehensive income attributable to:					
Owners of the Company		38,339	54,969	3,533	9,858
Non-controlling interests		(241)	(1,354)	–	–
		38,098	53,615	3,533	9,858

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 MARCH 2017

Group	Note	Attributable to owners of the Company						Total equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Treasury shares \$'000	Translation reserve \$'000	Accumulated profits \$'000	Asset revaluation reserve \$'000	Other reserves \$'000			
At 1 April 2015		50,915	(851)	9,500	190,686	-	3,032	253,282	23,679	276,961
Profit for the year		-	-	-	61,487	-	-	61,487	364	61,851
Other comprehensive income		-	-	(6,518)	-	-	-	(6,518)	(1,718)	(8,236)
Foreign currency translation		-	-	(6,518)	-	-	-	(6,518)	(1,718)	(8,236)
Other comprehensive income for the year		-	-	(6,518)	-	-	-	(6,518)	(1,718)	(8,236)
Total comprehensive income for the year		-	-	(6,518)	61,487	-	-	54,969	(1,354)	53,615
Contributions by and distributions to owners		-	-	-	-	-	-	-	-	-
Interim and final tax-exempt dividends on ordinary shares	37	-	-	-	(12,506)	-	-	(12,506)	-	(12,506)
Transfer to other reserves		-	-	-	(146)	-	146	-	-	-
Purchase of treasury shares		-	(2,503)	-	-	-	-	(2,503)	-	(2,503)
Total contributions by and distributions to owners		-	(2,503)	-	(12,652)	-	146	(15,009)	-	(15,009)
At 31 March 2016		50,915	(3,354)	2,982	239,521	-	3,178	293,242	22,325	315,567

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

Attributable to owners of the Company

Group	Note	Share capital \$'000	Treasury shares \$'000	Translation reserve \$'000	Accumulated profits \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Total equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 April 2016		50,915	(3,354)	2,982	239,521	-	3,178	293,242	22,325	315,567
Profit for the year		-	-	-	40,975	-	-	40,975	436	41,411
Other comprehensive income										
Share of gain on property revaluation of associates		-	-	-	-	219	-	219	-	219
Foreign currency translation		-	-	(2,855)	-	-	-	(2,855)	(677)	(3,532)
Other comprehensive income for the year		-	-	(2,855)	-	219	-	(2,636)	(677)	(3,313)
Total comprehensive income for the year		-	-	(2,855)	40,975	219	-	38,339	(241)	38,098
Contributions by and distributions to owners										
Interim and final tax-exempt dividends on ordinary shares	37	-	-	-	(14,659)	-	-	(14,659)	-	(14,659)
Sale of treasury shares		-	3,354	-	-	-	473	3,827	-	3,827
Transfer to other reserves		-	-	-	(123)	-	123	-	-	-
Total contributions by and distributions to owners		-	3,354	-	(14,782)	-	596	(10,832)	-	(10,832)
At 31 March 2017		50,915	-	127	265,714	219	3,774	320,749	22,084	342,833

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Other reserves \$'000	Total equity \$'000
Company						
At 1 April 2015		50,915	(851)	25,242	2,156	77,462
Profit for the year		–	–	9,858	–	9,858
Total comprehensive income for the year		–	–	9,858	–	9,858
Purchase of treasury shares		–	(2,503)	–	–	(2,503)
Interim and final tax-exempt dividends on ordinary shares	37	–	–	(12,506)	–	(12,506)
At 31 March 2016		<u>50,915</u>	<u>(3,354)</u>	<u>22,594</u>	<u>2,156</u>	<u>72,311</u>
At 1 April 2016		50,915	(3,354)	22,594	2,156	72,311
Profit for the year		–	–	3,533	–	3,533
Total comprehensive income for the year		–	–	3,533	–	3,533
Sale of treasury shares		–	3,354	–	473	3,827
Interim and final tax-exempt dividends on ordinary shares	37	–	–	(14,659)	–	(14,659)
At 31 March 2017		<u>50,915</u>	<u>–</u>	<u>11,468</u>	<u>2,629</u>	<u>65,012</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017 \$'000	2016 \$'000
Operating activities			
Profit before taxation		46,975	66,475
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	4	1,962	2,017
Amortisation of club membership	10	2	3
(Gain)/loss on sale of plant and equipment, net		(117)	165
Gain on acquisition of an associate	30	(136)	–
(Gain)/loss on fair value adjustments of investment properties		(17)	225
Gain on sale of quoted equity (other investments)	30	(1)	–
Fair value gain on structured deposits	30	(17)	(15)
Write-back of bad debts	33	(23)	(3)
Allowance for doubtful debts	33	–	157
Interest expense	32	2,513	6,510
Interest income	30	(5,470)	(6,875)
Share of results of associates		(8,486)	(48,427)
Share of results of joint ventures		(5,747)	273
Amortisation of issuance costs on term notes	33	68	500
Impairment loss on loan due from an associate	33	62	1,263
Operating cash flows before changes in working capital		31,568	22,268
<u>Changes in working capital:</u>			
Decrease/(increase) in:			
Trade and other receivables, deposits and prepayments		9,710	15,333
Construction work-in-progress, net		(15,596)	12,880
(Decrease)/increase in:			
Trade and other payables and accruals		(18,098)	4,860
Deferred income		(43)	(175)
Cash flows generated from operations		7,541	55,166
Income taxes paid		(4,383)	(2,472)
Interest income received		5,470	6,875
Exchange differences		253	(1,418)
Net cash flows generated from operating activities		8,881	58,151
Investing activities			
Purchase of plant and equipment	4	(473)	(1,447)
Proceeds from sale of plant and equipment		470	430
Proceeds from sale of quoted equity (other investments)		1	–
Additional investments in associates	6	(525)	(698)
Decrease/(increase) in loans due from associates, net		16,295	(5,829)
(Increase)/decrease in loans due from joint ventures, net		(998)	10,822
Dividends received from associates		15,471	16,337
Increase in loan due from investee companies		(17)	(1,483)
Net cash flows generated from investing activities		30,224	18,132

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Note	2017 \$'000	2016 \$'000
Financing activities			
Purchase of treasury shares		–	(2,503)
Dividends paid		(14,659)	(12,506)
Repayment of term notes		(70,750)	(4,250)
Proceeds from sale of treasury shares		3,827	–
Proceeds from bank term loans		10,000	60,000
Repayment of bank term loans		(11,977)	(11,599)
Proceeds from finance lease obligations		–	492
Proceeds from bills payable to banks		513	316
Repayment of bills payable to banks		(316)	(1,438)
Interest paid		(2,513)	(6,510)
Repayment of finance lease obligations		(216)	(184)
Increase in pledged fixed deposits		(5,205)	(8,799)
Net cash flows (used in)/generated from financing activities		(91,296)	13,019
Net (decrease)/increase in cash and cash equivalents		(52,191)	89,302
Effect of exchange rate changes on cash and cash equivalents		(170)	(216)
Cash and cash equivalents at beginning of year		168,138	79,052
Cash and cash equivalents at end of year	18	115,777	168,138

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 MARCH 2017

1. CORPORATION INFORMATION

1.1 The Company

KSH Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in the Republic of Singapore. The ordinary shares of the Company were admitted to the official list of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 8 February 2007.

The registered office and principal place of business of the Company is located at 36 Senoko Road, Singapore 758108.

The principal activity of the Company is that of an investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet, income statement, statement of comprehensive income 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 Dollar (SGD or \$) and all values are rounded to the nearest thousand (\$'000) as indicated.

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 April 2016. 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 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 7 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Improvements to FRSs (December 2016)	
Amendments to FRS 112 <i>Classifications of the Scope of the Standard</i>	1 January 2017
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to FRS 115: <i>Clarifications to FRS 115 Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 28 <i>Measuring an Associate or Joint Venture at fair value</i>	1 January 2018
Amendments to FRS 40 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to FRS 102 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to FRS 104 <i>Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts</i>	1 January 2018
INT FRS 122 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
Amendments to FRS 110 & FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

Except for FRS 109, FRS 115 and FRS 116, the Directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period 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 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. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently gathering data as part of the assessment to quantify the impact, if any, on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. 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 principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

The new revenue standard will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently gathering data as part of the assessment to quantify the impact, if any, on its financial statements. The actual impact of adoption on FRS 115 is dependent on many factors including the stage of completion of the long term construction projects on transition, the accounting elections and the judgements that the Group will make in the future.

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 exemptions 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 is currently assessing the impact of FRS 116 and plans to adopt the new standard on the required effective date. The Group expects the adoption of the new standard will result in increase in total assets and liabilities, EBITDA and gearing ratio.

2.4 Basis of consolidation and business combinations

(a) *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.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations (continued)

(a) *Basis of consolidation (continued)*

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

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

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

- de-recognises the assets (including goodwill) 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.

(b) *Business combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations (continued)

(b) *Business combinations (continued)*

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognized as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

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

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency (continued)

(a) *Transactions and balances (continued)*

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of each reporting period are recognised in the profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which 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 operations.

(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 each reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. 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 is re-attributed to non-controlling interest and is 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.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment (except for one leasehold factory building) are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.20. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment (continued)

The leasehold factory building stated at valuation was revalued in a one-off revaluation prior to 1 January 1997. Accordingly, it does not need to be revalued in accordance with paragraph 81 of the FRS 16 – *Property, Plant and Equipment*.

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

Leasehold factory buildings	– 25 – 50 years
Furniture and fittings and air-conditioners	– 5 – 15 years
Office equipment	– 5 – 8 years
Computers	– 3 years
Motor vehicles	– 5 – 10 years
Loose tools	– 5 years
Plant and machinery	– 6 – 15 years
Renovations	– 5 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values 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 arising on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.8 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. Properties held under operating leases are classified as investment properties when the definition of investment properties is met.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Investment properties (continued)

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.

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 gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2.9 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

Club membership

The club membership was acquired separately and is amortised on a straight-line basis over its finite useful life of 25 years.

2.10 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 indication exists, or when an annual impairment assessment 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 of disposal 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Impairment of non-financial assets (continued)

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 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.

2.12 Joint arrangements

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

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

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

The Group recognises its interests in joint ventures as investments and accounts for these investments using the equity method. The accounting policy for investments in joint ventures is set out in Note 2.13.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Joint ventures and 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 investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

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 or joint venture's profit or loss in the period in which the investment is acquired.

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

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

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

As the dates of the associates' and joint ventures' audited financial statements used are not co-terminous with those of the Group, the Group's share of results is arrived at based on the last audited financial statements available and un-audited management financial statements to the end of the accounting period. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Upon loss of significant influence or joint control over the associate or joint venture, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 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

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(ii) Loans and receivables

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 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 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

(a) *Financial assets (continued)*

Subsequent measurement (continued)

(iii) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

De-recognition

A financial asset is de-recognised when 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, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

(b) *Financial liabilities (continued)*

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 rate 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.

2.15 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

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 individually assessed financial assets, whether significant or not, it includes the assets 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Impairment of financial assets (continued)

(a) Financial assets carried at amortised cost (continued)

When the asset becomes uncollectible, the carrying amount of an 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 asset 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.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Impairment of financial assets (continued)

(c) Available-for-sale financial assets (continued)

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and fixed deposits. They are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents also include bank overdrafts that form an integral part of the Group's cash management.

2.17 Construction contracts

The Group principally operates fixed price 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 each 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 expenses 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 (as defined below) multiplied by the actual completion rate based on professional surveys of work performed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Construction contracts (continued)

Contract revenue – Contract revenue corresponds to the initial amount of revenue agreed in the contract and any 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.

Contract costs – Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that relate directly to a specific contract comprise: site labour costs (including site supervision); costs of materials used in construction; costs of design, and technical assistance that is directly related to the contract.

2.18 Construction work-in-progress

Construction work-in-progress is carried at the net amount of project cost plus attributable profits less recognised losses, net of progress billings and allowance for foreseeable losses. It is presented in the balance sheet as a current asset under “construction work-in-progress in excess of progress billings” or as a current liability under “progress billings in excess of construction work-in-progress”, as applicable.

Project cost includes materials cost, direct labour cost and other project-related expenses incurred during the project period. The project is considered complete when all significant identifiable costs attributable to the project have been incurred. Provision for anticipated losses on uncompleted contracts is made in the period in which such losses are determined.

2.19 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.

2.20 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 being 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits

(a) *Defined contribution plans*

The companies in the Group participate in the following national pension schemes as defined by the laws of the countries in which they have operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related services are performed.

(i) Republic of Singapore ("Singapore")

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme.

(ii) The People's Republic of China ("PRC")

Subsidiaries incorporated and operating in the PRC are required to provide certain staff pension benefits to its employees under existing PRC legislations. Pension contributions are made at rates stipulated by PRC legislations to a pension fund managed by government agencies, who are responsible for administering these amounts for the subsidiaries' employees.

(b) *Employee leave entitlement*

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

2.22 Leases

(a) *As lessee*

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in 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 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Leases (continued)

(b) *As lessor*

Leases where the Group retains substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.23(b).

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.

(a) *Project revenue*

The accounting policy for recognising project revenue is stated in Note 2.17.

(b) *Rental income*

Rental income arising from investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) *Revenue from sale of investment properties*

Revenue from the sale of investment properties is recognised when there is a finalised sales agreement and all risks and rewards of ownership have been transferred to the buyer, and that it is probable that the economic benefits associated with the sales agreements will flow to the Group.

(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 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 each 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 each 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, associates and joint ventures, 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, associates and joint ventures, 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 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Taxes (continued)

(b) *Deferred tax (continued)*

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 to 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 and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and 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 in a purchase of assets or services is not recoverable from the taxation authority, in which case the sale 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.

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 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 39, 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 MARCH 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 Share capital and share issue 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 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

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.

2.29 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 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 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 the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could 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 estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Income tax

Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. 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.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each 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.

(a) *Construction contracts and revenue recognition*

The Group recognises contract revenue to the extent of contract costs incurred where it is probable those costs will be recoverable or based on the stage of completion method depending on whether the outcome of the contract can be measured reliably. The stage of completion is measured by reference to professional surveys of work performed. Estimation is required in determining the stage of completion, the estimated total contract revenue and estimated total contract cost, as well as the recoverability of the contract cost incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (continued)

(a) *Construction contracts and revenue recognition (continued)*

Estimation of total contract revenue also includes an estimation of the variation works that are recoverable from the customers. In making the judgement, the Group relies on past experience and/or the work of relevant professionals.

Estimated total contract cost for construction contract comprises direct costs attributable to the construction of each project. In estimating the total budgeted costs for construction contracts, Management makes reference to information such as current offers from contractors and suppliers, recent offers agreed with contractors and suppliers, and professional estimation of construction and material costs as well as its past experience.

For the financial year ended 31 March 2017, the Group recorded revenue of \$193,596,000 (2016: \$239,182,000) from its construction contracts. The carrying amount of the Group's construction work-in-progress at the end of the reporting period is disclosed in Note 16 to the financial statements.

(b) *Revaluation of investment properties*

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged real estate valuation experts to assess fair value as at 31 March 2017.

The fair value of investment properties are determined by independent real estate valuation experts using market comparable approach and discounted cash flow approach.

The determination of the fair values of the investment properties require the use of estimates on yield adjustments such as location, size, tenure, age and condition. These estimates are based on local market conditions existing at the end of each reporting date.

The key assumptions used to determine the fair value of the investment properties are further explained in Note 8 and 41(d)(i).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

4. PROPERTY, PLANT AND EQUIPMENT

Group	Valuation/Cost	At valuation		At cost							Total \$'000
		Leasehold factory building \$'000	Leasehold factory building \$'000	Furniture and fittings and air-conditioners \$'000	Office equipment and computers \$'000	Motor vehicles \$'000	Loose tools \$'000	Plant and machinery \$'000	Renovations \$'000	Construction in Progress \$'000	
As at 1.4.2015	1,100	2,865	2,865	1,090	1,504	1,740	267	12,947	901	-	22,414
Additions	-	-	-	6	335	943	26	106	31	-	1,447
Disposals	-	-	-	(7)	(72)	(127)	(15)	(1,170)	-	-	(1,391)
Translation difference	-	-	-	(33)	(7)	(11)	-	-	-	-	(51)
As at 31.3.2016 and 1.4.2016	1,100	2,865	2,865	1,056	1,760	2,545	278	11,883	932	-	22,419
Additions	-	-	-	16	178	62	18	6	19	174	473
Disposals	-	-	-	(1)	(81)	(58)	(9)	(887)	-	-	(1,036)
Translation difference	-	-	-	(13)	(4)	(4)	(1)	-	-	-	(22)
As at 31.3.2017	1,100	2,865	2,865	1,058	1,853	2,545	286	11,002	951	174	21,834
Accumulated depreciation											
As at 1.4.2015	1,100	647	647	835	793	1,053	182	7,824	240	-	12,674
Charge for the year	-	56	56	69	301	299	33	1,085	174	-	2,017
Disposals	-	-	-	(4)	(44)	(127)	(13)	(608)	-	-	(796)
Translation difference	-	-	-	(32)	(7)	(9)	-	-	-	-	(48)
As at 31.3.2016 and 1.4.2016	1,100	703	703	868	1,043	1,216	202	8,301	414	-	13,847
Charge for the year	-	56	56	49	290	352	30	1,008	177	-	1,962
Disposals	-	-	-	(2)	(62)	(53)	(9)	(557)	-	-	(683)
Translation difference	-	-	-	(12)	(2)	(4)	-	-	-	-	(18)
As at 31.3.2017	1,100	759	759	903	1,269	1,511	223	8,752	591	-	15,108
Net carrying amount											
As at 31.3.2016	-	2,162	2,162	188	717	1,329	76	3,582	518	-	8,572
As at 31.3.2017	-	2,106	2,106	155	584	1,034	63	2,250	360	174	6,726

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Revaluation of leasehold factory building

One of the leasehold factory buildings was valued at \$1,100,000 on the basis of present market value by a firm of professional valuers, Associated Property Consultants Pte Ltd on 11 August 1986.

Cash outflows on purchase of property, plant and equipment

Cash payments of \$473,000 (2016: \$1,447,000) were made to purchase plant and equipment during the year ended 31 March 2017.

Assets held under finance leases

During the financial year ended 31 March 2017, the Group acquired plant and equipment with an aggregate cost of \$Nil (2016: \$492,000) by means of finance lease agreement.

The carrying amounts of property, plant and equipment acquired under finance leases at the end of the reporting period are as follows:

	Group	
	2017	2016
	\$'000	\$'000
Motor vehicles	<u>931</u>	<u>1,250</u>

Assets acquired under finance leases were pledged as security for the related finance lease liabilities.

Assets pledged as security

In addition to assets held under finance leases, the leasehold factory building with net carrying amount of \$2,106,000 (2016: \$2,162,000) has been pledged as security for banking facilities granted by the banks (Note 21).

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017	2016
	\$'000	\$'000
Unquoted equity shares:		
Cost at the beginning and end of the year	<u>16,791</u>	<u>16,791</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2017 %	2016 %
	<i>Held by the Company</i>			
#	Kim Seng Heng Engineering Construction (Pte) Ltd ("KSHEC") (Republic of Singapore)	Carry on business as builders and contractors	100	100
#	Kim Seng Heng Realty Pte Ltd ("KSHR") (Republic of Singapore)	Property developers, deriving rental income from investment properties and investment holding	100	100
#	KSH Overseas Pte. Ltd. ("KSHO") (Republic of Singapore)	Investment holding	100	100
#	KSH Property Development Pte. Ltd. ("KSHPD") (Republic of Singapore)	Holding of assets	100	100
#	KSH Property Investment Pte. Ltd. ("KSHPI") (Republic of Singapore)	Holding of assets	100	100
#	Ferris Rise Pte. Ltd. ("FERRIS") (Republic of Singapore)	Holding of assets	100	100
#	KSH Asia Investment Pte. Ltd. ("KSHAI") (Republic of Singapore)	Investment holding	100	100
#	KSH Commercial Investment Pte. Ltd. ("KSHCI") (Republic of Singapore)	Investment holding	100	100
#	KSH Capital Pte. Ltd. ("KSHCA") (Republic of Singapore)	Investment holding	100	100
#	KSH Asia Property Pte. Ltd. ("KSHAP") (Republic of Singapore)	Investment holding	100	100
#	KSH Vietnam Investment Pte. Ltd. ("KSHVI") (Republic of Singapore)	Investment holding	100	100
#	KSH Hotels Investments Pte. Ltd. ("KSHHI") (Republic of Singapore)	Investment holding	100	100
# (1)	KSH Investments Management Pte. Ltd.("KSHIM") (Republic of Singapore)	Investment holding	100	—
# (2)	KSH Foreign Investment Pte. Ltd. ("KSHFI") (Republic of Singapore)	Investment holding	100	—

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2017 %	2016 %
	<i>Held by subsidiaries</i>			
^{^*}	Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE") (The People's Republic of China)	Rental and sale of property	69	69
^{^□}	Tianjin Tian Xing Property Management Co., Ltd. ("TTXPM") (The People's Republic of China)	Property management	69	69
[@]	Duford Investment (Hong Kong) Limited ("Duford") (Hong Kong Special Administrative Region)	Investment holding	100	100
^{*□}	Techpath Construction Sdn Bhd ("Techpath") (Malaysia)	Building construction	100	100
[#]	KSH Land Development Pte. Ltd. ("KSHLD") (Republic of Singapore)	Investment holding	100	100
[#]	KSH Global Investment Pte. Ltd. ("KSHGI") (Republic of Singapore)	Investment holding	100	100
[#]	KSH Development Pte. Ltd. ("KSHDE") (Republic of Singapore)	Investment holding	100	100
^{#(3)}	KSH Avenue Pte. Ltd. ("KSHAV") (Republic of Singapore)	Building and road construction	51	—
^{#(4)}	Development 88 Pte. Ltd. ("Dev88") (Republic of Singapore)	Investment holding	100	—
^{#(5)}	KSH Premier Investment Pte. Ltd. ("KSHPR") (Republic of Singapore)	Investment holding	100	—
^{#(6)}	KSH Engineering Builders Pte. Ltd. ("KSHEB") (Republic of Singapore)	General builders and manufacture structural steel and metal	100	—

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

- # Audited by Ernst & Young LLP, Singapore.
- ^ Audited by CHW CPA Limited Liability Partnership, the People's Republic of China.
- * Reviewed by Ernst & Young LLP, Singapore, for consolidation purposes only.
- @ Audited by C K Yau & Partners CPA Limited, Certified Public Accountants (Practising), Hong Kong.
- Not considered a significant subsidiary.
- (1) On 2 August 2016, the Company incorporated KSHIM, a wholly-owned subsidiary. The issued share capital of KSHIM, comprising 100 ordinary shares, was subscribed for an aggregate cash consideration of \$100.
- (2) On 10 February 2017, the Company incorporated KSHFI, a wholly-owned subsidiary. The issued share capital of KSHFI, comprising 1 ordinary share, was subscribed for an aggregate cash consideration of \$1.
- (3) On 11 May 2016, KSHEC, a wholly-owned subsidiary of the Company, incorporated KSHAV. KSHEC owns 51% of the issued share capital of KSHAV, comprising 100 ordinary shares, for an aggregate cash consideration of \$51.
- (4) On 17 August 2016, KSHR, a wholly-owned subsidiary of the Company, incorporated Dev88. KSHR owns 100% of the issued share capital of Dev88, comprising 100 ordinary shares, for an aggregate cash consideration of \$100.
- (5) On 1 March 2017, KSHR, a wholly-owned subsidiary of the Company, incorporated KSHPR. KSHR owns 100% of the issued share capital of KSHPR, comprising 1 ordinary share, for an aggregate cash consideration of \$1.
- (6) On 23 March 2017, KSHEC, a wholly-owned subsidiary of the Company, incorporated KSHEB. KSHEC owns 100% of the issued share capital of KSHEB, comprising 1 ordinary share, for an aggregate cash consideration of \$1.

Interests in subsidiaries with material non-controlling interest (NCI)

The Group has the following subsidiary that has NCI that are material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividends paid to NCI
			\$'000	\$'000	\$'000
31 March 2017:					
Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE")	The People's Republic of China	31%	431	22,012	—
31 March 2016:					
Tianjin Tian Xing Real Estate Development Co., Ltd. ("TTXRE")	The People's Republic of China	31%	359	22,256	—

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Summarised financial information of subsidiaries with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests is as follows:

Summarised balance sheet

	TTXRE	
	2017	2016
	\$'000	\$'000
Current		
Assets	2,355	2,113
Liabilities	(5,917)	(5,783)
Net current liabilities	(3,562)	(3,670)
Non-current		
Assets	107,217	110,172
Liabilities	(32,648)	(34,710)
Net non-current assets	74,569	75,462
Net assets	71,007	71,792

Summarised statement of comprehensive income

	TTXRE	
	2017	2016
	\$'000	\$'000
Revenue	3,317	3,729
Other income	326	723
Profit before taxation	1,932	1,727
Income tax expense	(541)	(568)
Profit after taxation	1,391	1,159
Other comprehensive income	(2,177)	(5,399)
Total comprehensive income	(786)	(4,240)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

6. INTERESTS IN ASSOCIATES

	Group	
	2017 \$'000	2016 \$'000
Shares, at cost	23,139	22,445
Additions during the year	525	698
Disposal during the year	–	(4)
Gain on acquisition of an associate	136	–
	23,800	23,139
Share of post-acquisition reserves	126,734	118,030
Dividends receivable	(768)	(792)
Dividends received	(56,558)	(41,087)
Translation difference	(2,696)	(1,769)
Carrying amount of investments	90,512	97,521
Loans due from associates	87,233	76,069
Loans due to associates	(27,630)	–
Amounts due from associates (non-trade)	7,969	8,215
Amounts due to associates (non-trade)	(1,580)	(1,935)
	156,504	179,870

Loans due from associates amounting to \$68,269,000 (2016: \$68,301,000) are unsecured, have no fixed term of repayment and are not expected to be settled within the next twelve months. These loans bear effective interest rates ranging from 3.00% to 5.00% (2016: 3.00% to 5.35%) per annum and are to be settled in cash.

The remaining loans due from associates, amounting to \$18,964,000 (2016: \$7,768,000) are unsecured, non-interest bearing, have no fixed term of repayment and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

Loans due to associates, amounting to \$27,630,000 (2016: \$Nil) are unsecured, non-interest bearing, have no fixed term of repayment and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

Amounts due from/(to) associates (non-trade) are unsecured, non-interest bearing, have no fixed term of repayment and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

6. INTERESTS IN ASSOCIATES (CONTINUED)

Receivables that are impaired

The Group's loans due from associates that are impaired at the end of the reporting period and the movement in the allowance account used to record the impairment are as follows:

	Group	
	2017	2016
	\$'000	\$'000
Loans due from associates	88,558	77,332
Less: Allowance for impairment	(1,325)	(1,263)
	87,233	76,069

Movements in allowance for impairment of loan due from an associate are as follows:

At beginning of the year	(1,263)	–
Charge for the year	(62)	(1,263)
At end of the year	(1,325)	(1,263)

At the end of the reporting period, the Group has provided an allowance of \$1,325,000 (2016: \$1,263,000) for impairment of loan due from an associate with a nominal amount of \$1,325,000 (2016: \$1,263,000). This associate has been suffering financial losses for the current and past financial years.

The Group's material investments in associates are summarised below:

	Group	
	2017	2016
	\$'000	\$'000
Mergui Development Pte. Ltd.	4,801	10,357
Unique Development Pte. Ltd.	2,598	6,596
Development 26 Pte. Ltd.	444	3,620
Unique Realty Pte. Ltd.	2,505	4,805
Unique Consortium Pte. Ltd.	14,267	16,720
Unique Rezi Pte. Ltd.	21,838	14,167
Residenza Pte. Ltd.	2,419	2,525
Epic Land Pte. Ltd.	9,783	7,660
Beijing Jin Hua Tong Da Real Estate Development Co., Ltd	20,769	22,746
Sino-Singapore Kim Seng Heng (Beijing) Engineering Construction Co., Ltd.	6,333	6,454
Other associates	4,755	1,871
Carrying amount of investments in associates	90,512	97,521

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

6. INTERESTS IN ASSOCIATES (CONTINUED)

The Group's material investments in associates are summarised below: (continued)

The Group has not recognised losses relating to Klang City Development Pte. Ltd. where its share of losses exceeds the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the end of the reporting period was \$1,275,000 (2016: \$Nil), of which \$1,275,000 (2016: \$Nil) was the share of the current year's losses. The Group has no obligation in respect of these losses.

Details of the associates are as follows:

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2017 %	2016 %
	<i>Held by subsidiaries</i>			
@	Beijing Jin Hua Tong Da Real Estate Development Co., Ltd. ("BJHTD") (The People's Republic of China)	Residential property developer	45	45
#	Mergui Development Pte. Ltd. ("Mergui") (Republic of Singapore)	Property development	35	35
@	Sino-Singapore Kim Seng Heng (Beijing) Engineering Construction Co., Ltd. ("KSHEC Beijing") (The People's Republic of China)	Engineering and construction	50	50
#	Unique Development Pte. Ltd. ("Unique Development") (Republic of Singapore)	Real estate developers	35	35
#	Development 26 Pte. Ltd. ("Dev 26") (Republic of Singapore)	Property development	45	45
#	Residenza Pte. Ltd. ("Residenza") (Republic of Singapore)	Property development	32	32
#	Unique Realty Pte. Ltd. ("Unique Realty") (Republic of Singapore)	Property development	25	25
#	Unique Consortium Pte. Ltd. ("Unique Consortium") (Republic of Singapore)	Property development	35	35

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

6. INTERESTS IN ASSOCIATES (CONTINUED)

Details of the associates are as follows: (continued)

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2017 %	2016 %
	<i>Held by subsidiaries (continued)</i>			
#	Unique Capital Pte. Ltd. ("Unique Capital") (Republic of Singapore)	Property development	25	25
#	Unique Rezi Pte. Ltd. ("Unique Rezi") (Republic of Singapore)	Investment holding	42	42
#	Unique Resi Estate Pte. Ltd. ("Unique Resi Estate") (Republic of Singapore)	Property development	30	30
*	Unique Commercial Pte. Ltd. ("Unique Commercial") (Republic of Singapore)	Property development	35	35
#	Development 32 Pte. Ltd. ("Dev 32") (Republic of Singapore)	Property development	45	45
#	Unique Wellness Pte. Ltd. ("Unique Wellness") (Republic of Singapore)	Investment holding	20	20
#	Wealth Development Pte. Ltd. ("Wealth Development") (Republic of Singapore)	Real estate developers	30	30
*	Klang City Development Pte. Ltd. ("Klang City Development") (Republic of Singapore)	Investment holding	40	40
#	Epic Land Pte. Ltd. ("EPIC") (Republic of Singapore)	Investment holding	28	28
#(4)	Glenthorne Pte. Ltd. ("Glenthorne") (Republic of Singapore)	Investment holding	10	10
#(4)	Fairmont Land Pte. Ltd. ("Fairmont") (Republic of Singapore)	Investment holding	15	15
^(4)	LGB-NB Pte. Ltd. ("LGB-NB") (Republic of Singapore)	Investment holding	15	15

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

6. INTERESTS IN ASSOCIATES (CONTINUED)

Details of the associates are as follows: (continued)

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2017 %	2016 %
	<i>Held by subsidiaries (continued)</i>			
#	Prosperre Hotels Pte. Ltd. ("Prosperre") (Republic of Singapore)	Investment holding	30	30
* (1)	Development 35 Pte. Ltd. ("Dev 35") (Republic of Singapore)	Property development	49	—
#(2)	Goldprime Realty Pte. Ltd. ("Goldprime") (Republic of Singapore)	Investment holding	20	—
#(3)	Oldham Street Pte. Ltd. ("Oldham") (Republic of Singapore)	Investment holding	25	—

@ Audited by Grant Thornton, Zi Tong Certified Public Accountants, the People's Republic of China

* Audited by Baker Tilly TFW LLP, Singapore

^ Audited by KPMP LLP, Singapore

Audited by Ernst & Young LLP, Singapore

(1) On 15 April 2016, KSHR, a wholly-owned subsidiary, acquired 49% equity interest in Development 35 Pte. Ltd. ("Dev 35") for a cash consideration of \$490,000.

(2) On 17 February 2017, Dev88, a wholly-owned subsidiary, acquired 20% equity interest in Goldprime Realty Pte. Ltd. ("Goldprime") for a cash consideration of \$35,000.

(3) On 15 March 2017, KSHFI, a wholly-owned subsidiary, acquired 25% equity interest in Oldham Street Pte. Ltd. ("Oldham") for a cash consideration of \$25.

(4) The results of these associates were equity accounted for in the consolidated financial statements notwithstanding that the Group holds less than 20% of the voting power in these companies. The Group is deemed to exercise significant influence by virtue of its representation on the board committees of these entities.

Aggregate information about the Group's investments in associates that are not individually material are as follows:

	Group	
	2017 \$'000	2016 \$'000
Loss after taxation	(1,227)	(1,902)
Other comprehensive income	875	—
Total comprehensive income	(352)	(1,902)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

6. INTERESTS IN ASSOCIATES (CONTINUED)

The summarised financial information in respect of the material investments in associates, based on their respective FRS financial statements, and a reconciliation with the carrying amount of each investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Merqui Development			Unique Development			Unique Realty			Unique Consortium			Unique Rezi			Residenza			Epic Land			BJHTD			Sino-KSHEC		
	2017	2016		2017	2016		2017	2016		2017	2016		2017	2016		2017	2016		2017	2016		2017	2016		2017	2016	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	19,235	35,580		8,809	32,095		4,160	20,096		19,665	39,270		92,007	63		16,582	17,739		182,304	375,100		46,004	39,275		13,002	34,892	
Non-current assets	75	127		939	—		—	—		48	38		17	75,475		—	—		—	—		41,373	39,375		—	3	
Total assets	19,310	35,707		9,748	32,095		4,160	20,096		19,665	39,270		92,024	75,538		16,582	17,739		182,304	375,100		87,377	78,650		13,002	34,895	
Current liabilities	(5,592)	(6,116)		(2,329)	(8,286)		(3,174)	(12,052)		(9)	(7)		(7)	(6)		(1,606)	(2,622)		(147,363)	(167,744)		(41,223)	(28,103)		(335)	(21,988)	
Non-current liabilities	—	—		—	(4,966)		—	—		(62,356)	(88,892)		(40,023)	(41,803)		(7,421)	(7,228)		—	(180,000)		—	—		—	—	
Total liabilities	(5,592)	(6,116)		(2,329)	(13,252)		(3,174)	(12,052)		(62,365)	(88,899)		(40,030)	(41,809)		(9,027)	(9,850)		(147,363)	(347,744)		(41,223)	(28,103)		(335)	(21,988)	
Net assets	13,718	29,591		7,419	18,843		986	8,044		10,018	19,218		51,994	33,729		7,555	7,889		34,941	27,356		46,154	50,547		12,667	12,907	
Proportion of Group's ownership	35%	35%		35%	35%		45%	45%		35%	25%		42%	42%		32%	32%		28%	28%		45%	45%		50%	50%	
Group's share of net assets	4,801	10,357		2,597	6,595		444	3,620		2,504	4,804		21,837	14,166		2,418	2,524		9,783	7,660		20,769	22,746		6,333	6,454	
Other adjustments	—	—		1*	1*		—	—		1*	1*		1*	1*		1*	—		—	—		—	—		—	—	
Carrying amount of investment	4,801	10,357		2,598	6,596		444	3,620		2,505	4,805		21,838	14,167		2,419	2,525		9,783	7,660		20,769	22,746		6,333	6,454	

* Other adjustments comprise accumulated loss prior to the date of acquisition by the Group

Summarised statement of comprehensive income

	Merqui Development			Unique Development			Unique Realty			Unique Consortium			Unique Rezi			Residenza			Epic Land			BJHTD			Sino-KSHEC		
	2017	2016		2017	2016		2017	2016		2017	2016		2017	2016		2017	2016		2017	2016		2017	2016		2017	2016	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	18,858	77		9,638	77		—	17,470		—	82,910		—	1,828		—	26,672		36,416	120,890		3,232	149,533		—	18,852	
Profit/(loss) after taxation	6,127	2,830		(3,937)	(1,450)		(58)	6,269		(1,201)	11,151		18,264	20,948		(332)	2,448		7,583	22,556		(2,795)	33,414		150	2,260	
Other comprehensive income	—	—		—	—		—	—		—	—		—	—		—	—		—	—		(1,599)	(2,914)		(392)	(915)	
Total comprehensive income	6,127	2,830		(3,937)	(1,450)		(58)	6,269		(1,201)	11,151		18,264	20,948		(332)	2,448		7,583	22,556		4,394	30,500		(242)	1,345	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

7. INTERESTS IN JOINT VENTURES

	Group	
	2017 \$'000	2016 \$'000
Shares, at cost	250	250
Share of post-acquisition reserves	3,995	(1,752)
Carrying amount of investments	4,245	(1,502)
Loans due from joint ventures	38,811	33,617
Amounts due from joint ventures (non-trade)	1,601	5,797
	44,657	37,912

Loans due from joint ventures amounting to \$38,811,000 (2016: \$33,617,000) are unsecured, have no fixed term of repayment and are not expected to be settled within the next twelve months. These loans bear effective interest rates ranging from 2.30% to 5.35% (2016: 2.30% to 5.35%) per annum and are to be settled in cash.

Amounts due from joint ventures (non-trade) are unsecured, non-interest bearing, have no fixed term of repayment and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

The Group's material investments in joint ventures are summarised below:

	Group	
	2017 \$'000	2016 \$'000
Phileap Pte. Ltd.	(2,931)	(1,047)
Unique Residence Pte. Ltd.	7,178	(454)
Other joint ventures	(2)	(1)
Carrying amount of investments in joint ventures	4,245	(1,502)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

7. INTERESTS IN JOINT VENTURES (CONTINUED)

Details of the joint ventures are as follows:

	Name of company (Country of incorporation and place of business)	Principal activities	Effective equity interest held by the Group	
			2017 %	2016 %
	Held by a subsidiary			
#	Phileap Pte. Ltd. (“Phileap”) (Republic of Singapore)	Property development	25	25
#	Unique Residence Pte. Ltd. (“Unique Residence”) (Republic of Singapore)	Property development	50	50
#	Lian Beng-KSH Pte. Ltd. (“Lian Beng-KSH”) (Republic of Singapore)	Real estate developers	50	50
	Held by a joint venture			
#	Fernvale Development Pte. Ltd. (“Fernvale Development”) (Republic of Singapore)	Property development	20	20
#	Audited by Ernst & Young LLP, Singapore.			

Aggregate information about the Group's investments in joint ventures that are not individually material are as follows:

	2017 \$'000	2016 \$'000
Loss after taxation	(2)	(3)
Other comprehensive income	—	—
Total comprehensive income	<u>(2)</u>	<u>(3)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

7. INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information in respect of the Group's material investments in joint ventures, based on its FRS financial statements, and a reconciliation with the carrying amount of each investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Phileap		Unique Residence	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	2,226	4,437	167	1,201
Development property	37,830	47,109	–	–
Other current assets	100	114	–	–
Current assets	40,156	51,660	167	1,201
Non-current assets	–	–	99,173	79,405
Total assets	40,156	51,660	99,340	80,606
Current liabilities	130	1,102	39	30,058
Non-current liabilities	51,748	54,745	84,946	51,456
Total liabilities	51,878	55,847	84,985	81,514
Net (liabilities)/assets	(11,722)	(4,187)	14,355	(908)
Proportion of the Group's ownership	25%	25%	50%	50%
Group's share of net (liabilities)/assets, representing carrying amount of investments in the joint ventures	(2,931)	(1,047)	7,178	(454)

Summarised statement of comprehensive income

	Phileap		Unique Residence	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Revenue	4,301	1,188	–	–
Interest income	4	688	3,943	3,898
Interest expense	(1,203)	(1,910)	(3,804)	(3,906)
(Loss)/profit before taxation	(7,535)	516	15,294	(801)
Income tax expense	–	–	(31)	–
(Loss)/profit after taxation	(7,535)	516	15,263	(801)
Other comprehensive income	–	–	–	–
Total comprehensive income	(7,535)	516	15,263	(801)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

8. INVESTMENT PROPERTIES

	Group	
	2017	2016
	\$'000	\$'000
At beginning of the year	123,340	131,713
Gain/(loss) on fair value adjustments of investment properties	17	(225)
Translation difference	(3,248)	(8,148)
At end of the year	120,109	123,340

The aggregate operating expenses related to the Group's investment properties recognised in profit or loss are as follows:

Direct operating expenses (including repairs and maintenance) arising from:

	Group	
	2017	2016
	\$'000	\$'000
Rental generating properties	1,094	1,896

The investment properties held by the Group as at 31 March are as follows:

	Name of property	Description	Fair value	
			2017	2016
			\$'000	\$'000
(1)	Sheares Ville	Freehold residential property at 9 Holt Road #12-05 Singapore 249446, comprising an estimated floor area of 443 square metres	5,800	5,800
(2)	Tianjin Tianxing Riverfront Square	Leasehold commercial building at No.81 Shi Yi Jing Road, Hedong District, Tianjin, 300171, the People's Republic of China, comprising an estimated floor area of 44,936 square metres (50 years lease term expiring on 17 September 2043)	104,909	107,840
(3)	Centennia Suites	Freehold residential property at 100 Kim Seng Road #13-01 Singapore 239427, comprising an estimated floor area of 115 square metres	2,600	2,700

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

8. INVESTMENT PROPERTIES (CONTINUED)

The investment properties held by the Group as at 31 March are as follows: (continued)

	Name of property	Description	Fair value	
			2017 \$'000	2016 \$'000
(4)	Lincoln Suites	Freehold residential property at Blk 1 Kiang Guan Avenue #23-02 Singapore 308380, comprising an estimated floor area of 150 square metres	3,200	3,300
(4)	Lincoln Suites	Freehold residential property at Blk 1 Kiang Guan Avenue #23-01 Singapore 308380, comprising an estimated floor area of 171 square metres	3,600	3,700
			120,109	123,340

- (1) The fair values have been determined based on valuations performed by Jones Lang LaSalle Property Consultants Pte Ltd, an independent professional valuer, carried out in March 2017 and March 2016 respectively.
- (2) The fair values have been determined based on valuations performed by DTZ Debenham Tie Leung Property Advisory (Tianjin) Co Ltd ("DTZ"), an independent professional valuer, carried out in March 2017 and March 2016 respectively.
- (3) The fair values have been determined based on valuations performed by TEHO Property Consultants Pte. Ltd. (formerly known as ECG Consultancy Pte. Ltd.), an independent professional valuer, carried out in March 2017 and March 2016 respectively.
- (4) The fair values have been determined based on valuations performed by TEHO Property Consultants Pte. Ltd. (formerly known as ECG Consultancy Pte. Ltd.), an independent professional valuer, carried out in March 2017 and March 2016 respectively.

Rental income earned by the Group for the year ended 31 March 2017 from its investment properties, all of which are leased out under operating leases, amounted to \$5,668,000 (2016: \$6,272,000).

The investment properties have been pledged as securities for banking facilities granted by the banks (Note 21).

9. AMOUNT DUE FROM A MINORITY SHAREHOLDER OF A SUBSIDIARY (NON-TRADE)

This amount is unsecured, non-interest bearing, has no fixed term of repayment and is not expected to be repaid within the next twelve months. This balance is denominated in Chinese Renminbi and is to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

10. CLUB MEMBERSHIP

	Group	
	2017 \$'000	2016 \$'000
Cost		
As at 1 April and 31 March	<u>60</u>	<u>60</u>
Accumulated amortisation		
As at 1 April	21	18
Charge for the year	<u>2</u>	<u>3</u>
As at 31 March	<u>23</u>	<u>21</u>
Net carrying amount		
As at 31 March	<u>37</u>	<u>39</u>

The club membership was purchased in 2008 and is amortised over the useful life of 25 years. The amortisation of the club membership is included in the line "other operating expenses" in profit or loss.

11. OTHER RECEIVABLES

These amounts due from investee companies (non-trade) are unsecured, non-interest bearing, have no fixed term of repayment and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

The amounts due from investee companies that are denominated in foreign currency at 31 March are as follows:

	Group	
	2017 \$'000	2016 \$'000
Japanese Yen (JPY)	<u>1,405</u>	<u>1,418</u>

12. STRUCTURED DEPOSITS

	Group	
	2017 \$'000	2016 \$'000
Structured deposits	<u>1,019</u>	<u>1,002</u>

Structured deposits are recorded at their fair values as at the end of the reporting period. These deposits are made for a term of 6 years, the return as determined, annually by the market access product falling within the range barriers as set-out under the terms of the deposit. The structured deposits will mature in February 2021.

Structured deposits are pledged to a bank as security for banking facilities granted to the Group (Note 22).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

13. TRADE RECEIVABLES

	Group	
	2017 \$'000	2016 \$'000
Trade receivables	9,993	8,073
Trade receivables due from associates	2,239	3,211
Retention monies relating to construction contracts	17,922	26,755
Unbilled receivables	3,615	2,716
	33,769	40,755
Represented by:		
Current	33,769	31,014
Non-current	–	9,741
	33,769	40,755

Trade receivables are non-interest bearing. Current balances are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group is an amount of \$12,207,000 (2016: \$11,234,000) which has been assigned to the banks for banking facilities granted to the Group as disclosed in Note 22.

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$474,000 (2016: \$2,000) 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 reporting period is as follows:

	Group	
	2017 \$'000	2016 \$'000
Trade receivables past due:		
Less than 60 days	460	–
61 to 90 days	–	–
More than 90 days	14	2
At end of the year	474	2

Receivables that are impaired

As of 31 March 2017 and 2016, the Group did not have trade receivables that are impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

14. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Sundry debtors	1,039	1,038	10	10
Deposits	330	311	–	–
Interest receivable	71	130	10	16
Dividends receivable	768	3,492	–	–
	<u>2,208</u>	<u>4,971</u>	<u>20</u>	<u>26</u>
Less: Allowance for doubtful debts	(757)	(805)	–	–
	<u>1,451</u>	<u>4,166</u>	<u>20</u>	<u>26</u>

The Group's other receivables and deposits denominated in foreign currencies as at 31 March are as follows:

	Group	
	2017	2016
	\$'000	\$'000
Chinese Renminbi	<u>1,038</u>	<u>1,014</u>

Receivables that are impaired

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

	Group	
	2017	2016
	\$'000	\$'000
Other receivables – nominal amounts	757	805
Less: Allowance for doubtful debts	<u>(757)</u>	<u>(805)</u>
	<u>–</u>	<u>–</u>

Movement in allowance for doubtful debts:

At beginning of the year	805	704
(Write-back)/charge for the year	(23)	157
Exchange differences	<u>(25)</u>	<u>(56)</u>
At end of the year	<u>757</u>	<u>805</u>

These receivables are individually determined to be impaired at the end of the reporting period. They relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

15. AMOUNTS DUE FROM SUBSIDIARIES (NON-TRADE)/AMOUNTS DUE TO SUBSIDIARIES (NON-TRADE)

Amounts due from subsidiaries (non-trade) amounting to \$39,666,000 (2016: \$68,855,000) are unsecured, have no fixed term of repayment and are not expected to be repaid within the next twelve months. These amounts bear interest ranging from 2.30% to 5.35% (2016: 2.30% to 5.35%) per annum and are to be settled in cash.

The remaining amounts due from subsidiaries (non-trade) amounting to \$38,288,000 (2016: \$52,209,000) are unsecured, non-interest bearing, have no fixed term of repayment and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

Amounts due to subsidiaries (non-trade) amounting to \$34,354,000 (2016: \$8,224,000) are unsecured, non-interest bearing, have no fixed term of repayment and are not expected to be repaid within the next twelve months. These balances are to be settled in cash.

Receivables that are impaired

Amounts due from subsidiaries (non-trade) that are impaired at the end of the reporting period and the movement in the allowance accounts used to record the impairment are as follows:

	Company	
	2017	2016
	\$'000	\$'000
Amounts due from subsidiaries (non-trade)	79,727	122,766
Less: Allowance for impairment	(1,773)	(1,702)
	<u>77,954</u>	<u>121,064</u>

Movements in allowance for impairment of amount due from a subsidiary are as follows:

At beginning of the year	(1,702)	–
Charge for the year	(71)	(1,702)
At end of the year	<u>(1,773)</u>	<u>(1,702)</u>

At the end of the reporting period, the Company has provided an allowance of \$1,773,000 (2016: \$1,702,000) for impairment of receivable due from a subsidiary with a nominal amount of \$1,773,000 (2016: \$1,702,000). This subsidiary has been suffering financial losses for the current and past financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

16. CONSTRUCTION WORK-IN-PROGRESS

	Group	
	2017	2016
	\$'000	\$'000
Project costs incurred to date	128,594	402,897
Recognised profits less recognised losses to date	13,419	35,993
	142,013	438,890
Less: Progress billings received and receivable	(146,014)	(458,487)
Amounts due to customers for contract work, net	(4,001)	(19,597)
Represented by:		
Construction work-in-progress in excess of progress billings	1,945	6,840
Progress billings in excess of construction work-in-progress	(5,946)	(26,437)
	(4,001)	(19,597)

17. FIXED DEPOSITS

Fixed deposits have maturities ranging from 1 week to 1 year (2016: 1 week to 1 year) and earn interest at the respective short term deposit rates. The interest rates for the year ended 31 March 2017 for the Group and the Company range from 0.05% to 3.05% (2016: 0.05% to 3.05%) and from 0.69% to 1.00% (2016: 0.69% to 1.60%) respectively.

Fixed deposits of the Group and Company amounting to \$30,076,000 (2016: \$24,871,000) and \$2,070,000 (2016: \$2,056,000) respectively have been pledged to the banks for banking facilities granted to the Group and Company as disclosed in Notes 21 and 22.

The Group's fixed deposits denominated in foreign currency as at 31 March are as follows:

	Group	
	2017	2016
	\$'000	\$'000
Malaysian Ringgit	174	251

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

18. CASH AND BANK BALANCES

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following amounts as at 31 March:

	Note	Group		Company	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash and bank balances		56,180	15,155	1,038	3,604
Fixed deposits	17	89,673	177,854	17,444	17,248
		145,853	193,009	18,482	20,852
Less: Pledged fixed deposits		(30,076)	(24,871)	(2,070)	(2,056)
Cash and cash equivalents		115,777	168,138	16,412	18,796

The Group's and the Company's cash and bank balances earn interest at floating rates based on daily bank deposit rates.

The Group's cash and bank balances denominated in foreign currencies as at 31 March are as follows:

	Group	
	2017 \$'000	2016 \$'000
Chinese Renminbi	2,886	2,660
United States Dollar	29	28
Hong Kong Dollar	7	6
Malaysian Ringgit	28	44

19. TRADE PAYABLES

Trade payables are non-interest bearing. Current balances are normally settled on 14 to 60 days' terms. Non-current balances are not expected to be settled within the next twelve months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

20. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Other payables	4,330	4,279	179	178
Accrued operating expenses	52,513	62,625	3,734	5,776
Advance payments	894	933	–	–
Interest payable	84	284	17	–
Interest payable on term notes, unsecured	–	1,353	–	1,353
Amount due to an associate	406	420	–	–
	58,227	69,894	3,930	7,307
Represented by:				
Current	58,041	69,704	3,930	7,307
Non-current	186	190	–	–
	58,227	69,894	3,930	7,307

Other payables are non-interest bearing. Current balances are normally settled on 30 days' terms.

The Group's other payables and accruals denominated in foreign currencies as at 31 March are as follows:

	Group	
	2017	2016
	\$'000	\$'000
Chinese Renminbi	5,545	5,188
Hong Kong Dollar	27	444
Malaysian Ringgit	2	14

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

21. BANK TERM LOANS, SECURED

	Note	Group		Company	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
SGD Term loans – investment properties	(a)	5,493	6,076	–	–
SGD 2-year Term loan	(b)	32,000	38,000	–	–
SGD 3-year Term loan A	(c)	14,600	18,200	–	–
RMB Term loan – investment property	(d)	3,958	5,440	–	–
SGD 3-year Term loan B	(e)	9,525	–	9,525	–
		65,576	67,716	9,525	–
Due within 12 months		38,642	13,543	1,140	–
Due after 12 months		26,934	54,173	8,385	–
		65,576	67,716	9,525	–

- (a) These bank loans bear interest ranging from 2.10% to 2.65% (2016: 1.88% to 2.65%) per annum. These term loans are repayable by monthly instalments over 15 years, commencing on their respective drawdown dates.

The term loans are secured by the following:

- (i) first legal mortgage on the investment properties (Note 8); and
 - (ii) corporate guarantee from the Company (Note 40).
- (b) This bank loan bears interest ranging from 1.48% to 2.18% (2016: 2.00% to 2.72%) per annum. The term loan is repayable by quarterly instalments over 2 years, commencing on 26 June 2016.

The term loan is secured by the following:

- (i) first legal mortgage on the investment property (Note 8) located at 9 Holt Road and on the leasehold factory building (Note 4);
- (ii) charge on fixed deposits amounting to \$4,782,000 (2016: \$4,752,000) (Note 17); and
- (iii) corporate guarantee from the Company (Note 40).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

21. BANK TERM LOANS, SECURED (CONTINUED)

- (c) This bank loan bears interest ranging from 1.87% to 2.22% (2016: 2.20% to 2.37%) per annum. The term loan is repayable by monthly instalments over 3 years, commencing on 28 September 2015.

The term loan is secured by the following:

- (i) charge on fixed deposits amounting to \$5,088,000 (2016: \$5,000,000) (Note 17); and
- (ii) corporate guarantee from the Company (Note 40).

- (d) This bank loan bears interest at 4.51% (2016: 4.51% to 5.66%) per annum. The term loan is repayable by quarterly instalments over 10 years, commencing on February 2010.

The loan is secured by a first charge over the investment property (Note 8) located in Tianjin, the People's Republic of China.

- (e) This bank loan bears interest ranging from 1.97% to 2.07% (2016: Nil) per annum. The term loan is repayable by monthly instalments over 3 years, commencing on 4 August 2016.

The term loan is secured by a charge on fixed deposits amounting to \$2,070,000 (Note 17).

22. BILLS PAYABLE TO BANKS, SECURED

Bills payable to banks bear interest at 3.47% (2016: 3.24%) per annum. These bills payable will mature 5 months (2016: 2 months) from year-end.

Bills payable to banks are secured by the following:

- (i) charge on fixed deposits and structured deposits amounting to \$18,137,000 (2016: \$13,063,000) and \$1,019,000 (2016: \$1,002,000) respectively (Notes 17 and 12);
- (ii) first charge over the contract proceeds and project account arising from a construction project (Note 13); and
- (iii) corporate guarantee from the Company (Note 40).

23. TERM NOTES, UNSECURED

On 5 July 2013, the Company established a S\$300,000,000 Multicurrency Medium Term Note Program (the "Program"). On 20 November 2013, the Company issued \$75,000,000 of notes under the Program. These notes are unsecured, bear interest at a fixed rate of 5.25% per annum and have been fully redeemed during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

24. SHARE CAPITAL

	2017		2016	
	Number of shares	\$'000	Number of shares	\$'000
Group and Company				
Issued and fully paid ordinary shares:				
At 1 April	445,788,599	50,915	414,353,307	50,915
Issuance of shares on bonus issue	–	–	41,435,292	–
At 31 March	<u>445,788,599</u>	<u>50,915</u>	<u>455,788,599</u>	<u>50,915</u>

In the prior year, the Company allotted and issued 41,435,292 pursuant to the bonus issuance exercise.

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 restrictions. The ordinary shares have no par value.

25. TREASURY SHARES

	2017		2016	
	Number of shares	\$'000	Number of shares	\$'000
Group and Company				
At 1 April	7,665,940	3,354	1,637,000	851
Acquired during the year	–	–	6,028,940	2,503
Re-issuance of treasury shares pursuant to placement	(7,665,940)	(3,827)	–	–
Gain on re-issuance of treasury shares	–	473	–	–
At 31 March	<u>–</u>	<u>–</u>	<u>7,665,940</u>	<u>3,354</u>

Treasury shares relate to ordinary shares of the Company that are held by the Company.

In the prior year, the Company acquired 6,028,940 ordinary shares by way of market purchases on the Singapore Exchange and held as treasury shares.

The Company re-issued 7,665,940 (2016: Nil) treasury shares in the Company pursuant to Placement Agreement during the financial year. The total amount received for the re-issuance was \$3,827,000 and resulted in a capital gain on re-issuance of treasury shares of \$473,000 (2016: \$Nil) which was taken to other reserves (Note 28).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

26. 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.

27. ASSET REVALUATION RESERVE

The asset revaluation reserve represents the share of gain on property revaluation of associated companies, net of tax, and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

28. OTHER RESERVES

		Group		Company	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Statutory reserves	(a)	1,139	1,027	–	–
General reserves	(b)	113	102	–	–
Warrant reserves	(c)	2,629	2,156	2,629	2,156
Other reserves	(d)	(107)	(107)	–	–
		<u>3,774</u>	<u>3,178</u>	<u>2,629</u>	<u>2,156</u>

Movement

(a) Statutory reserves

		Group	
		2017	2016
		\$'000	\$'000
At 1 April		1,027	894
Transferred from retained earnings		<u>112</u>	<u>133</u>
At 31 March		<u>1,139</u>	<u>1,027</u>

In accordance with the Foreign Enterprise Law applicable to a subsidiary in the People's Republic of China ("PRC"), the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

28. OTHER RESERVES (CONTINUED)

Movement (continued)

(b) *General reserves*

	Group	
	2017 \$'000	2016 \$'000
At 1 April	102	89
Transferred from retained earnings	11	13
At 31 March	<u>113</u>	<u>102</u>

In accordance with the “Law of the People’s Republic of China on Joint Ventures Using Chinese and Foreign Investment” and the Group’s PRC subsidiaries’ Articles of Association, appropriations from net profit should be made to the Reserve Fund and the Enterprise Expansion Fund, after offsetting accumulated losses from prior years, and before profit distributions to the investors. The percentage to be appropriated to the Reserve Fund and the Enterprise Expansion Fund is determined by the Board of Directors of the PRC subsidiaries.

(c) *Warrant reserves*

Warrant reserves comprise proceeds from the issue of warrants and capital gains on re-issuance of treasury shares of \$1,115,000 (In prior years: \$642,000).

(d) *Other reserves*

Other reserves represent the premium paid on acquisition of non-controlling interests of \$107,000 in prior years.

29. PROJECT REVENUE

	Group	
	2017 \$'000	2016 \$'000
Construction contract revenue	<u>193,596</u>	<u>239,182</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

30. OTHER INCOME

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Gain on sale of plant and equipment	142	10	–	–
Interest income	5,470	6,875	2,422	3,653
Other income	1,968	1,425	7	4
Gain on fair value adjustments of investment properties	317	375	–	–
Fair value gain on structured deposits	17	15	–	–
Foreign exchange gain	7	74	7	6
Gain on acquisition of an associate	136	–	–	–
Gain on sale of quoted equity (other investment)	1	–	–	–
Dividend income from a subsidiary	–	–	–	17,000
Management and administrative fee income from associates/subsidiaries	306	267	7,784	3,953
	8,364	9,041	10,220	24,616

31. PERSONNEL EXPENSES

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Salaries, wages and bonuses	9,144	11,149	5,020	6,782
Central Provident Fund and other pension costs	1,253	1,293	46	32
Directors' fees	180	180	180	180
Other personnel expenses	1,262	2,235	(226)	339
	11,839	14,857	5,020	7,333

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

31. PERSONNEL EXPENSES (CONTINUED)

The above includes compensation of key management personnel.

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<i>Compensation of key management personnel</i>				
Salaries, wages and bonuses	5,020	6,782	5,020	6,782
Central Provident Fund and other pension costs	46	32	46	32
Directors' fees	180	180	180	180
Total compensation paid to key management personnel	5,246	6,994	5,246	6,994
Comprise amounts paid to:				
– Directors of the Company	4,783	6,535	4,783	6,535
– Other key management personnel	463	459	463	459
	5,246	6,994	5,246	6,994

32. FINANCE COSTS

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Interest expense				
– finance leases	25	26	–	–
– term loans	1,457	1,439	130	59
– bills payable	2	21	–	–
– term notes, unsecured	529	3,803	529	3,803
– loans due to associates and joint ventures	500	1,221	–	–
	2,513	6,510	659	3,862
Others				
– bank charges	23	10	15	1
	2,536	6,520	674	3,863

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

33. OTHER OPERATING EXPENSES

The following items have been included in other operating expenses:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Audit fees	316	300	135	133
Non audit fees paid to auditor of the Company	89	78	10	10
(Write back)/allowance for doubtful debts	(23)	157	–	–
Foreign exchange loss	1,600	610	–	–
Operating lease expenses	591	277	–	–
Amortisation of club membership	2	3	–	–
Amortisation of issuance costs on term notes	68	500	68	500
Loss on fair value adjustments of investment properties	300	600	–	–
Loss on sale of plant and equipment	25	175	–	–
Impairment loss on loan due from an associate	62	1,263	–	–
Impairment loss on amount due from a subsidiary (non-trade)	–	–	71	1,702

34. INCOME TAX AND DEFERRED TAX

Major components of income tax expense for the years ended 31 March are:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current tax				
– current year	5,947	4,668	358	240
– over provision in respect of previous years	(126)	(177)	(12)	(26)
Deferred tax				
– current year	(257)	734	–	–
– over provision in respect of previous years	–	(601)	–	–
Income tax expense recognised in profit or loss	5,564	4,624	346	214

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

34. INCOME TAX AND DEFERRED TAX (CONTINUED)

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate is as follows:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Profit from operations before share of results of associates and joint ventures	32,742	18,321	3,879	10,072
Tax at the domestic rates applicable to profit in the countries concerned ⁽¹⁾	7,559	8,862	659	1,712
Tax effect of:				
– Expenses not deductible	1,079	2,538	(264)	1,464
– Tax rebates and exemption	(228)	(168)	(36)	(46)
– Non-taxable income	(2,670)	(6,143)	(1)	(2,890)
– Over provision in respect of previous years	(126)	(778)	(12)	(26)
– Withholding tax expense	(15)	641	–	–
– Others	(35)	(328)	–	–
Income tax expense recognised in profit or loss	5,564	4,624	346	214

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

Deferred tax liabilities

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities:				
Differences in depreciation	510	762	–	–
Tax effect on revaluation of investment properties	16,166	16,587	–	–
Others	2,673	2,663	–	–
	19,349	20,012	–	–
Deferred tax assets:				
Employee benefits	(120)	(139)	–	–
Tax effect on provision for general defects liability period for completed projects	(420)	(332)	–	–
Deferred tax liabilities, net	18,809	19,541	–	–

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

35. EARNINGS PER SHARE

Basic earnings per share ("EPS") amounts are calculated by dividing the Group's profit after taxation attributable to owners of the Company by the weighted average number of ordinary shares taken into account the weighted average effect of changes in treasury shares transactions during the year.

Diluted earnings per share is calculated by dividing the Group's profit for the year attributable to owners of the Company by the weighted average number of ordinary shares taken into account the weighted average effect of changes in treasury shares transactions during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential 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 March:

	Group	
	2017 \$'000	2016 \$'000
Profit net of tax attributable to owners of the Company used in the computation of earnings per share	<u>40,975</u>	<u>61,487</u>
	2017 '000	2016 '000
Weighted average number of ordinary shares for computing basic and diluted earnings per share	<u>451,956</u>	<u>450,491</u>
Basic and diluted earnings per share (cents per share)	<u>9.07</u>	<u>13.65</u>

36. NET ASSET VALUE PER SHARE

Net asset value per share is calculated by dividing the Group's net assets attributable to owners of the Company by the total number of issued ordinary shares excluding treasury shares at the end of the year.

The following table reflects the net asset and share data used in the computation of net asset value per share for the years ended 31 March:

	Group	
	2017 \$'000	2016 \$'000
Net assets attributable to owners of the Company	<u>320,749</u>	<u>293,242</u>

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36. NET ASSET VALUE PER SHARE (CONTINUED)

	2017 '000	2016 '000
Total number of issued ordinary shares excluding treasury shares as at 31 March	<u>455,789</u>	<u>448,123</u>
Net asset value per share (cents per share)	<u>70.37</u>	<u>65.44</u>

37. DIVIDENDS

	Group and Company	
	2017 \$'000	2016 \$'000
Dividends paid during the year:		
<i>Dividends on ordinary shares:</i>		
– Interim exempt (one-tier) dividend for 2017: 1.25 cents (2016: 1.55 cents) per share	5,697	6,315
– Final exempt (one-tier) dividend for 2016: 2.00 cents (2015: 1.50 cents) per share	<u>8,962</u>	<u>6,191</u>
Proposed but not recognised as a liability as at 31 March:		
<i>Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:</i>		
– Final exempt (one-tier) dividend for 2017: 2.00 cents (2016: 2.00 cents) per share	<u>9,116</u>	<u>8,962</u>

The Directors have proposed a final cash and cash special tax-exempt (one-tier) dividend of 2.00 cents per share ("Proposed Final Dividend for FY 2017"), amounting to approximately \$9,116,000 be paid in respect of the year ended 31 March 2017. The dividend will be recorded as a liability in the balance sheets of the Company and Group upon approval by the shareholders at the Annual General Meeting of the Company.

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements.

38. RELATED PARTY TRANSACTIONS

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 year:

	Group	
	2017 \$'000	2016 \$'000
Construction services rendered to associates	<u>45</u>	<u>33</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

39. SEGMENT INFORMATION

Reporting format

The Group's primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that serves different markets.

Business segments

The construction segment relates to acting as main contractors in construction projects in Singapore and Malaysia, and provision of services mainly to property developers in both the private and public sectors.

The property development and management segment relates to the development and sales of properties and the provision of property management services.

The others segment relates to general corporate and investment holding activities.

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Revenue disclosed in geographical segments is based on the geographical location of operations.

Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise tax liabilities and corporate liabilities.

Segment accounting policies are the same as the policies described in Note 2.

NOTES TO THE FINANCIAL STATEMENTS

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39. SEGMENT INFORMATION (CONTINUED)

(a) *Business segments*

The following tables present revenue and results information regarding the Group's business segments for the years ended 31 March 2017 and 2016.

There are no inter-segment sales within the Group.

	Construction \$'000	Property development and management \$'000	Others \$'000	Eliminations \$'000	Total \$'000
2017					
Revenue					
External sales	193,596	5,668	–	–	199,264
Segment results	34,511	2,133	(6,836)	–	29,808
Share of results of associates and joint ventures	–	14,158	75	–	14,233
Interest income	763	12	4,695	–	5,470
Finance costs	(990)	(869)	(677)	–	(2,536)
Profit/(loss) before taxation	34,284	15,434	(2,743)	–	46,975
Income tax expense					(5,564)
Non-controlling interests					(436)
Net profit attributable to owners of the Company					40,975
Segment assets	234,991	120,162	82,227	(121,603)	315,777
Interests in associates	–	150,171	6,333	–	156,504
Interests in joint ventures	–	44,657	–	–	44,657
Total assets					516,938
Segment liabilities	73,355	21,902	63,978	(75,912)	83,323
Borrowings	47,749	9,451	9,525	–	66,725
Unallocated liabilities					24,057
Total liabilities					174,105
Other segment information:					
Capital expenditures	404	69	–	–	473
Depreciation of property, plant and equipment	1,944	18	–	–	1,962

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

39. SEGMENT INFORMATION (CONTINUED)

(a) *Business segments (continued)*

	Construction \$'000	Property development and management \$'000	Others \$'000	Eliminations \$'000	Total \$'000
2016					
Revenue					
External sales	239,182	6,272	–	–	245,454
Segment results	26,548	1,657	(10,239)	–	17,966
Share of results of associates and joint ventures	–	47,024	1,130	–	48,154
Interest income	997	15	5,863	–	6,875
Finance costs	(922)	(512)	(5,086)	–	(6,520)
Profit/(loss) before taxation	26,623	48,184	(8,332)	–	66,475
Income tax expense					(4,624)
Non-controlling interests					(364)
Net profit attributable to owners of the Company					61,487
Segment assets	268,960	123,151	74,699	(84,156)	382,654
Interests in associates	–	173,416	6,454	–	179,870
Interests in joint ventures	–	37,912	–	–	37,912
Total assets					600,436
Segment liabilities	121,758	21,743	40,426	(61,957)	121,970
Borrowings	57,368	11,516	70,682	–	139,566
Unallocated liabilities					23,333
Total liabilities					284,869
Other segment information:					
Capital expenditures	1,443	4	–	–	1,447
Depreciation of property, plant and equipment	1,999	18	–	–	2,017

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

39. SEGMENT INFORMATION (CONTINUED)

(b) *Geographical segments*

The following tables present revenue, capital expenditures and certain asset information regarding the Group's geographical segments for the years ended 31 March 2017 and 2016.

There are no inter-segment sales within the Group.

	Singapore	Malaysia	Vietnam	Japan	Australia	England, United Kingdom	The People's Republic of China	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2017									
Revenue	193,943	–	–	–	–	–	5,321	–	<u>199,264</u>
Segment assets	246,189	278	–	1,425	800	–	109,378	(42,293)	<u>315,777</u>
Interests in associates	113,502	–	693	–	2,885	12,525	26,899	–	<u>156,504</u>
Interests in joint ventures	44,657	–	–	–	–	–	–	–	<u>44,657</u>
Total assets									<u>516,938</u>
Other segment information:									
Capital expenditures	404	–	–	–	–	–	69	–	<u>473</u>
	Singapore	Malaysia	Vietnam	Japan	Australia	England, United Kingdom	The People's Republic of China	Eliminations	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2016									
Revenue	239,533	–	–	–	–	–	5,921	–	<u>245,454</u>
Segment assets	312,032	377	–	1,438	770	–	107,881	(39,844)	<u>382,654</u>
Interests in associates	135,807	–	698	–	–	14,374	28,991	–	<u>179,870</u>
Interests in joint ventures	37,912	–	–	–	–	–	–	–	<u>37,912</u>
Total assets									<u>600,436</u>
Other segment information:									
Capital expenditures	1,443	–	–	–	–	–	4	–	<u>1,447</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

40. CONTINGENT LIABILITIES AND COMMITMENTS

(a) *Contingent liabilities*

Guarantees

The Group and Company have provided the following guarantees at the end of the reporting period.

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Guarantees given to financial institutions in connection with facilities given to:				
(a) subsidiaries*	—	—	131,466	138,159
(b) associates	91,585	215,536	91,585	215,536
(c) joint ventures	128,479	130,208	128,479	130,208

* The Company acts as a corporate guarantor for credit facilities granted to subsidiaries, for a total facility amount of \$415,769,000 (2016: \$443,734,000) of which \$131,466,000 (2016: 138,159,000) has been utilised as at the end of the reporting period.

Based on information currently available, the Group and Company do not expect any liabilities to arise from the guarantees.

(b) *Operating lease commitments as lessees*

The Group has operating lease commitments on the land that the factory buildings are located, staff accommodation for foreign workers and on certain office equipment. Most of these leases contain renewable options. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing. These non-cancellable operating leases have remaining lease terms of 1 to 37 (2016: 1 to 38) years.

Future minimum lease payments payable under non-cancellable operating leases as at 31 March are as follows:

	Group	
	2017	2016
	\$'000	\$'000
Future minimum lease payments		
– not later than one year	453	354
– later than one year but not later than five years	1,244	1,280
– later than five years	7,967	6,435
	9,664	8,069

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

40. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

(c) *Operating lease commitments as lessors*

The Group entered into commercial and residential property leases on its investment properties under non-cancellable operating leases. These leases have remaining non-cancellable lease terms of up to 6 (2016: 6) years.

Future minimum lease payments receivable under the non-cancellable operating leases as at 31 March are as follows:

	Group	
	2017	2016
	\$'000	\$'000
Not later than one year	4,033	4,028
Later than one year but not later than five years	4,486	4,098
Later than five years	691	789
	<u>9,210</u>	<u>8,915</u>

41. FAIR VALUE OF ASSETS AND LIABILITIES

(a) *Fair value hierarchy*

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 than 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.

NOTES TO THE FINANCIAL STATEMENTS

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41. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group 2017 \$'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Assets				
<i>Financial assets</i>				
<u>Financial assets at fair value through profit or loss</u>				
Structured deposits (Note 12)	–	1,019	–	1,019
Financial assets as at 31 March 2017	–	1,019	–	1,019
<i>Non-financial assets</i>				
<u>Investment properties (Note 8)</u>				
Commercial	–	–	104,909	104,909
Residential	–	–	15,200	15,200
Non-financial assets as at 31 March 2017	–	–	120,109	120,109

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

41. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) *Assets and liabilities measured at fair value (continued)*

	Group 2016 \$'000			
	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Recurring fair value measurements				
Assets				
<i>Financial assets</i>				
<u>Financial assets at fair value through profit or loss</u>				
Structured deposits (Note 12)	–	1,002	–	1,002
Other investments	1	–	–	1
	<u>1</u>	<u>1,002</u>	<u>–</u>	<u>1,003</u>
Financial assets as at 31 March 2016	1	1,002	–	1,003
<i>Non-financial assets</i>				
<u>Investment properties (Note 8)</u>				
Commercial	–	–	107,840	107,840
Residential	–	–	15,500	15,500
	<u>–</u>	<u>–</u>	<u>123,340</u>	<u>123,340</u>
Non-financial assets as at 31 March 2016	–	–	123,340	123,340

(c) **Level 2 fair value measurements**

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy:

Structured deposits

Structured deposits are valued using a valuation technique with market observable inputs. These inputs include quoted prices in active markets for investments linked to these deposits and credit quality of counterparties.

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41. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) *Level 3 fair value measurements*

- (i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value as at 31 March 2017	Valuation techniques	Unobservable inputs	Range
Investment Properties:				
Commercial	104,909	Market comparable approach	Yield adjustments based on management's assumptions*	10% to 20%
Residential	15,200	Market comparable approach	Yield adjustments based on management's assumptions*	2% to 11%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

For commercial and residential investment properties, a significant increase/(decrease) in yield adjustments based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

The following table shows the impact on the Level 3 fair value measurement of assets that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

	Effect of reasonably possible alternative assumptions	
	Carrying amount \$'000	Profit or loss \$'000
Recurring fair value measurements		
<u>Investment properties:</u>		
Commercial	104,909	3,147
Residential	15,200	456

NOTES TO THE FINANCIAL STATEMENTS

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41. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(d) *Level 3 fair value measurements (continued)*

- (i) Information about significant unobservable inputs used in Level 3 fair value measurements (continued)

In order to determine the effect of the above reasonably possible alternative assumptions, the Group adjusted the following key unobservable inputs used in the fair value measurement:

For commercial and residential investment properties, the Group adjusted the yield adjustments based on management's assumption by increasing and decreasing the adjustments by 3% depending on nature, location or condition of the specific property.

- (ii) Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for investment properties which are measured at fair value on significant unobservable inputs (Level 3):

	Group	
	2017	2016
	\$'000	\$'000
Beginning of financial year	123,340	131,713
– Net fair value gain/(loss) recognised in profit or loss	17	(225)
– Exchange differences	(3,248)	(8,148)
End of financial year	120,109	123,340

- (iii) Valuation policies and procedures

Management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, Management reports to the Group's Audit Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

For valuations performed by external valuation experts, the Management reviews the appropriateness of the valuation methodologies and assumptions adopted. The Management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by Management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

NOTES TO THE FINANCIAL STATEMENTS

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41. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

- (e) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximations of fair value***

Fair value information has not been disclosed for non-current receivables and payables. These balances have no fixed terms of repayment and are repayable only when the cash flows of the Company or counterparty permit. Accordingly, the fair values of these balances cannot be determined as the timing of the cash flows cannot be estimated reliably.

- (f) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts approximate fair value***

The carrying amounts of current receivables and payables are reasonable approximation of their fair values due to their short-term nature.

The carrying amounts hire purchase creditors approximate their fair values as the implicit interest rates approximates the market interest rates prevailing at the financial year end.

The carrying amounts of bank term loans are reasonably approximation of their fair values as they are floating rate instruments that re-priced to market interest rates on or near the end of the reporting period.

42. 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, interest rate risk, foreign currency risk and credit risk. The Group currently does not actively pursue a policy of hedging these risks through the use of derivatives.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

- (i) ***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 objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by Management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) *Liquidity risk (continued)*

The following table sets out the maturity profile of the Group's and Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments:

	Within 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2017				
Group				
Trade and other payables	75,782	1,507	–	77,289
Loans and borrowings	40,323	25,752	2,724	68,799
Company				
Trade and other payables	3,930	–	–	3,930
Loans and borrowings	1,328	8,608	–	9,936
2016				
Group				
Trade and other payables	90,097	5,305	–	95,402
Loans and borrowings	87,010	53,134	3,390	143,534
Company				
Trade and other payables	7,307	–	–	7,307
Loans and borrowings	71,188	–	–	71,188

Undiscounted loan payments with variable rates had been determined with reference to conditions existing as at the end of the reporting period.

The table below shows the contractual expiry by maturity of the Group's and the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	Total \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000
As at 31 March 2017			
Group			
Financial guarantees	220,064	220,064	–
Company			
Financial guarantees	351,530	351,530	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) *Liquidity risk (continued)*

	Total \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000
As at 31 March 2016			
Group			
Financial guarantees	345,744	345,744	–
Company			
Financial guarantees	483,903	483,903	–

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and Company's exposure to interest rate risk arises primarily from bank borrowings and loans, which comprise a mixture of fixed and floating rate debts. The floating rate debts are contractually re-priced at intervals of 1 to 6 months.

The Group currently does not actively pursue a policy of hedging this risk through the use of derivatives. Instead, the Group manages interest cost by borrowing at the most competitive rates under the most favourable terms and conditions.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 10 (2016: 10) basis points lower with all other variables held constant, the impact in terms of SGD to the Group's profit after taxation and equity would be \$56,000 (2016: \$23,000) higher; if the interest rates had been 10 (2016: 10) basis points higher with all other variables held constant, the impact in terms of SGD to the Group's profit after taxation and equity would be \$56,000 (2016: \$23,000) lower.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) *Foreign currency risk*

Foreign currency risk arises from financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. The functional currencies of the Group entities are primarily SGD, Malaysian Ringgit ("MYR"), Chinese Renminbi ("RMB") and Hong Kong Dollar ("HKD").

The Group has minimal transactional currency exposures arising from sales or purchases of goods and services that are denominated in a currency other than the respective functional currencies of the Group entities. Similarly, the Group has minimal exposure to translation risk on its trade and other receivables and payables at the end of the reporting period as these balances are largely denominated in the functional currencies of the respective Group entities. It is the Group's policy to conduct transactions in the respective functional currencies of the Group entities where possible so as to minimise the Group's exposure to foreign currency risk.

The Group holds cash and cash equivalents denominated in currencies other than SGD for working capital purposes. As at the balance sheet date, the carrying amounts of cash and cash equivalents denominated in currencies other than SGD, are disclosed in Note 18.

Certain Group entities provide financing to other Group entities, either in the functional currencies of the lender or borrower, or in currencies other than the functional currencies of the Group entities. Certain long-term financing forms part of the Group's net investments in those Group entities and the resulting exchange differences are recognised initially in equity as foreign currency translation reserve in the consolidated balance sheet and recognised in the consolidated income statement only on disposal of those Group entities. Such balances are denominated primarily in RMB, MYR, United States Dollar ("USD"), Pound Sterling ("GBP") and Japanese Yen ("JPY"). The Group currently does not actively pursue a policy of hedging its net investments in the Group entities as such currency positions are considered to be long-term in nature.

NOTES TO THE FINANCIAL STATEMENTS

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42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) *Foreign currency risk (continued)*

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the RMB, MYR, USD, GBP and JPY exchange rates against the functional currencies of the Group entities, in SGD equivalent, with all other variables held constant, on the Group's profit before tax.

	2017 Profit before of tax \$'000	2016 Profit before of tax \$'000
USD – strengthened by 3% (2016: 3%)	1	1
– weakened by 3% (2016: 3%)	(1)	(1)
RMB – strengthened by 3% (2016: 3%)	23	24
– weakened by 3% (2016: 3%)	(23)	(24)
MYR – strengthened by 3% (2016: 3%)	(2)	(2)
– weakened by 3% (2016: 3%)	2	2
GBP – strengthened by 3% (2016: 3%)	365	428
– weakened by 3% (2016: 3%)	(365)	(428)
JPY – strengthened by 3% (2016: 3%)	42	43
– weakened by 3% (2016: 3%)	(42)	(43)

(iv) *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. The Group and 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 increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) **Credit risk (continued)**

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the balance sheets; and
- Corporate guarantee provided by the Company for banking facilities granted to subsidiaries, associates and joint ventures (Note 40).

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 end of the reporting period is as follows:

	2017		2016	
	\$'000	% of total	\$'000	% of total
Group				
By country:				
Singapore	<u>33,769</u>	<u>100</u>	<u>40,755</u>	<u>100</u>
By industry sector:				
Construction	<u>33,769</u>	<u>100</u>	<u>40,755</u>	<u>100</u>

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with reputable financial institutions with high credit ratings and no history of default.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

43. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The table below is an analysis of the carrying amounts of financial instruments as at 31 March by categories as defined in FRS 39:

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets at fair value through profit or loss – designated as such on initial recognition</i>				
Structured deposits	1,019	1,002	–	–
Other investments	–	1	–	–
	1,019	1,003	–	–
<i>Loans and receivables</i>				
Loans due from associates	87,233	76,069	–	–
Amounts due from associates (non-trade)	7,969	8,215	–	–
Loans due from joint ventures	38,811	33,617	–	–
Amounts due from joint ventures (non-trade)	1,601	5,797	–	–
Other receivables (non-current)	2,225	2,208	–	–
Amount due from a minority shareholder of a subsidiary (non-trade)	2,242	2,311	–	–
Amounts due from subsidiaries (non-trade)	–	–	77,954	121,064
Trade receivables	33,769	40,755	–	–
Other receivables and deposits	1,451	4,166	20	26
Fixed deposits	89,673	177,854	17,444	17,248
Cash and bank balances	56,180	15,155	1,038	3,604
	321,154	366,147	96,456	141,942
<i>Financial liabilities measured at amortised cost</i>				
Trade payables	19,062	25,508	–	–
Other payables and accruals	58,227	69,894	3,930	7,307
Amounts due to subsidiaries (non-trade)	–	–	34,354	8,224
Amounts due to associates (non-trade)	1,580	1,935	–	–
Loans due to associates	27,630	–	–	–
Bank term loans, secured	65,576	67,716	9,525	–
Bills payable to banks, secured	513	316	–	–
Finance lease obligations	636	852	–	–
Term notes, unsecured	–	70,682	–	70,682
	173,224	236,903	47,809	86,213

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

44. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in 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 March 2017 and 31 March 2016.

As disclosed in Note 28, a subsidiary of the Group is required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund and enterprise expansion fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the subsidiary for the financial years ended 31 March 2017 and 31 March 2016. The percentage to be appropriated to the above mentioned funds is determined by the Board of Directors of the PRC subsidiaries.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Group includes within net debt, loans and borrowings, trade and other payables less cash and cash and bank balances and fixed deposits. Capital includes equity attributable to the owners of the Company less the abovementioned restricted statutory reserve fund and general reserve fund.

	Note	Group 2017 \$'000	2016 \$'000
Loans and borrowings		66,725	139,566
Trade and other payables		77,289	95,402
Less: Cash and bank balances and fixed deposits	18	(145,853)	(193,009)
Net debt		<u>(1,839)</u>	<u>41,959</u>
Equity attributable to the owners of the Company		320,749	293,242
Less: Statutory reserve fund		(1,139)	(1,027)
General reserve fund		(113)	(102)
Total capital		<u>319,497</u>	<u>292,113</u>
Capital and net debt		<u>317,658</u>	<u>334,072</u>
Gearing ratio		<u>(1%)</u>	<u>13%</u>

The Group is also required by certain banks to maintain certain gross debt-to-equity ratios and shareholders' funds. The Group is in compliance with all externally imposed capital requirements for the year ended 31 March 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

45. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) *Acquisition of interest in Oxley-Lian Beng Ventures Pte. Ltd.*

On 24 May 2017, KSH Development Pte. Ltd. ("KSHD"), a wholly-owned subsidiary of the Company, acquired 35% of the equity interest in Oxley-Lian Beng Venture Pte. Ltd. ("OLBVL") for a consideration of \$35. The principal activities of OLBVL is that of real estate developers.

Prior to the acquisition, OLBVL was a 50:50 joint venture company of Lian Beng Group Limited ("LBG") and Oxley Holdings Limited ("Oxley") with an issued and paid up share capital of 10 ordinary shares of \$10. OLBVL has increased its issued and paid-up capital from 10 ordinary shares of S\$10 to 100 ordinary share of S\$100 by issuing 90 new ordinary shares of S\$90. The new ordinary shares were subscribed by and allotted to the Company, Oxley, LBG and Apricot Capital Pte. Ltd. ("AC"). Following the aforesaid subscription and allotment of shares, the Company, Oxley, LBG and AC hold 35, 35, 20 and 10 ordinary shares respectively in the capital of OLBVL, representing 35%, 35%, 20% and 10% respectively of the entire paid-up capital of OLBVL. The intention of the management is to tender for a development project at Rio Casa which consisted of 7 blocks of residential units.

(b) *Incorporation of KSH Residential Pte. Ltd.*

On 29 May 2017, Kim Seng Heng Realty Pte. Ltd. ("KSHR"), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary, KSH Residential Pte. Ltd. ("KSHRE"). The issued share capital of KSHRE, comprising 1 ordinary share, was subscribed for an aggregate cash consideration of \$1.

On 7 June 2017, KSHRE incorporated a company, Unique Real Estate Pte. Ltd. ("URE") with an issued and paid-up share capital of 1 ordinary share of \$1. The principal activities of URE are (i) property development and (ii) holding of assets for investment. Following the completion of the incorporation, 99 new ordinary shares of \$1 each for cash consideration were issued and allotted (49 to KSHRE and 50 to Heeton Homes Pte. Ltd. ("Heeton Homes")). Consequently, URE became a joint venture company owned by KSHRE and Heeton Homes with each of KSHRE and Heeton Homes holding 50% equity interest in URE.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

45. EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONTINUED)

(b) *Incorporation of KSH Residential Pte. Ltd. (continued)*

On 9 June 2017, the Group's 50%-owned joint venture company Unique Real Estate Pte. Ltd. ("URE") together with CEL Development Pte. Ltd. ("CEL") have incorporated the following companies:

	Shareholders	Issued and paid up capital	Principal activities
CEL Unique Pte. Ltd.	CEL (60%); URE (40%)	S\$10	Investment Holding
CEL Unique Holdings Pte. Ltd.	CEL Unique Pte. Ltd.	S\$2	Investment Holding
CEL Unique Development Pte. Ltd.	CEL Unique Holdings Pte. Ltd.	S\$2	Real Estate Developer

46. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2017 were authorised for issue in accordance with a resolution of the Directors on 30 June 2017.

STATISTICS OF SHAREHOLDINGS

AS AT 22 JUNE 2017

DISTRIBUTION OF SHAREHOLDINGS

Issued and Fully Paid Capital	:	S\$54,124,915.22
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
Total no. of issued Ordinary Shares (excluding treasury shares)	:	455,788,599
Total no. of treasury shares	:	nil

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	42	2.38	2,045	0.00
100 – 1,000	126	7.13	57,236	0.01
1,001 – 10,000	593	33.56	3,232,667	0.71
10,001 – 1,000,000	976	55.23	65,561,661	14.39
1,000,001 AND ABOVE	30	1.70	386,934,990	84.89
TOTAL	1,767	100.00	455,788,599	100.00

The percentage of shareholdings in the hands of the public as at 22 June 2017 was approximately 34.96% and hence the Company has complied with Rule 723 of the Listing Manual which states that an issuer must ensure that at least 10% of the total number of issued shares excluding treasury shares is at all times held by the public.

The Company does not hold any treasury shares as at 22 June 2017.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	96,815,432	21.24
2	KWOK NGAT KHOW	65,004,219	14.26
3	TOK CHENG HOE	65,004,219	14.26
4	LIM KEE SENG	54,589,888	11.98
5	YIP SAU LEUNG	22,813,390	5.01
6	DBS NOMINEES (PRIVATE) LIMITED	12,242,636	2.69
7	PANG HENG KWEE	8,412,100	1.85
8	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	6,892,970	1.51
9	OCBC SECURITIES PRIVATE LIMITED	6,168,730	1.35
10	CHEUNG TIN HANG	5,577,000	1.22
11	CHUA SIAK NENG	5,207,165	1.14
12	GOH KIA HUA	5,207,165	1.14
13	CHEE SWEE HENG	4,761,000	1.04
14	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,908,714	0.64
15	UOB KAY HIAN PRIVATE LIMITED	2,482,386	0.54
16	DB NOMINEES (SINGAPORE) PTE LTD	2,383,160	0.52
17	ANG JUI KHOON	2,317,140	0.51
18	HSBC (SINGAPORE) NOMINEES PTE LTD	1,946,374	0.43
19	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,900,211	0.42
20	RAFFLES NOMINEES (PTE) LIMITED	1,808,246	0.40
TOTAL		374,442,145	82.15

STATISTICS OF SHAREHOLDINGS

AS AT 22 JUNE 2017

SUBSTANTIAL SHAREHOLDERS

(As shown in the Company's Register of Substantial Shareholders as at 22 June 2017)

NAME	DIRECT INTEREST (NO. OF SHARES)	%	DEEMED INTEREST (NO. OF SHARES)	%
CHOO CHEE ONN	87,074,639	19.10	—	—
KWOK NGAT KHOW	65,004,219	14.26	—	—
TOK CHENG HOE	65,004,219	14.26	—	—
LIM KEE SENG	54,589,888	11.98	—	—
YIP SAU LEUNG	22,883,890 ⁽¹⁾	5.02	1,400,100 ⁽²⁾	0.31

Notes:

- (1) Yip Sau Leung's shareholding interest of 22,883,890 shares in the Company comprises of 22,813,390 shares held in his name and 70,500 shares held through a nominee.
- (2) Yip Sau Leung is deemed to be interested in shares held by his spouse.

NOTICE OF 11TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 11th Annual General Meeting of **KSH HOLDINGS LIMITED** will be held at 60 Eu Tong Sen Street, Furama City Centre, Ballroom 1, Level 5, Singapore 059804 on Friday, 28 July 2017 at 9.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

- | | |
|---|--|
| <p>1. To receive the audited accounts for the financial year ended 31 March 2017 and the Statement of the directors of the Company ("Directors") and the Auditors' Report.</p> | Resolution 1 |
| <p>2. To declare a final tax exempt (one-tier) cash dividend of 1.50 cents per share and a final tax exempt (one-tier) special cash dividend of 0.50 cents per share for the financial year ended 31 March 2017.</p> | Resolution 2 |
| <p>3. To approve Directors' fees of S\$180,000 to be paid quarterly in arrears for the financial year ending 31 March 2018 to the Independent Directors. (2017: S\$180,000)</p> | Resolution 3 |
| <p>4. To re-elect the following Directors who retire in accordance with Article 89 of the Company's Constitution and who, being eligible, offer themselves for re-election:</p> <p style="margin-left: 20px;">(a) Mr Lim Kee Seng</p> <p style="margin-left: 20px;">(b) Mr Ko Chuan Aun</p> <p style="margin-left: 20px;">Mr Lim Kee Seng will, upon re-appointment as a Director of the Company, remain as an Executive Director.</p> <p style="margin-left: 20px;">Mr Ko Chuan Aun will, upon re-appointment as a Director of the Company, remain as an Independent Director of the Company as well as the Chairman of the Remuneration Committee and a member of each of the Audit and Risk Committee and Nominating Committee and will be considered independent of Management.</p> | Resolution 4
Resolution 5 |
| <p>5. To re-appoint Messrs Ernst & Young LLP as Auditor and to authorise the Directors to fix their remuneration.</p> | Resolution 6 |

NOTICE OF 11TH ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

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

6. **Authority to allot and issue shares up to 50 per centum (50%) of the total number of issued shares** **Resolution 7**

That pursuant to Section 161 of the Companies Act, Cap. 50, of Singapore ("Companies Act") and listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the directors of the Company to allot and issue shares and convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time to such persons and upon such terms and conditions and for such purposes as the directors may in their absolute discretion deem fit, provided that the aggregate number of shares and convertible securities to be issued pursuant to this resolution does not exceed 50% of the total number of issued shares excluding treasury shares issued by the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares issued by the Company. For the purpose of this resolution, the total number of issued shares excluding treasury shares to be issued by the Company shall be based on the total number of issued shares excluding treasury shares issued by the Company at the time this resolution approving the mandate is passed (after adjusting for any new shares arising from conversion or exercise of convertible securities; or new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of the resolution approving the mandate, provided the option or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual and any subsequent bonus issue, consolidation or subdivision of shares in the Company), and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

(See Explanatory Note (i))

7. That pursuant to Section 161 of the Companies Act, the Directors be empowered to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the KSH Scrip Dividend Scheme. **Resolution 8**

(See Explanatory Note (iii))

NOTICE OF 11TH ANNUAL GENERAL MEETING

8. The proposed renewal of the Share Purchase Mandate

Resolution 9

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
- (i) on-market purchases (each a "**Market Purchase**") transacted on the SGX-ST; and/or
 - (ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit,

in accordance with the Companies Act, the Listing Manual and all other laws, rules and regulations as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

- (b) the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
 - (ii) the date on which purchases or acquisitions of Shares have been carried out to the full extent permitted under the Share Purchase Mandate; or
 - (iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in a general meeting;

NOTICE OF 11TH ANNUAL GENERAL MEETING

(c) in this Resolution:

"Prescribed Limit" means 10% of the issued Shares (excluding treasury shares and subsidiary holdings), as at the date of the passing of this Resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered (excluding any subsidiary holdings and any treasury shares that may be held by the Company from time to time);

"Relevant Period" means the period commencing from the date of passing of this Resolution and expiring on the date the next annual general meeting of the Company is held or required by law to be held, whichever is the earlier;

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

where:

"Average Closing Price" is the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded, preceding the date of the Market Purchase, or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be, and deemed to be adjusted for any corporate action that occurs after such five-day period; and

"date of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

NOTICE OF 11TH ANNUAL GENERAL MEETING

- (d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient, necessary or desirable to give effect to the transactions contemplated by this Resolution.

(See Explanatory Note (iii))

9. To transact any other ordinary business of an Annual General Meeting of which due notice shall have been given.

BY ORDER OF THE BOARD
KSH Holdings Limited

Tang Hay Ming Tony
Ong Beng Hong
Company Secretaries

13 July 2017

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED:

- (i) Resolution 7 authorises the Directors from the date of the above Annual General Meeting until the next annual general meeting to issue shares and convertible securities in the Company up to 50% of the Company's total number of issued shares excluding treasury shares in the capital of the Company, with an aggregate sub-limit of 20% of the Company's total number of issued shares excluding treasury shares for any issue of shares and convertible securities not made on a pro-rata basis to existing shareholders of the Company, as more particularly set out in the resolution.
- (ii) Resolution 8 authorises the Directors to issue shares pursuant to the KSH Scrip Dividend Scheme to members who in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of qualifying dividend.
- (iii) Resolution 9, if passed, will empower the Directors to purchase or otherwise acquire Shares by way of Market Purchases or Off-Market Purchases, provided that the aggregate number of Shares to be purchased or acquired under the Share Purchase Mandate does not exceed the Prescribed Limit, and at such price(s) as may be determined by the Directors from time to time up to but not exceeding the Maximum Price. The information relating to Resolution 9 is set out in the Appendix enclosed together with the Annual Report.

NOTICE OF 11TH ANNUAL GENERAL MEETING

NOTES:

- (1) (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the Annual General Meeting.

(b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
- (2) A proxy need not be a member of the Company.
- (3) The instrument appointing a proxy must be deposited at the Company's Registered Office, 36, Senoko Road Singapore 758108, not less than 48 hours before the time fixed for holding the Meeting.

PERSONAL DATA PRIVACY:

By attending the Annual General Meeting and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where member discloses the personal data of the member's proxy (ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

KSH HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Registration No. 200603337G

IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the timeframe specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the timeframe specified to enable them to vote on their behalf.
4. Relevant intermediaries (as defined in Section 181 of the Companies Act, Cap. 50) may appoint more than two proxies to attend, speak and vote at the AGM.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ (Name)

of _____ (Address)

being a member/members of KSH Holdings Limited (the "**Company**"), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy/proxies to vote for me/us and attend on my/our behalf at the 11th Annual General Meeting ("**Meeting**") of the Company to be held at 60 Eu Tong Sen Street, Furama City Centre, Ballroom 1, Level 5, Singapore 059804 on Friday, 28 July 2017 at 9.30 a.m. and at any adjournment thereof.

(If you wish to exercise all your votes "For" or "Against", please indicate your vote "For" or "Against" with "X" in the space provided. Alternatively, please indicate the number of votes as appropriate. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Meeting).

No.	Resolutions relating to	For	Against
1.	To receive the Directors' Statement, Auditors' Report and Audited Accounts for the financial year ended 31 March 2017		
2.	To approve a final tax-exempt (one-tier) cash dividend of 1.50 cents per share and a final tax exempt (one-tier) special cash dividend of 0.50 cents per share for the financial year ended 31 March 2017		
3.	To approve Directors' Fees S\$180,000 for the financial year ending 31 March 2018 to the Independent Directors		
4.	To re-elect Mr Lim Kee Seng as a Director retiring under Article 89		
5.	To re-elect Mr Ko Chuan Aun as a Director retiring under Article 89		
6.	To re-appoint Ernst & Young LLP as Auditor		
7.	To authorise the Directors to allot and issue new shares		
8.	To authorise the Directors to allot and issue shares pursuant to the KSH Scrip Dividend Scheme		
9.	To approve the renewal of the Share Purchase Mandate		

Dated this _____ day of _____ 2017

Total number of shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

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

IMPORTANT: Please read notes overleaf



Notes:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2.
 - (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the Meeting. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
 - (b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Cap. 50) 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.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 36, Senoko Road Singapore 758108, not less than 48 hours before the time appointed for the Annual General Meeting.
5. 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 seal or under the hand of an officer or attorney duly authorised.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By attending the Annual General Meeting and/or any adjournment thereof or 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.



KSH HOLDINGS LIMITED

Company Registration Number 200603337G

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