

FIGTREE HOLDINGS LIMITED

UNLOCKING VALUE

Annual Report 2018



Figtree

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This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Ms Tan Pei Woon, Associate Director, Continuing Sponsorship, (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, and E-mail: sponsorship@ppcf.com.sg).

CORPORATE PROFILE

Founded in 2009, Figtree Holdings Limited ("Figtree" or the "Company", and together with its subsidiaries and associates, the "Group"), is a provider of commercial and industrial real estate solutions. The Group typically acts as the main contractor for its projects in Singapore, covering new construction, A&A works on existing buildings as well as refurbishment and upgrading of existing buildings. In China and Malaysia, the Group provides design, project and construction management consulting services.

The Group has established a strong presence in China in the property development sector with a diverse portfolio of residential, commercial and industrial properties. The Group continues to explore suitable property development and investment opportunities in Australia.

Figtree was listed on SGX Catalist on 11 November 2013.

REALISING POTENTIAL

As market conditions change, we have had to adapt our business plans to ensure that Figtree can continue to deliver consistent and sustainable growth.

Steps were taken to protect the value of our properties so that we would be able to successfully unlock their optimal values at the right time.



CHAIRMAN'S MESSAGE



Dear Shareholders,

Unlocking Optimal Value

The year ended 31 December 2018 ("FY2018") was a busy and challenging year for us as we put in place our strategy for the Group's next phase of growth. After making the first foray into the property market in China in 2014, we have successfully developed and completed several residential, commercial and industrial properties. We also took a stake in a key project to build a recurring income base for the Group. In Australia, we were able to realise profit from our first fully-owned property development.

However, as market conditions change, we have had to fine-tune our business plans to ensure that the Group can continue to deliver consistent and sustainable growth. A key consideration for us, as a property developer and investor, was to ensure that values of our properties are protected, and to be able to successfully unlock their optimal values in a timely manner.

As such, we felt that the timing was right when the opportunity presented itself to sell 303 La Trobe in Australia, that we acquired in 2015 for approximately A\$17.4 million, when the Australian residential market took a downturn, which could potentially lead to higher settlement risks from overseas buyers. We accepted the offer of A\$35 million and are on track to complete the disposal on 15 April 2019, allowing us to realise profit on this asset.

The sale of the aforementioned projects will eventually strengthen our cash balance and as such, we are now in a position to reinvest this capital for opportunities that will drive our next phase of growth.

In China, as the economic slowdown adversely affects the residential and commercial property sector, we decided to sell our stake in Master Development (Jiangyin) Co. Ltd ("MDJ"), the developer of the mixed commercial and residential project, Master Riviera, when an attractive cash offer of RMB50 million (approximately S\$10 million) came. Master Riviera had sold more than 99% of its 508 residential units and approximately 44% of its 148 commercial units. We were able to successfully realise value from our effective interest of 24%.

Similarly, we decided to exit our investment in DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd ("DPMV"), the developer of two government-approved resettlement housing development projects in Jiangyin, Jiangsu Province, when we received a cash offer of RMB235 million (approximately S\$47 million) in February 2019. Given that all its development projects had been completed, and there were no other development projects planned, this was a golden opportunity to realise our investment in DPMV. Upon completion of the disposal, we would be able to unlock value from our effective interest of 24%.

The Next Growth Phase

The sale of the aforementioned projects will eventually strengthen our cash balance and as such, we are now in a position to reinvest this capital for opportunities that will drive our next phase of growth. In the coming year, we will continue to explore divestment opportunities for our existing development projects while looking for suitable investment opportunities in existing markets.

The spotlight remains on China as we continue to see potential there. However, we will be shifting our focus to developing and managing industrial properties, and are currently evaluating several projects in the Shanghai area, including Zhejiang and Jiangsu Provinces.

In Australia, with property prices projected to soften in 2019, we will keep a lookout for value propositions in good locations.

CHAIRMAN'S MESSAGE

Meanwhile, we continue to actively participate in tenders for industrial projects in Singapore, and hope to share good news with our shareholders at an appropriate time.

Project updates

China – Property Development

In Chongqing, Phase One construction of the state-of-the-art Multi-Modal Logistics Distribution Centre (the “DC”), developed by our 20%-owned associate, Vibrant Pucheng Logistics (Chongqing) Co., Ltd (“Vibrant Pucheng”), will commence in 2Q2019. We are particularly excited about this project that is strategically located at Yufu Industrial Park, Liang Jiang New Area, as it is positioned well to ride on PRC’s Belt and Road Initiative and the Chongqing Connectivity Initiative between Singapore and the PRC.

Sited on 217,788 square metres of land, the DC will integrate land, sea, rail and air logistics services and comprise seven blocks of 2-storey ramped up warehouse facilities with one block of 3-storey finance, IT Support Centre and General Administrative offices, as well as other amenities including central dining, F&B outlets and workshops. This is one of the largest projects we have undertaken and we are confident of its growth potential when it is completed in 2021.

Singapore – Design and Build

In our Design and Build portfolio, we are busy with a S\$12.2 million contract awarded by Tiong Lian Food Pte Ltd, one of Singapore’s leading importers and distributors of quality pork and other meat products.

Our scope is to design and build a general food processing and distribution centre with a gross floor area of over 12,000 sqm. This facility will comprise a 5-storey single user general industrial factory with fully automated refrigerated ASRS warehouse, fully automated refrigerated mini bin storage system, chiller and freezer cold rooms, central kitchen and other production and ancillary offices. We started construction of the facility in October 2018 and expect to complete this project in 4Q2019.

China – Property Investment

We continue to enjoy a stable and recurring income from our 32%-interest in property investment project, the Changshu Fervent High Tech Industrial Park.

Phase One, which was completed in 2015, is fully-leased to multi-national corporations from the USA, Italy, France, Germany and Japan. Under Phase Two, we were building two customised Build-to-Suit (“BTS”) factories of which one, for Ingevity Corporation (“Ingevity”), has been completed and handed over in September 2018. The lease with Ingevity, a specialty chemicals and high-performance carbon materials manufacturer, is for 10 years.

The second BTS factory for Faurecia (Changshu) Automotive System Co., Ltd (“Faurecia”), a fully-owned subsidiary of NYSE Euronext-listed Faurecia SA, is progressing on schedule and due to complete in 2Q2019. It will be leased to Faurecia for seven years upon completion.

Performance Review

For FY2018, we posted a net attributable loss of S\$0.6 million on the back of S\$2.4 million in revenue against FY2017’s net attributable profit of S\$5.6 million and revenue of S\$17.6 million. The decline in our revenue was primarily due to the completion of various projects in FY2017.

Meanwhile, the slide in our bottomline was mainly due to foreign exchange losses from a weaker Australian Dollar against the Singapore Dollar. This was offset by our share of the results of associates arising from the revaluation of investment properties held by Fervent Industrial Development (Suzhou) Co., Ltd. as well as gains from the disposal of MDJ and its sale of residential units at Master Riviera.

To reward the shareholders for their continued support and confidence in Figtree, our Board has proposed a first and final tax-exempt cash dividend of 0.3 Singapore cents per share for FY2018 which is subject to shareholders’ approval at the forthcoming Annual General Meeting.

In Appreciation

It has been a challenging year for us and I am grateful to the management team and staff for their loyalty, commitment and hard work that helped to see us through.

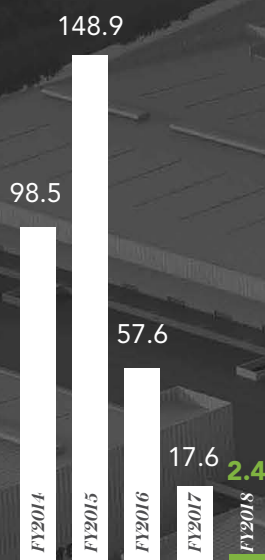
I also wish to express my sincere gratitude to my fellow Board members for their steadfast stewardship and guidance. To our valued customers, clients, shareholders, business partners, thank you for your support.

DANNY SIAW

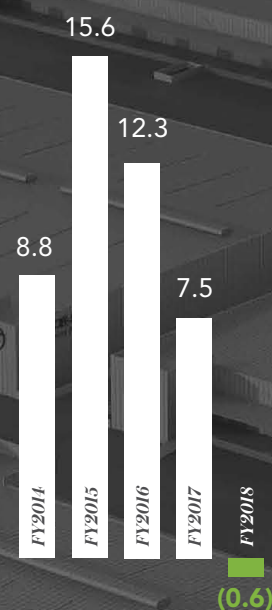
Executive Chairman
and Managing Director

FINANCIAL HIGHLIGHTS

Revenue (S\$m)



Profit Before Taxation (S\$m)



Group Income Statements (S\$'000)

	2018	2017	2016	2015	2014
Revenue	2,375	17,563	57,562	148,896	98,538
(Loss)/profit before taxation	(629)	7,472	12,309	15,622	8,769
Net (loss)/profit attributable to owners of the Company	(599)	5,570	10,247	12,599	7,220

Group Balance Sheets (S\$'000)

	2018	2017	2016	2015	2014
Total assets	84,056	89,372	91,431	88,416	87,471
Total liabilities	33,171	36,363	42,942	48,957	59,873
Equity attributable to owners of the Company	50,910	53,045	48,476	39,440	27,560

Per Share Data (Cents)

	2018	2017	2016	2015	2014
Earnings per share (basic)	(0.17)	1.70	3.37	4.42	2.60
Earnings per share (diluted)	(0.17)	1.70	3.35	4.41	2.60
Net asset value	14.63	15.72	15.36	13.48	9.93

Market Capitalisation (S\$'000)

At close of market on the first trading day after the announcement of the unaudited financial results for the financial year

	2018	2017	2016	2015	2014
Market Capitalisation	37,234	55,335	53,030	49,159	37,469

SEIZING OPPORTUNITIES

We are now in a position to reinvest the capital from asset disposals for opportunities that will drive our next phase of growth.

The spotlight remains on China as we continue to see potential there. Our focus will be on developing and managing industrial properties.



CORPORATE STRUCTURE

As at 31 December 2018



CONSTRUCTION ARM



DEVELOPMENT ARM



OPERATIONS & FINANCIAL REVIEW

**First and final tax-exempt cash
dividend in FY2018
0.3 cents per share**

**Street View of the Multi-modal Logistics Distribution Centre
@ Vibrant Pucheng, Chongqing**



Review of Income Statement

The Group recorded a revenue of S\$2.4 million in FY2018, a decline of 86.5% compared to S\$17.6 million in FY2017, due to the completion of various projects in FY2017. Cost of sales for the year decreased 57.7% to S\$2.5 million in FY2018 from S\$5.9 million in FY2017. While FY2018's cost of sales decreased in line with the Group's revenue trend, it also included additional costs for prior years' projects due to final settlement. As a result of this, the Group posted a gross loss of S\$0.1 million in FY2018 against a gross profit of S\$11.7 million a year ago.

In FY2018, the Group recorded other income of S\$1.8 million, 29.8% lower than the S\$2.5 million it earned in the previous year. This was mainly due to a decrease in interest income from loans to associates resulting from the repayment of shareholders' loans in FY2017.

General and administrative expenses for the year rose 15.8% to S\$7.0 million, from S\$6.1 million in FY2017, on the back of higher foreign exchange losses mainly from the weakening of the Australian Dollar against the Singapore Dollar in FY2018. The Group also saw an increase in finance costs to S\$0.2 million in FY2018, from S\$0.05 million in FY2017, due largely to interest paid on short term bank borrowings and other borrowings.

At the same time, the Group benefited from a sharp rise in its share of profits from associates to S\$4.9 million in FY2018, compared to a share of loss amounting to S\$0.6 million a year ago. This was mainly due to the revaluation of the investment properties held by Fervent Industrial Development (Suzhou) Co., Ltd ("Fervent"); the gain from the disposal of an indirect associated company - Master Development (Jiangyin) Co., Ltd ("MDJ"); as well as the profit earned from sales of residential units by MDJ.

As a result of these factors, the Group recorded a net attributable loss of S\$0.6 million in FY2018 against a net attributable profit of S\$5.6 million in FY2017.

Review of Financial Position

'Assets of disposal group classified as held for sale' and 'liabilities directly associated with disposal group classified as held for sale' relate to the balances from the development project 303 La Trobe, in Melbourne, Australia. The Group has reclassified these amounts 'as held for sale' given that the sale of 303 La Trobe had become unconditional

on 4 February 2019 and is on track to be completed on 15 April 2019.

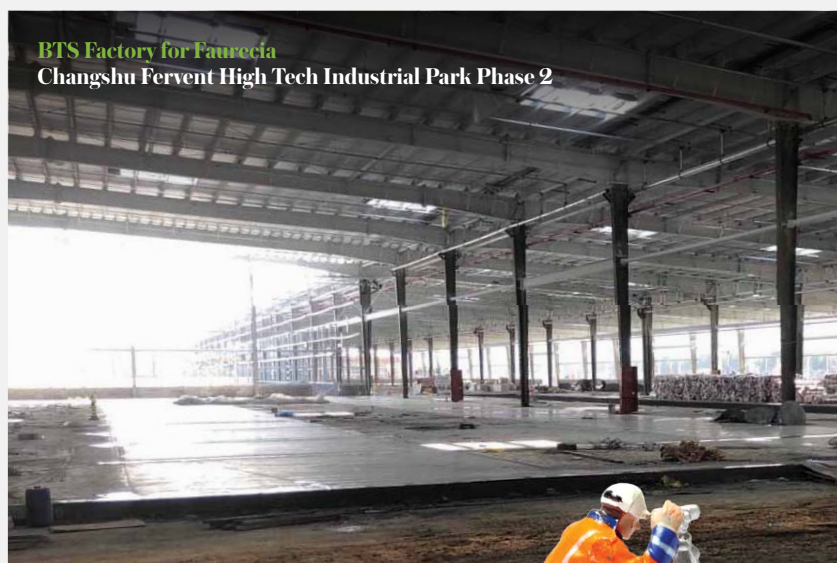
As at 31 December 2018, the value of the Group's total assets was S\$84.1 million compared to S\$89.4 million as at 31 December 2017. This was due to the following:

- Total trade receivables and contract assets decreased by 52.8% to S\$5.5 million in FY2018 from S\$11.6 million in FY2017 mainly due to the receipt of outstanding trade receivables, accrued receivables and retention receivables.
- Cash and short term deposits decreased by 73.3% to S\$0.5 million in FY2018 from S\$1.8 million in FY2017. This was mainly due to dividends paid of S\$0.6 million, repayment of bank borrowings of S\$3.80 million, and net cash flows used in operating activities, and partially offset by bank borrowings of S\$4.2 million.

This was partially offset by the following:

- Interests in associates increased by 54.8% to S\$11.1 million in FY2018 from S\$7.1 million in FY2017 mainly due to the revaluation of the investment properties held by Fervent, the gain from the disposal of MDJ, and the profit earned from sales of residential units by MDJ.
- Total loans to associates increased by 2.7% to S\$21.3 million in FY2018 from S\$20.8 million in FY2017 mainly due to interest charged to associates for outstanding loans. Of the total loan of S\$21.3 million, S\$5.0 million is non-current and S\$16.3 million current.
- Capitalised contract cost increased by 250.1% to S\$0.4 million in FY2018 from S\$0.1 million in FY2017 mainly due to initial costs incurred for projects that have not commenced.

As at 31 December 2018, total liabilities of the Group declined to S\$33.2 million



from S\$36.4 million as at 31 December 2017. This was due to the following:

- Current total trade and other payables decreased by 7.9% to S\$12.3 million in FY2018 from S\$13.4 million in FY2017. This was mainly due to a decrease in current trade payables to S\$2.5 million from S\$3.6 million and a decrease in accrued subcontractors' costs to S\$3.9 million from S\$7.3 million due to payments made for outstanding balances owing. This was in turn, partially offset by an increase in sundry payables to S\$2.9 million from S\$0.2 million resulting from other borrowings of S\$2.8 million.
- Provision for taxation decreased by 92.8% to S\$0.1 million from S\$1.6 million in line with the lower profits achieved for the year, coupled with income tax paid during the year.

This was partially offset by:

- Bank borrowings increased 12.1% to S\$3.7 million from S\$3.3 million due to proceeds received of S\$4.2 million, partially offset by repayment of S\$3.8 million.

In view of the above, net assets value of the Group stood at S\$50.9 million in FY2018, a decrease of 4.0% from S\$53.0 million in FY2017.



Net assets value remained healthy in FY2018

S\$50.9 mil

OUR PROJECTS: CHINA



**Multi-modal
Logistics Distribution
Centre**

VIBRANT PUCHENG
PHASE 1,
Chongqing

Land Area:
217,788 sqm

Expected Completion:
2021

Positioned to ride on
Belt and Road Initiative
& SG-Chongqing
Connectivity & Initiative



Built-To-Suit Development
FAURECIA / CHANGSHU
FERVENT HIGH TECH
INDUSTRIAL
PARK PHASE 2

Build-In Lease Area:
32,805 sqm

Expected Completion:
2Q 2019

Lease Period:
7 Years



Built-To-Suit Development
INGEVITY / CHANGSHU
FERVENT HIGH TECH
INDUSTRIAL
PARK PHASE 2

Build-In Lease Area:
13,122 sqm

Completed:
3Q 2018

Lease Period:
10 Years

OUR PROJECTS: SINGAPORE



202 Pandan Loop

**Food Processing &
Distribution Centre**

**Tiong Lian Food
Pte Ltd**

**Gross Floor Area:
> 12,000 sqm**

**Expected Completion:
4Q 2019**



OUR PROJECTS: UNLOCKING VALUE

DP-Master -Vibrant Jiangyin

Government Housing
Build-and-Transfer
Project

Disposal on track



303 La Trobe Melbourne

Residential
Development

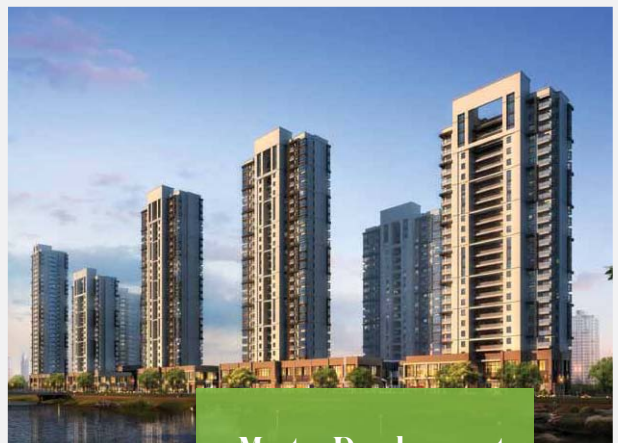
Expected Completion
Date & Disposal:
15 April 2019



Master Development Jiangyin

Mixed Residential
& Commercial
Development

Disposal completed



GROWING SUSTAINABLY

As a property developer and investor, part of our strategy is to realise value from our investments.

We will continue to evaluate the return on capital for some of our existing projects, and where it makes sense, explore divestment opportunities to realise their value.



BOARD OF DIRECTORS



Siaw Ken Ket @ Danny Siaw
Executive Chairman & Managing Director

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

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

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

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

Mr Siaw holds a Bachelor of Planning and Design, as well as a Bachelor of Building, from the University of Melbourne, Australia. He is also the current Vice President of the Association of Catalyst Companies.



Tan Chew Joo
Executive Director & Cost Director

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

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

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

BOARD OF DIRECTORS



THOMAS WOO SAI MENG

Non-Executive Director

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

Mr Woo was previously with Vibrant Group Limited, first as its chief financial officer from May 1997 until November 2010, then as its chief investment officer until his recent retirement in June 2018. In September 2001, he was concurrently appointed as executive director of Vibrant Group until his retirement from the Board in June 2018.

Prior to joining Vibrant, Mr Woo held senior management appointments with a number of private sector organisations.

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



LEE KIM HUAT

Lead Independent Director

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

He is currently the chief operating officer and finance director of Nordic Global Holdings Pte. Ltd. and its subsidiaries. These companies are engaged in the sale, refurbishment, servicing and repair of container and material handlers, terminal tractors, heavy forklifts, quayside cranes and port equipment.

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

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



LEE CHOONG HIONG

Independent Director

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

He is also currently the owner of LCH Quantity Surveying Pte. Ltd. which he started in 1986, that provides quantity surveying services, business and management consultancy services.

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

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



PONG CHEN YIH

Independent Director

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

Mr Pong is currently the chief operating officer of Novus Corporate Finance Pte. Ltd., a corporate finance firm licenced by both SGX-ST and the Monetary Authority of Singapore. Prior to joining Novus Corporate Finance Pte. Ltd., Mr Pong was the lead partner for the Singapore Capital Markets Group of Baker Mckenzie. Wong & Leow where he practiced law in the main areas of capital markets work, compliance, investments and mergers and acquisitions. Mr Pong has been in practice since May 2002 when he started his legal practice as an associate in Shook Lin & Bok LLP. He joined WongPartnership LLP as an associate in 2003 before becoming a partner in 2008. Mr Pong subsequently joined Baker Mckenzie. Wong & Leow in 2014 prior to taking up his current position in Novus Corporate Finance Pte. Ltd.

Mr Pong is also an independent director of Grand Venture Technology Limited which is listed on the SGX-ST.

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

SENIOR MANAGEMENT



Ling Liang Kiong Audrea

Chief Financial Officer

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

Responsible for all finance-related areas of the Group, Ms Ling first started her career in 1997 as an auditor in Ernst & Young LLP before leaving in 2002 to join BBR Holdings, a design and build

construction and property development company listed on the Mainboard of the SGX-ST. She joined Adventus Holdings Limited, an advanced materials and solutions and commodities and resources company listed on Catalyst, as the group finance manager in 2010.

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



Teoh Hoon Song

Mechanical and Electrical Engineering Director

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

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

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



Fung Tze Ping

Project Director

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

Mr Fung started his career in 2000 with Magdecon Projects Pte Ltd. He was promoted to project

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

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



Oei Tjhing Bo Robert

Technical Director

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

From 1971 to 1977, Mr Oei joined HDB and set up the civil structural engineering section of URA. From 1978 to 1998, Mr Oei took on various roles within the L&M group of companies, a specialist engineering contractor in Singapore, where he was the technical director of L&M Prestressing Pte Ltd, chief executive officer of L&M Geotechnic Pte Ltd

and L&M Foundation Specialist Pte Ltd and country director for its subsidiaries in Brunei and Indonesia. Mr Oei joined Yongnam Engineering & Construction Pte Ltd as a technical manager for projects in Singapore, Hong Kong and India in 1999. Subsequently, he joined various other engineering and construction companies as technical director/consultant from 2003, before joining the Group in 2011.

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

CORPORATE GOVERNANCE

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

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

This report outlines the Company’s corporate governance practices that were in place during the financial year ended 31 December 2018 (“FY2018”), with specific reference made to the principles of the Code of Corporate Governance 2012 (the “Code”) and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) in January 2015 (the “Guide”).

Guideline	Code and/or Guide Description and Company’s Compliance or Explanation
General	<p>(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.</p> <p>The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable.</p> <p>Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.</p> <p>(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?</p> <p>Not applicable. The Company did not adopt any alternative corporate governance practices in FY2018.</p>

Board Matters

The Board’s Conduct of Affairs

1.1 What is the role of the Board?

The Board has six (6) members and comprises the following:

Table 1.1 – Composition of the Board

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

CORPORATE GOVERNANCE

1.1 The Board is entrusted to lead and oversee the Group, with the fundamental principle to act in the best interests of the Group. In addition to its statutory duties, the Board's principal functions are:

- Supervising the overall management of the business and affairs of the Group and approving the Group's corporate and strategic policies and direction;
- Formulating and approving financial objectives of the Group and monitoring its performance such as reviewing and approving of financial results announcements and financial statements;
- Overseeing the processes for evaluating the adequacy of internal controls and risk management including the review and approval of interested person transactions;
- Assuming responsibility for corporate governance and compliance with the Companies Act (Chapter 50) of Singapore and the rules and regulations of the relevant regulatory bodies;
- Evaluating performance of the Management;
- Reviewing and approving the remuneration framework for the Directors and key executives;
- Providing entrepreneurial leadership, setting strategic objectives and ensuring the necessary human and financial resources are well in place to meet the Group's objectives;
- Establishing a prudent framework and effective controls so that risks can be assessed and managed, which include the safeguarding of shareholders' interests and the Group's assets; and
- Setting the Group's values and standards, including ethical standards, and ensuring that obligations to the shareholders are understood and met.

1.3 **Has the Board delegated certain responsibilities to committees? If yes, please provide details.**

The Board has delegated certain responsibilities to the Audit Committee (the "AC"), the Remuneration Committee (the "RC"), and the Nominating Committee (the "NC") (collectively, the "Board Committees"). The compositions of the Board Committees are as follows:

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

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

The Board meets on a quarterly basis, and as and when circumstances require. In FY2018, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.

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

* By invitation

The Company's Constitution allow for meetings to be held through audio-visual communication equipment.

1.5 What are the types of material transactions which require approval from the Board?

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

- corporate strategy and business plans;
- material acquisitions and disposals of assets;
- corporate or financial restructuring;
- share issuance, proposal of dividends or changes in capital;
- budgets, financial results announcements, annual report and audited financial statements; and
- material interested person transactions.

1.6 (a) Are new Directors given formal training? If not, please explain why.

All newly appointed Directors will undergo an orientation programme where the Director would be briefed by the Executive Chairman and Managing Director on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. All newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore will attend the training at the Singapore Institute of Directors or any other relevant courses.

(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?

Briefings, updates and trainings for the Directors in FY2018 include:

- the external auditors ("EA") briefed the AC on changes or amendments to accounting standards during AC meetings;
- the Company Secretary briefed the Board on the regulatory updates; and
- the Directors are regularly briefed by the Managing Director and Executive Chairman on the business activities of the Group.

Board Composition and Guidance

2.1 Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.

2.2
3.3

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

Mr Lee Kim Huat is the Lead Independent Director of the Company and makes himself available to shareholders if they have concerns relating to matters that contact through the Executive Chairman and Managing Director or the Chief Financial Officer ("CFO") has failed to resolve, or where such contact is inappropriate, as well as at the Company's general meetings.

2.3 Has the independence of the Independent Directors been reviewed in the last financial year?

4.3

The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors have also confirmed their independence in accordance with the Code.

(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.

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

There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

CORPORATE GOVERNANCE

2.4 **Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.**

There are no Independent Directors who have served beyond nine years since the date of their first appointment.

2.6 **(a) What is the Board's policy with regard to diversity in identifying director nominees?**

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

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

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

	Number of Directors
Core Competencies	
– Accounting or finance	3
– Legal or corporate governance	1
– Relevant industry knowledge or experience	5
Gender	
– Male	6
– Female	0

(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?

The Board has taken the following steps to maintain or enhance its balance and diversity:

- Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.

2.8 **Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?**

The Non-Executive Directors are scheduled to meet regularly, and as warranted, in the absence of key management personnel to discuss concerns or matters such as the effectiveness of Management. For FY2018, the Non-Executive Directors have met in the absence of Management.

Chairman and Chief Executive Officer

3.1 Are the duties between Chairman and CEO segregated?

There was no distinction of the roles of the Executive Chairman and Managing Director in FY2018. Mr Siaw Ken Ket @ Danny Siaw assumes the roles of the Executive Chairman and Managing Director. The Company believes that a single leadership structure will facilitate the decision-making process in relation to business opportunities and operational matters. The Board is of the opinion that there would be no need to separate the two roles after taking into consideration the following:

- Size and capabilities of the Board;
- Size and operations of the Group; and
- Safeguards, checks and balances in place to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or group exercising any concentration of power or influence.

3.4 Have the Independent Directors met in the absence of the other directors?

The Independent Directors have met in the absence of the other directors in FY2018.

Board Membership

4.1 What are the duties of the NC?

The NC is guided by key terms of reference as follows:

- Review and recommend the nomination or re-nomination of the Directors having regard to the Director's contribution and performance;
- Determine on an annual basis whether or not a Director is independent;
- Develop appraisal criteria for evaluation of Board's and Board Committee's performances;
- Review of the training and development programs for the Board;
- Assess whether or not a Director is able to and has been adequately carrying out his duties; and
- Review and approve any new employment of related persons and the proposed terms of their employment.

4.4 (a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?

The Board has not capped the maximum number of listed company board representations each Director may hold.

(b) If a maximum has not been determined, what are the reasons?

The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his other listed company board directorships and other principal commitments. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. Save for Mr Pong Chen Yih who has one other board representation, the other Directors have no other board representations.

CORPORATE GOVERNANCE

4.4 (c) What are the specific considerations in deciding on the capacity of directors?

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

- Expected and/or competing time commitments of Directors;
- Competencies of Directors;
- Geographical location of Directors;
- Size and composition of the Board; and
- Nature and scope of the Group's operations and size.

(d) Have the Directors adequately discharged their duties?

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately for FY2018.

4.5 Are there alternate Directors?

The Company does not have any alternate directors.

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

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

1. Determination of selection criteria	<ul style="list-style-type: none"> • The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills/experience/knowledge to complement and strengthen the Board and increase its diversity.
2. Search for suitable candidates	<ul style="list-style-type: none"> • The NC would consider candidates proposed by the Directors, key management personnel or search companies, and may engage external search consultants where necessary.
3. Assessment of shortlisted candidates	<ul style="list-style-type: none"> • The NC would meet and interview the shortlisted candidates to assess their suitability.
4. Appointment of director	<ul style="list-style-type: none"> • The NC would recommend the selected candidate to the Board for consideration and approval.

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

1. Assessment of director	<p>The NC would:</p> <ul style="list-style-type: none"> • assess the performance of the Director in accordance with the performance criteria set by the Board; • review the annual evaluations done by the Board, Board committees and individual Directors; and • assess the current needs of the Board.
2. Re-appointment of director	<ul style="list-style-type: none"> • Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval.

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

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

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

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

Name	Designation	Pursuant to Article
Lee Kim Huat	Lead Independent Director	98
Lee Choong Hiong	Independent Director	98

The above Directors have offered themselves for re-election and the Board has accepted the recommendation. Further details on the Directors are set out on pages 139 to 145 of the Annual Report.

4.7 **Please provide Directors' key information.**

The key information of the Directors, including their appointment dates and directorships held currently and in the past 3 years, are set out on pages 15 to 17 of this annual report. Their last re-election dates are tabled as follows:

Table 4.7 – Last re-election dates of Directors

Name	Designation	Last Re-election date
Siaw Ken Ket @ Danny Siaw	Executive Chairman and Managing Director	27 April 2017
Tan Chew Joo	Executive Director and Cost Director	27 April 2018
Thomas Woo Sai Meng	Non-Executive Director	27 April 2018
Lee Kim Huat	Lead Independent Director	27 April 2016
Lee Choong Hiong	Independent Director	27 April 2016
Pong Chen Yih	Independent Director	27 April 2017

Board Performance

5.1 **What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its**
 5.2 **board committees, and for assessing the contribution by each Director to the effectiveness of the**
 5.3 **Board?**

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

Table 5 – Performance Criteria for Evaluating Board Effectiveness

Performance Criteria	Board and Board Committees	Individual Directors
Qualitative	<ol style="list-style-type: none"> 1. Size and composition 2. Access to information 3. Board processes 4. Strategic planning 5. Board accountability 6. Risk management 	<ol style="list-style-type: none"> 1. Commitment of time 2. Knowledge and abilities 3. Teamwork 4. Independence (if applicable) 5. Overall effectiveness
Quantitative	<ol style="list-style-type: none"> 1. Attendance at Board and Board Committee meetings 	

No external facilitator was used in the evaluation process.

CORPORATE GOVERNANCE

5.1 (a) What was the process upon which the Board reached the conclusion on its performance for the financial year?

5.2
5.3

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

For FY2018, the review process was as follows:

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

All NC members have abstained from the voting or review process of any matters in connection with the assessment of their performance.

(b) Has the Board met its performance objectives?

Yes, the Board Committees and the Directors have met their performance objectives.

Access to Information

6.1 What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?

10.3

Table 6 – Types of information provided by key management personnel to Independent Directors

Information	Frequency
1. Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Whenever Applicable
2. Updates to the Group's operations and the markets in which the Group operates in	Quarterly
3. Budgets and forecasts (with variance analysis)	Quarterly
4. Consolidated management accounts (with financial ratios analysis)	Quarterly
5. Reports on on-going or planned corporate actions	Whenever Applicable
6. Internal auditors' ("IA") and EA's reports	Annually

Key management personnel will provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Monthly management accounts are made available to Directors when requested.

6.3 **What is the role of the Company Secretary?**

The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:

- Ensuring that Board procedures are observed and that the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore and the SGX-ST Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**"), are complied with;
- Assisting the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhancing long-term shareholder value;
- Assisting the Chairman to ensure good information flows within the Board and its committees and key management personnel;
- Facilitating orientation and assisting with professional development as required;
- Training, designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information;
- Attending and preparing minutes for all Board meetings;
- As secretary to all the other Board Committees, assisting to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and
- Assisting the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings.

REMUNERATION MATTERS

Developing Remuneration Policies

7.1 **What is the role of the RC?**

The RC is guided by key terms of reference as follows:

- Review and recommend to the Board a general framework of remuneration and specific remuneration packages for each Director and key management personnel and the implementation of any appropriate performance-related elements to be incorporated in the remuneration framework;
- Review annually the remuneration packages of employees who are related to any of the Directors or any substantial shareholder of the Group; and
- Administer the Figtree Employee Share Option Scheme.

7.3 **Were remuneration consultants engaged in the last financial year?**

No remuneration consultants were engaged by the Company in FY2018.

7.4 **Termination Clause**

There is currently no amount for termination, retirement and post-employment benefits granted to Directors, the Executive Chairman and Managing Director, and the top key management personnel (who are not Directors or the Executive Chairman and Managing Director).

CORPORATE GOVERNANCE

Level and Mix of Remuneration

8.4 Claw-back mechanism

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company avails itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Disclosure on Remuneration

9 What is the Company's remuneration policy?

The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff that total compensation is linked to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.

9.1 Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?

9.1

9.2

The breakdown for the remuneration of the Directors for FY2018 is as follows:

Table 9 – Directors' Remuneration

Name	Remuneration (S\$'000)	Directors			Benefits- in-kind ³ (%)	Total (%)
		Fees ¹ (%)	Salary (%)	Bonus ² (%)		
Siaw Ken Ket @ Danny Siaw	557	7.2	79.5	6.6	6.7	100
Tan Chew Joo	301	13.3	69.4	5.8	11.5	100
Thomas Woo Sai Meng	40	100	–	–	–	100
Lee Kim Huat	45	100	–	–	–	100
Lee Choong Hiong	40	100	–	–	–	100
Pong Chen Yih	40	100	–	–	–	100

1. Fees are subject to approval by shareholders as a lump sum at the AGM.

2. Bonus includes an incentive bonus which is to be paid within three months after the AGM.

3. Benefits-in-kind refer to benefits such as fixed allowances, share-based payments and payments in respect of Company's statutory contributions to the Singapore Central Provident Fund.

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

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

The breakdown for the remuneration of the Company's key management personnel (who are not Directors or the CEO) for FY2018 is as follows:

Table 9.3 – Remuneration of Key Management Personnel

	Salary (%)	Bonus ¹ (%)	Benefits-in-kind ² (%)	Total (%)
Above S\$250,000 to S\$500,000				
Oei Tjhing Bo Robert	80.0	6.7	13.3	100
Teoh Hoon Song	75.9	6.3	17.8	100
Fung Tze Ping	75.9	6.3	17.8	100
Below S\$250,000				
Ling Liong Kiong Audrea	75.8	6.3	17.9	100

1. Bonus includes an incentive bonus which is to be paid within three months after the AGM.

2. Benefits-in-kind refer to benefits such as fixed allowances, share-based payments and payments in respect of Company's statutory contributions to the Singapore Central Provident Fund.

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

The total remuneration paid to the top four (4) key management personnel for FY2018 was S\$924,097.

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

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

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

Figtree Share Option Scheme

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

CORPORATE GOVERNANCE

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

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

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

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

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

On 30 August 2018, the Company had granted options to eligible participants to the ESOS. Details of the options granted are provided in the Directors' Statement section on pages 41 to 43.

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

Name of Director	Options granted in FY2018	Aggregate options granted since the commencement of the ESOS till the end of FY2018	Aggregate options exercised since the commencement of the ESOS till the end of FY2018	Aggregate options outstanding as at the end of FY2018
Tan Chew Joo	200,000	880,000	230,000	650,000

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

9.6

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

The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2018. The remuneration policy for employees comprises a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the individual. The remuneration package of the Executive Chairman and Managing Director, Mr Siaw Ken Ket @ Danny Siaw ("**Mr Siaw**"), includes an incentive bonus.

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

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

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

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

Table 9.6(b) – Incentive Performance Conditions

Performance Conditions	Short-term Incentives (such as performance bonus)
Qualitative	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Job performance
Quantitative	<ol style="list-style-type: none"> 1. Profit Before Tax¹

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

2,700,000 share options were granted to all employees, including Executive Directors and key management personnel during FY2018 under the ESOS, where 280,000 share options were not accepted by the employees. For such long-term incentives, the criteria taken into account include rank, responsibilities within the Group, past performance, years of service, etc.

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

Yes, the RC has reviewed and is satisfied that the performance conditions were met for FY2018.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

- 11.3 **(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.**

The Board, with the concurrence of the AC, is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2018.

The bases for the Board's view are as follows:

1. Assurance has been received from the Executive Chairman and Managing Director and CFO;
2. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed;
3. Key management personnel regularly evaluates, monitors and reports to the AC on material risks; and
4. Discussions were held between the AC and the IA in the absence of the key management personnel to review and address any potential concerns.

The Company is gradually placing emphasis on sustainability and would implement appropriate policies and programmes when the opportunities arise. In addition, the Company has ongoing efforts to achieve and meet best practices set by industry standards from projects, in particular to environmental and workplace safety standards; this has been affirmed by the receipt of several accreditations and awards, such as BCA Green Mark Award and bizSAFE Star for FY2018.

- (b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?**

Yes, the Board has obtained such assurance from the Executive Chairman and Managing Director and CFO in respect of FY2018.

Audit Committee

12.1 What is the role of the AC?

12.4

The AC is guided by the following key terms of reference:

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

12.5 Has the AC met with the auditors in the absence of key management personnel?

Yes, the AC has met with the IA and the EA in the absence of key management personnel in FY2018.

CORPORATE GOVERNANCE

12.6 Has the AC reviewed the independence of the EA?

The AC has reviewed and is satisfied that the EA is independent, and has recommended the re-appointment of the EA at the forthcoming AGM.

(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.

There were no non-audit fees incurred for FY2018.

Table 12.6(a) – Fees Paid to the EA for FY2018

	S\$	% of total
Audit fees		
– Auditor of the Company	120,000	69
– Other auditors	54,000	31
Total	174,000	100

(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.

There were no non-audit services rendered during FY2018.

12.7 Does the Company have a whistle-blowing policy?

Yes. The Company's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle-blowing report to figtree@nexiats.com.sg or through the hotline at +65 6597 7293.

12.8 What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?

The AC has been kept abreast of the latest accounting standards and issues which have a direct impact on financial statements by the EA through the AC meetings held in FY2018.

12.9 Exclusion from membership of AC

None of the AC members are a former partner or director of the Company's existing auditing firm or audit corporation within the last twelve months and none of the AC members hold any financial interest in the external audit firm.

Internal Audit

13.1 Please provide details of the Company's internal audit function, if any.

13.2

13.3

13.4

13.5

The Company's internal audit function is outsourced to Nexia TS Risk Advisory Pte Ltd that reports directly to the AC Chairman and administratively to the Executive Chairman and Managing Director. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that the IA function is independent, effective (given, *inter alia*, its adherence to standards set by internationally recognised professional bodies) and adequately resourced, and has the appropriate standing in the Company to discharge its duties effectively.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES AND CONDUCT OF SHAREHOLDER MEETINGS

Communication with Shareholders

15.1 **Please disclose if the Company has an investor policy in place.**

In line with continuous disclosure obligations, the Company is committed to regular and proactive communication with its shareholders.

All announcements are released via SGXNET including the quarterly and full year financial results, distribution of notices, press releases and other major developments. Price sensitive information to shareholders is publicly released on an immediate basis where required under the Catalist Rules. All shareholders will receive the annual report which is made available on the SGXNET.

The Company solicits feedback from and addresses the concerns of shareholders via the following:

- general meetings held; and
- a dedicated external investor relations team.

15.2 **(a) Does the Company regularly communicate with shareholders and attend to their questions?**

15.3 **How often does the Company meet with institutional and retail investors?**

15.4

The Company held numerous investor briefings and investor road shows during FY2018 to meet with institutional and retail investors.

(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?

The Company outsources its investor relations function to a team of investor relations specialists at August Consulting who focuses on facilitating communications with and by all shareholders and other stakeholders as well as analysts and the media. To enable ease of contact, the details of the IR personnel are set out in this Annual Report:

August Consulting

Tel: +65 6733 8873

Karen Ting, karenting@august.com.sg

Silvia Heng, silviaheng@august.com.sg

Avril Lim, avrillim@august.com.sg

(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?

Apart from the SGXNET announcements and its Annual Report, the Company updates shareholders on its corporate developments through its corporate website at <http://www.figtreeasia.com>.

CORPORATE GOVERNANCE

15.5 Does the Company have a dividend policy?

The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, *inter alia*, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration.

Is the Company is paying dividends for the financial year? If not, please explain why.

The Board has proposed a first and final dividend of 0.3 Singapore cents per ordinary share for FY2018 which will be subject to shareholders' approval at the forthcoming AGM.

Conduct of Shareholder Meetings

14.1 Stakeholder rights and responsibility

14.2

14.3

Shareholders are encouraged to attend the AGM to ensure a greater level of shareholders' participation and for them to be kept up to date with the strategies and goals of the Group. All shareholders of the Company receive a copy of the Annual Report, the notice of AGM and circular and notice pertaining to any extraordinary general meetings of the Company. To facilitate participation by the shareholders, the Constitution allow the shareholders to attend and vote at general meetings of the Company or to appoint not more than two proxies, other than a relevant intermediary (as defined in section 181(6) of the Companies Act) to attend and vote on their behalf. Separate resolutions on each distinct issue are requisite. A relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the general meetings.

16.1 How are the general meetings of shareholders conducted?

16.3

16.4

16.5

At the AGM, the EA as well as the Directors are in attendance to answer queries from shareholders. Shareholders are given the opportunity at the general meetings of the Company to air their views and query the Directors and the Management on matters relating to the Group and its operations.

The Company views the AGM as a principal forum of dialogue and interaction with all shareholders. The Company will consider the use of other forums set out in the Code as and when such needs arise.

At the forthcoming AGM, all resolutions will be put to vote by way of a poll, and their detailed results will be announced via SGXnet after the conclusion of the AGM.

All minutes of general meetings will be made available to shareholders upon their request.

COMPLIANCE WITH APPLICABLE CATALIST RULES

Catalist Rule	Rule Description and Company's Compliance or Explanation		
712, 715	Appointment of Auditors The Company confirms its compliance to the Catalist Rules 712 and 715.		
1204(8)	Material Contracts Save for the transactions as disclosed under 1204(17), if any, as below, there were no material contracts entered into by the Group involving the interests of the Executive Chairman and Managing Director, any Director, or controlling shareholder, which are either still subsisting at the end of FY2018 or if not then subsisting, entered into since the end of the previous financial year.		
1204(10)	Confirmation of adequacy of internal controls The Board and the AC are of the opinion that the internal controls are adequate and effective to address the financial, operational and compliance risks based on the following: <ul style="list-style-type: none"> • internal controls and the risk management system established by the Company; • work performed by the IA and the EA; • assurance from the Executive Chairman and Managing Director and CFO; and • reviews done by the various Board Committees and key management personnel. 		
1204(17)	Interested Persons Transaction ("IPT") The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. Save for the disclosure as follows, there were no other IPTs with value more than S\$100,000 transacted during FY2018.		
		Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (S\$'000)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (S\$'000)
	Name of Interested Person		
	Project management fees contracted between Figtree Projects (ChongQing) Co., Ltd and Fervent Industrial Development (Suzhou) Co., Ltd ¹	485	–
	Project management fees contracted between Figtree Projects (ChongQing) Co., Ltd and Vibrant Pucheng Logistics (ChongQing) Co., Ltd ²	829	–
	Notes:		
	1. Fervent Industrial Development (Suzhou) Co., Ltd is an associate of the controlling shareholder of the Company. It is an 80%-owned subsidiary of Vibrant Group Limited that also wholly owns Singapore Enterprises Private Limited, the controlling shareholder of the Company.		
	2. Vibrant Pucheng Logistics (ChongQing) Co., Ltd is an associate of the controlling shareholder of the Company. It is a 31%-owned associated company of Vibrant Group Limited that wholly owns Singapore Enterprises Private Limited.		
	The above IPTs, when aggregated, are less than 3% of the latest audited net tangible assets of the Group as at 31 December 2017.		

CORPORATE GOVERNANCE

1204(19)

Dealing in Securities

The Company has adopted an internal policy which prohibits the Directors and officers from dealings in the securities of the Company while in possession of price-sensitive information.

The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full-year financial statements, and ending on the date of the announcement of the relevant results. In addition, Directors and key management personnel are expected to observe insider trading laws at all times even when dealing with securities within the permitted trading period.

1204(21)

Non-sponsor fees

No non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. for FY2018.

Practice
Note 7F**Update on Sustainability Report**

The Company's Sustainability Report and will be released by the end of May 2019.

The Sustainability Report will be publicly accessible through the Company's website as well as on SGXNET.

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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Figtree Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2018.

OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the balance sheet 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 December 2018 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

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

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

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Siaw Ken Ket @ Danny Siaw	83,353,900	87,000,633	273,824	285,804
Tan Chew Joo	33,553,160	35,021,111	14,399,675	14,399,675
Lee Kim Huat	1,799,775	1,799,775	–	–
Share options of the Company				
Tan Chew Joo	450,000	650,000	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and on 21 January 2019.

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

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

SHARE OPTIONS

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

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

Under the rules of the 2013 ESOS:

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

DIRECTORS' STATEMENT

SHARE OPTIONS (CONT'D)

- The total number of new shares over which options may be granted pursuant to the 2013 ESOS when added to the number of shares issued and issuable under such other share-based incentive plans (where applicable) of the Company, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of grant of the options.
- The number of options to be offered to a participant shall be determined at the discretion of the RC which shall take into account criteria such as rank, responsibilities within the Group, past performance, years of service and potential for future development of that participant. However, in relation to controlling shareholders or associates of controlling shareholders, the aggregate number of shares which may be granted shall not exceed 25% of the total number of shares available under the 2013 ESOS and the aggregate number or shares which may be granted to any individual controlling shareholders or associate of a controlling shareholder shall not exceed 10% of the total number of shares available under the 2013 ESOS.
- The options that are granted under the 2013 ESOS may have exercise prices that are, at the RC's discretion, set at a price (the "Market Price") equal to the average of the last dealt prices for the shares on the Official List of Catalist over the five consecutive Market Days immediately preceding the relevant date of grant of the relevant option; or at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price may be exercised after the first anniversary of the date of grant of that option while options exercisable at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the 2013 ESOS will expire upon the tenth anniversary of the date of grant of that option.
- The 2013 ESOS shall continue in operation for a maximum duration of 10 years and may be continued for any further period thereafter with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

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

During the financial year, the Company granted 2,700,000 (2017: 2,770,000) share options under the 2013 ESOS for a consideration of S\$1.00 (2017: S\$1.00), where 280,000 (2017: 310,000) share options were not accepted by the employees. These options have a contractual life of 6 years (2017: 6 years) and will expire on 29 August 2024 (2017: 29 August 2023). The options are exercisable if the employee remains in service for 2 years from the date of grant (2017: 2 years).

Details of all the options to subscribe for ordinary shares of the Company pursuant to the 2013 ESOS as at 31 December 2018 are as follows:

Expiry date	Exercise price (cents)	Number of options
27 August 2021	13.06	555,000
29 August 2023	12.00	2,420,000
29 August 2023	14.00	2,360,000
29 August 2024	11.00	2,420,000
Total		7,755,000

DIRECTORS' STATEMENT

SHARE OPTIONS (CONT'D)

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

Name of participant	Options granted during financial year	Aggregate options granted since commencement of plan to end of financial year	Aggregate options exercised since commencement of plan to end of financial year	Aggregate options outstanding as at end of financial year
Director:				
Tan Chew Joo	200,000 ⁽¹⁾	880,000	230,000	650,000
Participants who receive 5% or more of the total number of options:				
Teoh Hoon Song	200,000	880,000	230,000	650,000
Fung Tze Ping	200,000	880,000	230,000	650,000
Oei Tjhing Bo Robert	200,000	880,000	–	880,000
	600,000 ⁽¹⁾	2,640,000	460,000	2,180,000

⁽¹⁾ These options are exercisable between the periods from 31 August 2020 to 29 August 2024 at the exercise price of 11.00 cents if the vesting condition is met.

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

- No options have been granted to the controlling shareholders of the Company and their associates.
- No participant other than the participants mentioned in the table above has received 5% or more of the total options available under the 2013 ESOS.
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted.
- No options were granted at a discount to the market price of the shares at the time of the grant, except for those granted during the financial year in 2016, 2017 and 2018.

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

DIRECTORS' STATEMENT

AUDIT COMMITTEE

The Audit Committee ("AC") comprises the following three independent directors:

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

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

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors.
- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors.
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance, information technology controls and risk management via reviews carried out by the internal auditor.
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC.
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators.
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor.
- Reviewed the nature and extent of non-audit services provided by the external auditor.
- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit.
- Reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considered appropriate.
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

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

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

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

DIRECTORS' STATEMENT

AUDITOR

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

On behalf of the Board of Directors,

Siaw Ken Ket @ Danny Siaw
Director

Tan Chew Joo
Director

Singapore
29 March 2019

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

TO THE MEMBERS OF FIGTREE HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

We have audited the financial statements of Figtree Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 31 December 2018, statements of changes in equity of the Group and Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

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 Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
TO THE MEMBERS OF FIGTREE HOLDINGS LIMITED

Key Audit Matters (cont'd)

Accounting for construction contracts

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

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

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

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

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

The Group's accounting policies and disclosures on revenue recognition and contract assets/contract liabilities are included in Note 2.22, Note 3.2 and Note 4 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
TO THE MEMBERS OF FIGTREE HOLDINGS LIMITED

Key Audit Matters (cont'd)

Expected credit losses of loans to an associate

As at 31 December 2018, the carrying amounts of loans to an associate amounted to S\$21,321,418. The balance is significant to the Group as it represents 25% of the total assets of the consolidated balance sheet.

The Group's shareholder loans to an associate, Vibrant Properties Pte Ltd, were used to fund its investments in the People's Republic of China ("PRC"). The Group provided for expected credit loss ("ECL") on the loans to the associate based on the general approach, as detailed in Note 35(a) and the extent of loss allowance is dependent on the extent of credit deterioration since initial recognition. The determination of expected credit losses requires management to exercise significant judgement and the use of estimates. As such, we have determined this to be a key audit matter.

As part of our audit procedures, we performed the following:

- we obtained an understanding of management's impairment process relating to loans to associate, including the process in determining whether a loan is credit-impaired;
- we assessed the appropriateness of the Group's assumptions in determination of significant increase in credit risk and the resultant basis for classification of loan exposures into various stages under the ECL general approach; and
- we assessed the reasonableness of key data sources and assumptions such as default rate and the application of forward-looking adjustment used in ECL computation.

The Group's accounting policies and disclosures on loans to an associate are included in Note 2.13, Note 2.14, Note 3.2 and Note 14 to the financial statements respectively.

Other Information

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

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

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

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

TO THE MEMBERS OF FIGTREE HOLDINGS LIMITED

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018
TO THE MEMBERS OF FIGTREE HOLDINGS LIMITED

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

- 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 Mr. Ang Chuen Beng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

29 March 2019

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Group 2018 S\$	2017 S\$
Revenue	4	2,374,538	17,563,288
Cost of sales		(2,479,394)	(5,855,210)
Gross (loss)/profit		(104,856)	11,708,078
Other income	5	1,773,915	2,527,020
General and administrative expenses		(7,039,507)	(6,081,432)
Finance costs	6	(165,499)	(52,486)
Share of results of associates		4,906,594	(629,569)
(Loss)/profit before taxation	7	(629,353)	7,471,611
Tax credit/(expense)	8	11,568	(1,982,322)
(Loss)/profit for the year		(617,785)	5,489,289
Attributable to:			
Owners of the Company		(599,127)	5,569,682
Non-controlling interests		(18,658)	(80,393)
		(617,785)	5,489,289
(Loss)/earnings per share (cents)			
Basic	9	(0.17)	1.70
Diluted	9	(0.17)	1.70

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Group 2018 S\$	2017 S\$
(Loss)/profit for the year		(617,785)	5,489,289
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(1,012,232)	(424,113)
Other comprehensive income for the year, net of tax		(1,012,232)	(424,113)
Total comprehensive income for the year		(1,630,017)	5,065,176
Attributable to:			
Owners of the Company		(1,611,359)	5,145,569
Non-controlling interests		(18,658)	(80,393)
		(1,630,017)	5,065,176

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

BALANCE SHEETS

AS AT 31 DECEMBER 2018

	Note	Group			Company		
		2018	31 December 2017	1 January 2017	2018	31 December 2017	1 January 2017
		S\$	S\$	S\$	S\$	S\$	S\$
Non-current assets							
Property, plant and equipment	10	3,273,984	3,446,573	3,443,916	–	–	52
Investments in subsidiaries	11	–	–	–	9,152,597	9,152,597	9,152,597
Interests in associates	12	11,065,065	7,146,762	3,855,893	–	–	–
Loans to a subsidiary	13	–	–	–	2,013,280	1,953,419	1,837,415
Loans to an associate	14	4,992,266	16,446,064	6,411,343	–	–	–
Other receivables	19	–	13,680,062	5,732,716	–	–	–
		19,331,315	40,719,461	19,443,868	11,165,877	11,106,016	10,990,064
Current assets							
Development properties	17	–	30,610,897	22,502,370	–	–	–
Capitalised contract costs	4	412,254	117,759	–	–	–	–
Loans to an associate	14	16,329,152	4,305,922	16,599,298	–	–	–
Amounts due from subsidiaries	15	–	–	–	23,063,740	22,091,370	20,282,649
Amounts due from an associate	16	11,289	–	–	11,289	–	–
Prepayments		54,853	67,356	64,078	4,163	3,887	2,821
Contract assets	4	4,596,710	10,863,046	17,484,723	–	–	–
Trade receivables	18	889,354	754,544	1,860,540	–	–	–
Other receivables	19	273,082	178,754	122,912	–	–	–
Cash and short-term deposits	20	468,702	1,754,387	13,353,237	9,688	73,294	723,505
		23,035,396	48,652,665	71,987,158	23,088,880	22,168,551	21,008,975
Assets of disposal group classified as held for sale	21	41,689,441	–	–	–	–	–
		64,724,837	48,652,665	71,987,158	23,088,880	22,168,551	21,008,975
Current liabilities							
Contract liabilities	4	121,007	–	9,063,885	–	–	–
Trade and other payables	22	12,315,679	13,371,154	24,890,689	1,790,344	1,159,775	1,829,874
Bank borrowings	23	3,700,000	3,300,000	–	–	–	–
Provision for taxation		112,584	1,560,933	1,807,489	4,065	4,048	7,590
		16,249,270	18,232,087	35,762,063	1,794,409	1,163,823	1,837,464
Liabilities directly associated with disposal group classified as held for sale	21	16,197,756	–	–	–	–	–
		32,447,026	18,232,087	35,762,063	1,794,409	1,163,823	1,837,464
Net current assets		32,277,811	30,420,578	36,225,095	21,294,471	21,004,728	19,171,511
Non-current liabilities							
Trade and other payables	22	–	17,269,616	6,627,130	–	–	–
Deferred tax liabilities	24	723,849	861,520	552,985	72,704	56,094	39,485
		723,849	18,131,136	7,180,115	72,704	56,094	39,485
Net assets		50,885,277	53,008,903	48,488,848	32,387,644	32,054,650	30,122,090

BALANCE SHEETS

AS AT 31 DECEMBER 2018

	Note	Group			Company		
		2018	31 December 2017	1 January 2017	2018	31 December 2017	1 January 2017
		S\$	S\$	S\$	S\$	S\$	S\$
Equity attributable to owners of the Company							
Share capital	25	30,911,972	29,418,521	26,083,664	30,911,972	29,418,521	26,083,664
Accumulated profits		28,880,660	31,605,446	29,994,842	1,257,389	2,525,948	3,976,550
Merger deficit	26	(8,152,595)	(8,152,595)	(8,152,595)	–	–	–
Share option reserve	27	218,283	110,181	61,876	218,283	110,181	61,876
Foreign currency translation reserve	28	(1,436,345)	(424,113)	–	–	–	–
Other reserves	29	488,000	488,000	488,000	–	–	–
		50,909,975	53,045,440	48,475,787	32,387,644	32,054,650	30,122,090
Non-controlling interests		(24,698)	(36,537)	13,061	–	–	–
Total equity		50,885,277	53,008,903	48,488,848	32,387,644	32,054,650	30,122,090

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Group	Attributable to owners of the Company							Total reserves	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Accumulated profits	Merger deficit	Share option reserve	Foreign currency translation reserve	Other reserves					
	(Note 25)		(Note 26)	(Note 27)	(Note 28)	(Note 29)					
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
2018											
Opening balance at 1 January 2018 (FRS framework)	29,418,521	31,941,192	(8,152,595)	110,181	(759,859)	488,000	23,626,919	53,045,440	(36,537)	53,008,903	
Cumulative effects of adopting SFRS(I)	-	(335,746)	-	-	335,746	-	-	-	-	-	
Opening balance at 1 January 2018 (SFRS(I) framework)	29,418,521	31,605,446	(8,152,595)	110,181	(424,113)	488,000	23,626,919	53,045,440	(36,537)	53,008,903	
Loss for the year	-	(599,127)	-	-	-	-	(599,127)	(599,127)	(18,658)	(617,785)	
Other comprehensive income											
Foreign currency translation	-	-	-	-	(1,012,232)	-	(1,012,232)	(1,012,232)	-	(1,012,232)	
Total comprehensive income for the year	-	(599,127)	-	-	(1,012,232)	-	(1,611,359)	(1,611,359)	(18,658)	(1,630,017)	

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Group	Attributable to owners of the Company						Total equity attributable to owners of the Company			Non-controlling interests	Total equity
	Share capital (Note 25)	Accumulated profits	Merger deficit (Note 26)	Share option reserve (Note 27)	Foreign currency translation reserve (Note 28)	Other reserves (Note 29)	Total reserves	of the Company			
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
2018											
<u>Contributions by and distributions to owners</u>											
Dividends on ordinary shares (Note 30)	1,522,664	(2,125,659)	-	-	-	-	(2,125,659)	(602,995)	-	(602,995)	
Share issuance expense	(29,213)	-	-	-	-	-	-	(29,213)	-	(29,213)	
Share-based expense	-	-	-	108,102	-	-	108,102	108,102	-	108,102	
Total contributions by and distributions to owners	1,493,451	(2,125,659)	-	108,102	-	-	(2,017,557)	(524,106)	-	(524,106)	
<u>Changes in ownership interests in subsidiary</u>											
Contributions from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	-	30,497	30,497	
Total changes in ownership interests in subsidiary	-	-	-	-	-	-	-	-	30,497	30,497	
Total transactions with owners in their capacity as owners	1,493,451	(2,125,659)	-	108,102	-	-	(2,017,557)	(524,106)	30,497	(493,609)	
Closing balance at 31 December 2018	30,911,972	28,880,660	(8,152,595)	218,283	(1,436,345)	488,000	19,998,003	50,909,975	(24,698)	50,885,277	

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Group	Attributable to owners of the Company							Total reserves	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Accumulated profits	Merger deficit	Share option reserve	Foreign currency translation reserve	Other reserves	Total				
	(Note 25)	(Note 25)	(Note 26)	(Note 27)	(Note 28)	(Note 29)	(Note 29)				
S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
2017											
Opening balance at 1 January 2017 (FRS framework)	26,083,664	30,330,588	(8,152,595)	61,876	(335,746)	488,000	22,392,123	48,475,787	13,061	48,488,848	
Cumulative effects of adopting SFRS(I)	-	(335,746)	-	-	335,746	-	-	-	-	-	
Opening balance at 1 January 2017 (SFRS(I) framework)	26,083,664	29,994,842	(8,152,595)	61,876	-	488,000	22,392,123	48,475,787	13,061	48,488,848	
Profit for the year	-	5,569,682	-	-	-	-	5,569,682	5,569,682	(80,393)	5,489,289	
<u>Other comprehensive income</u>											
Foreign currency translation	-	-	-	-	(424,113)	-	(424,113)	(424,113)	-	(424,113)	
Total comprehensive income for the year	-	5,569,682	-	-	(424,113)	-	5,145,569	5,145,569	(80,393)	5,065,176	
<u>Contributions by and distributions to owners</u>											
Dividends on ordinary shares (Note 30)	3,187,330	(3,959,078)	-	-	-	-	(3,959,078)	(771,748)	-	(771,748)	
Share issuance expense	(31,345)	-	-	-	-	-	-	(31,345)	-	(31,345)	
Exercise of employee share options	178,872	-	-	(27,376)	-	-	(27,376)	151,496	-	151,496	
Share-based expense	-	-	-	75,681	-	-	75,681	75,681	-	75,681	
Total contributions by and distributions to owners	3,334,857	(3,959,078)	-	48,305	-	-	(3,910,773)	(575,916)	-	(575,916)	

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Group	Attributable to owners of the Company						Total equity attributable to owners of the Company			Total equity
	Share capital (Note 25)	Accumulated profits	Merger deficit (Note 26)	Share option reserve (Note 27)	Foreign currency translation reserve (Note 28)	Other reserves (Note 29)	Total reserves	Non-controlling interests	Total equity	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
2017										
Changes in ownership interests in subsidiary										
Contributions from non-controlling interest for a newly incorporated subsidiary	-	-	-	-	-	-	-	-	30,795	30,795
Total changes in ownership interests in subsidiary	-	-	-	-	-	-	-	-	30,795	30,795
Total transactions with owners in their capacity as owners	3,334,857	(3,959,078)	-	48,305	-	-	(3,910,773)	(575,916)	30,795	(545,121)
Closing balance at 31 December 2017	29,418,521	31,605,446	(8,152,595)	110,181	(424,113)	488,000	23,626,919	53,045,440	(36,537)	53,008,903

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Share capital (Note 25) S\$	Accumulated profits S\$	Share option reserve (Note 27) S\$	Total equity S\$
Company				
2018				
Opening balance at 1 January 2018	29,418,521	2,525,948	110,181	32,054,650
Profit, representing total comprehensive income for the year	–	857,100	–	857,100
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares (Note 30)	1,522,664	(2,125,659)	–	(602,995)
Share issuance expense	(29,213)	–	–	(29,213)
Share-based expense	–	–	108,102	108,102
Total transactions with owners in their capacity as owners	1,493,451	(2,125,659)	108,102	(524,106)
Closing balance at 31 December 2018	30,911,972	1,257,389	218,283	32,387,644
2017				
Opening balance at 1 January 2017	26,083,664	3,976,550	61,876	30,122,090
Profit, representing total comprehensive income for the year	–	2,508,476	–	2,508,476
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares (Note 30)	3,187,330	(3,959,078)	–	(771,748)
Share issuance expense	(31,345)	–	–	(31,345)
Exercise of employee share options	178,872	–	(27,376)	151,496
Share-based expense	–	–	75,681	75,681
Total transactions with owners in their capacity as owners	3,334,857	(3,959,078)	48,305	(575,916)
Closing balance at 31 December 2017	29,418,521	2,525,948	110,181	32,054,650

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Group 2018 S\$	2017 S\$
Cash flows from operating activities			
(Loss)/profit before taxation		(629,353)	7,471,611
Adjustments for:			
Write back of allowance for doubtful debt (trade)	18	(1,125,000)	(1,322,932)
Depreciation of property, plant and equipment	10	189,609	184,462
Finance costs	6	165,499	52,486
Share of results of associates		(4,906,594)	629,569
Share-based expense		108,102	75,681
Interest income	5	(637,779)	(1,090,722)
Unrealised exchange loss		2,495,645	340,146
Operating cash flows before changes in working capital		(4,339,871)	6,340,301
(Increase)/decrease in:			
Development properties		(680,338)	(5,834,600)
Capitalised contract costs		(294,495)	–
Amounts due from an associate		(11,289)	–
Trade receivables		7,256,526	9,050,605
Other receivables and prepayments		(64,150)	(57,914)
Increase/(decrease) in:			
Contract liabilities		121,007	(9,181,644)
Trade and other payables		(4,058,286)	(10,987,795)
Cash flows used in operations		(2,070,896)	(10,671,047)
Income tax paid		(1,574,452)	(1,920,343)
Interest received		1,039	39,908
Net cash flows used in operating activities		(3,644,309)	(12,551,482)
Cash flows from investing activities			
Purchases of property, plant and equipment	10	(20,476)	(187,965)
Loans to an associate		–	(1,034,702)
Repayment of loans from an associate		–	3,631,940
Acquisition of an associate		–	(4,083,353)
Net cash flows used in investing activities		(20,476)	(1,674,080)
Cash flows from financing activities			
Dividends paid on ordinary shares	30	(602,995)	(771,748)
Share issuance expense	25	(29,213)	(31,345)
Contributions from non-controlling interest for a newly incorporated subsidiary		30,497	30,795
Proceeds from exercise of employee share options		–	151,496
Proceeds from bank borrowings	23	4,200,000	4,300,000
Repayment of bank borrowings	23	(3,800,000)	(1,000,000)
Proceeds from other borrowings	23	2,746,310	–
Interest paid		(165,499)	(52,486)
Net cash flows generated from financing activities		2,379,100	2,626,712
Net decrease in cash and cash equivalents		(1,285,685)	(11,598,850)
Cash and cash equivalents at beginning of the year		1,754,387	13,353,237
Cash and cash equivalents at end of the year	20	468,702	1,754,387

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

1. CORPORATE INFORMATION

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

For all periods up to and including the year ended 31 December 2017, the Group prepared its financial statements in accordance with Financial Reporting Standards in Singapore ("FRS"). These financial statements for the year ended 31 December 2018 are the first the Group has prepared in accordance with SFRS(I). Refer to Note 2.2 for information on how the Group adopted SFRS(I).

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

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

2.2 First-time adoption of SFRS(I)

These financial statements for the year ended 31 December 2018 are the first the Group and the Company have prepared in accordance with SFRS(I). Accordingly, the Group and the Company have prepared financial statements that comply with SFRS(I) applicable as at 31 December 2018, together with the comparative period data for the year ended 31 December 2017, as described in the summary of significant accounting policies. On preparing the financial statements, the Group's and the Company's opening balance sheets were prepared as at 1 January 2017, the Group and the Company's date of transition to SFRS(I).

The principal adjustments made by the Group on adoption of SFRS(I) and the adoption of the new standards that are effective on 1 January 2018 are disclosed below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.2 First-time adoption of SFRS(I) (cont'd)

Exemptions applied on adoption of SFRS(I)

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

- Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, 1 January 2017. As a result, an amount of \$335,746 was adjusted against the opening retained earnings as at 1 January 2017.
- The comparative information do not comply with SFRS(I) 9 Financial Instruments or SFRS(I) 7 Financial Instruments: Disclosures to the extent the disclosures relate to items within the scope of SFRS(I) 9.

New accounting standards effective on 1 January 2018

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Group has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 January 2018. Except for the impact arising from the exemptions applied as described above and the adoption of SFRS(I) 9 and SFRS(I) 15 described below, the adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

SFRS(I) 9 Financial Instruments

On 1 January 2018, the Group adopted SFRS(I) 9, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening retained earnings at the date of initial application, 1 January 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

(a) **Classification and measurement**

SFRS(I) 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.2 First-time adoption of SFRS(I) (cont'd)

New accounting standards effective on 1 January 2018 (cont'd)

(a) *Classification and measurement*

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018.

The Group's debt instruments have contractual cash flows that are solely payments of principal and interest. The Group has a mixed business model. Debt instruments that were measured at amortised cost previously are held to collect contractual cash flows, and accordingly measured at amortised cost under SFRS(I) 9. There is no significant impact arising from measurement of these instruments under SFRS(I) 9.

(b) *Impairment*

SFRS(I) 9 requires the Group to record expected credit losses on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired.

There is no significant impact on impairment from the adoption of SFRS(I) 9.

SFRS(I) 15 Revenue from Contracts with Customers

The Group adopted SFRS(I) 15 which is effective for annual periods beginning on or after 1 January 2018.

The Group is in a business of providing design and building of warehouse and related installations, property development and construction.

Contract revenue is recognised over time by reference to the Group's progress towards completing the performance obligation in the contract. The measure of progress is generally determined based on the proportion of contract costs incurred to date to the estimated total contract costs (the input method).

The Group has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the construction project.

As a result, trade receivables of \$17,484,723 and gross amount due to customers for contract work-in-progress of \$9,063,885 as at 1 January 2017 were reclassified to contract assets and liabilities accordingly.

The Group's balance sheet was restated as at 31 December 2017, resulting in the reclassification of trade receivables of \$10,863,046 and gross amount due from customers for contract work-in-progress of \$117,759 to contract assets and capitalised contract costs respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.2 First-time adoption of SFRS(I) (cont'd)

The following is the reconciliation of the impact arising from first-time adoption of SFRS(I) including application of the new accounting standards on 1 January 2017 to the balance sheet of the Group.

	Group			
	1 January 2017 (FRS) S\$	SFRS(I) 1 adjustments S\$	SFRS(I) 15 adjustments	
Non-current assets				
Property, plant and equipment	3,443,916	–	–	3,443,916
Interests in associates	3,855,893	–	–	3,855,893
Loans to an associate	6,411,343	–	–	6,411,343
Other receivables	5,732,716	–	–	5,732,716
	19,443,868	–	–	19,443,868
Current assets				
Development properties	22,502,370	–	–	22,502,370
Loans to an associate	16,599,298	–	–	16,599,298
Prepayments	64,078	–	–	64,078
Trade receivables	19,345,263	–	(17,484,723)	1,860,540
Contract assets	–	–	17,484,723	17,484,723
Other receivables	122,912	–	–	122,912
Cash and short-term deposits	13,353,237	–	–	13,353,237
	71,987,158	–	–	71,987,158
Current liabilities				
Gross amount due to customers for contract work-in-progress	9,063,885	–	(9,063,885)	–
Contract liabilities	–	–	9,063,885	9,063,885
Trade and other payables	24,890,689	–	–	24,890,689
Provision for taxation	1,807,489	–	–	1,807,489
	35,762,063	–	–	35,762,063
Net current assets	36,225,095	–	–	36,225,095
Non-current liabilities				
Trade and other payables	6,627,130	–	–	6,627,130
Deferred tax liabilities	552,985	–	–	552,985
	7,180,115	–	–	7,180,115
Net assets	48,488,848	–	–	48,488,848

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.2 First-time adoption of SFRS(I) (cont'd)

	Group			1 January 2017 (SFRS(I)) S\$
	1 January 2017 (FRS) S\$	SFRS(I) 1 adjustments S\$	SFRS(I) 15 adjustments	
Equity attributable to owners of the Company				
Share capital	26,083,664	–	–	26,083,664
Accumulated profits	30,330,588	(335,746)	–	29,994,842
Merger deficit	(8,152,595)	–	–	(8,152,595)
Share option reserve	61,876	–	–	61,876
Foreign currency translation reserve	(335,746)	335,746	–	–
Other reserves	488,000	–	–	488,000
	48,475,787	–	–	48,475,787
Non-controlling interests	13,061	–	–	13,061
Total equity	48,488,848	–	–	48,488,848

	Group			31 December 2017/ 1 January 2018 (SFRS(I)) S\$
	31 December 2017 (FRS) S\$	SFRS(I) 1 adjustments S\$	SFRS(I) 15 adjustments	
Non-current assets				
Property, plant and equipment	3,446,573	–	–	3,446,573
Interests in associates	7,146,762	–	–	7,146,762
Loans to an associate	16,446,064	–	–	16,446,064
Other receivables	13,680,062	–	–	13,680,062
	40,719,461	–	–	40,719,461

Current assets

Development properties	30,610,897	–	–	30,610,897
Gross amount due from customers for contract work-in-progress	117,759	–	(117,759)	–
Capitalised contract costs	–	–	117,759	117,759
Loans to an associate	4,305,922	–	–	4,305,922
Prepayments	67,356	–	–	67,356
Trade receivables	11,617,590	–	(10,863,046)	754,544
Contract assets	–	–	10,863,046	10,863,046
Other receivables	178,754	–	–	178,754
Cash and short-term deposits	1,754,387	–	–	1,754,387
	48,652,665	–	–	48,652,665

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.2 First-time adoption of SFRS(I) (cont'd)

	Group			31 December 2017/ 1 January 2018 (SFRS(I)) S\$
	31 December 2017 (FRS) S\$	SFRS(I) 1 adjustments S\$	SFRS(I) 15 adjustments	
Current liabilities				
Trade and other payables	13,371,154	–	–	13,371,154
Bank borrowings	3,300,000	–	–	3,300,000
Provision for taxation	1,560,933	–	–	1,560,933
	18,232,087	–	–	18,232,087
Net current assets	30,420,578	–	–	30,420,578
Non-current liabilities				
Trade and other payables	17,269,616	–	–	17,269,616
Deferred tax liabilities	861,520	–	–	861,520
	18,131,136	–	–	18,131,136
Net assets	53,008,903	–	–	53,008,903
Equity attributable to owners of the Company				
Share capital	29,418,521	–	–	29,418,521
Accumulated profits	31,941,192	(335,746)	–	31,605,446
Merger deficit	(8,152,595)	–	–	(8,152,595)
Share option reserve	110,181	–	–	110,181
Foreign currency translation reserve	(759,859)	335,746	–	(424,113)
Other reserves	488,000	–	–	488,000
	53,045,440	–	–	53,045,440
Non-controlling interests	(36,537)	–	–	(36,537)
Total equity	53,008,903	–	–	53,008,903

The adoption of SFRS(I) does not have any impact to the balance sheet and profit or loss of the Company as at 1 January 2017 and 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
SFRS(I) 16 <i>Leases</i>	1 January 2019
SFRS(I) INT 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to SFRS(I) 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to SFRS(I) 1-28 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

Except for SFRS(I) 16, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 are described below.

SFRS(I) 16 *Leases*

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On the adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

- (i) its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019; or
- (ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

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

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases
- to apply the exemption not to recognise a right-of-use asset and a lease liability to leases for which the lease term ends within 12 months as of 1 January 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 16 in 2019.

On the adoption of SFRS(I) 16, the Group expects to record the right-of-use assets and lease liabilities, and a corresponding decrease in the opening retained earnings and its related tax impact as of 1 January 2019. In addition, the Group expects to record an adjustment to increase its depreciation and interest expense with related adjustments to lease expenses.

2.4 Foreign currency

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

(a) *Transactions and balances*

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

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

(b) *Consolidated financial statements*

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.4 Foreign currency (cont'd)

(b) Consolidated financial statements (cont'd)

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

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

2.5 Basis of consolidation

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.6 Business combination involving entities under common control

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

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

2.7 Subsidiaries

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

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2.8 Associates

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.8 Associates (cont'd)

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

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

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

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

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

2.9 Property, plant and equipment

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

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

Leasehold properties	–	Leasehold period of 47 years
Leasehold improvements	–	5 years
Motor vehicles	–	4 years
Computers	–	3 - 4 years
Office equipment	–	3 - 4 years
Furniture and fittings	–	5 years

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.10 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

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

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

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

2.11 Impairment of non-financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.12 Development properties

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

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

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

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

Refer to Note 2.22(b) for revenue recognition of properties for sale under development.

2.13 Financial instruments

(a) **Financial assets**

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI 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 for impairment losses, foreign exchange gains and losses 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.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

De-recognition

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

(b) Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.14 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.14 Impairment of financial assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.15 Provisions

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

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

Provision for warranty

The Group provides for warranty claims on contractual items with customers after the substantial completion of projects. The provision for warranty represents the best estimate of the Group's contractual obligations at the balance sheet date. The provision is based on past experience of the level of maintenance and rectification work. The majority of the costs is expected to be incurred over the applicable warranty periods. The assumptions used to estimate warranty provision are reviewed periodically in light of actual experience.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.16 Government grants

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

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

2.17 Employee benefits

(a) *Defined contribution plans*

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

(b) *Employee leave entitlement*

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

(c) *Employee share option plan*

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

2.18 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.19 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.14 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

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 incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.21 Leases

As lessee

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

2.22 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.22 Revenue (cont'd)

(a) Contract revenue

The Group recognises revenue from the provision of design and construction of warehouse and related installations over time as the Group's performance creates or enhances asset that the customer controls as the asset is created and enhanced.

Contract revenue is recognised over time by reference to the Group's progress towards completing the performance obligation in the contract. The measure of progress is generally determined based on the proportion of contract costs incurred to date to the estimated total contract costs (the input method).

Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress.

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I), these shall be accounted for in accordance with those other SFRS(I)s. If these are not within the scope of another SFRS, the Group will recognise these as contract assets only if (a) these costs relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Significant financing component

In determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money for contracts with customers that include a significant financing component. In adjusting for the significant financing component, the Group uses a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

The Group has applied the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of goods or services to a customer and the payment date is one year or less.

Contract modifications

The Group accounts for contract modifications arising from change orders to modify the scope or price of the contract as separate contracts if the modification adds distinct goods or services at their standalone selling prices. For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.22 Revenue (cont'd)

(b) *Sales of development properties under construction*

The Group develops and sells residential and commercial properties before completion of construction of the properties.

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

Significant financing component

In determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money for contracts with customers that include a significant financing component. In adjusting for the significant financing component, the Group uses a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

The Group has applied the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of goods or services to a customer and the payment date is one year or less.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.22 Revenue (cont'd)

(c) *Project management and consultancy services*

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

2.23 Taxes

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.23 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

(c) *Sales tax*

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issuance expenses

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

2.26 Transactions with non-controlling interests

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

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

2.27 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

3.1 Judgements made in applying accounting policies

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

- *Sale of residential development properties*

For the sale of residential development properties, the Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. In making the assessment, the Group considered the terms of the contracts entered into with customers and the provisions of relevant laws and regulations applicable to the contracts. The assessment of whether the Group has an enforceable right to payment for performance completed to date involves judgment made in determining the enforceability of the right to payment under the legal environment of the jurisdictions where the contracts are subject to.

- *Income taxes*

The Group has exposure to income taxes mainly in Singapore. Significant judgement is involved in estimating the capital allowances and the deductibility of certain expenses in determining the provision for tax. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's provision for taxation and deferred tax liabilities at 31 December 2018 were S\$112,584 (31 December 2017: S\$1,560,933, 1 January 2017: S\$1,807,489) and S\$723,849 (31 December 2017: S\$861,520; 1 January 2017: S\$552,985) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

3.2 Key sources of estimation uncertainty

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

- *Construction contracts*

The Group recognises contract revenue based recognised over time by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the total estimated costs. The amount of revenue recognised and the corresponding profit or loss on contracts are affected by a variety of uncertainties that depend on the outcome of future events and precision of the cost estimation during the budgeting process. As such, significant judgement and use of estimates are required to determine the stage of completion, estimated contract costs and budgeted margin for the respective projects. The carrying amount of liabilities recognised from construction contracts at the end of each of the reporting periods are disclosed in Note 4 to the financial statements.

- *Expected credit losses (ECL) on loans to associates*

The Group uses the general approach to calculate loss allowance provision on loans to associates. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The determination of expected credit losses requires management to exercise significant judgement and the use of estimates.

The carrying amount of loans to associates as at 31 December 2018 is S\$21,321,418 (31 December 2017: S\$20,751,986; 1 January 2017: S\$23,010,641). The information about the ECL on the Group's loans to associates is disclosed in Note 35(a).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. REVENUE

(a) Disaggregation of revenue

Segments	Design and build	
	2018 S\$	2017 S\$
Primary geographical markets:		
Singapore	1,366,364	17,107,977
People's Republic of China	1,008,174	455,311
	2,374,538	17,563,288
Major product or service lines:		
Commercial and industrial properties	1,366,364	17,107,977
Project management and consultancy services	1,008,174	455,311
	2,374,538	17,563,288
Timing of transfer of goods or services:		
Over time	2,374,538	17,563,288

(b) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Note	Group		
		2018	31 December 2017 S\$	1 January 2017 S\$
Receivables from contracts with customers	18	889,354	754,544	1,860,540
Contract assets		4,596,710	10,863,046	17,484,723
– Accrued receivables		1,636,292	2,313,893	6,148,246
– Retention receivables		2,960,418	8,549,153	11,336,477
Capitalised contract costs		412,254	117,759	–
Contract liabilities		121,007	–	9,063,885

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. REVENUE (CONT'D)

(b) *Contract assets and contract liabilities (cont'd)*

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for design and build contracts. Contract assets are transferred to receivables as the Group performs under the contract.

The changes in contract assets are due to differences between the agreed payment schedule and progress of the construction work. The contract assets are transferred to trade receivables when the right to payment becomes unconditional.

Capitalised contract costs primarily relate to cost incurred in fulfilling a specifically anticipated contract. Such costs generate or enhance resources of the entity that will be used to satisfy the Group's performance obligation in the future and are expected to be recovered. Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers from the design and build contracts. Contract liabilities are recognised as revenue as the Group performs under the contract.

The significant changes in the contract liabilities are explained as below:

	Group	
	2018	2017
	S\$	S\$
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	–	9,063,885

(c) *Capitalised contract costs*

	Group	
	2018	2017
	S\$	S\$
<i>Capitalised fulfilment costs relating to design and build contracts</i>		
At 1 January	117,759	–
Additions	294,495	117,759
At 31 December	412,254	117,759

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

4. REVENUE (CONT'D)

(d) Transaction price allocate to remaining performance obligation

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at reporting date:

	Group	
	2018	2017
	S\$	S\$
Aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance as at 31 December	10,903,198	490,655

The Group expects to recognise S\$10,903,198 as revenue relating to the transaction price allocated to the unsatisfied obligations as at 31 December 2018 in the financial year 2019.

5. OTHER INCOME

	Note	Group	
		2018	2017
		S\$	S\$
Income from government grants		10,857	57,579
Interest income from fixed deposits		196,489	151,643
Interest income from loans to an associate			
– Accretion of interests on interest free loans		241,387	619,683
– Interest bearing loans		199,903	319,396
Rental income from temporary leasing out of development properties		–	53,146
Write back of allowance for doubtful debts (trade)	18	1,125,000	1,322,932
Others		279	2,641
		1,773,915	2,527,020

6. FINANCE COSTS

	Group	
	2018	2017
	S\$	S\$
Interest expense on bank borrowings	165,499	52,486

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

7. (LOSS)/PROFIT BEFORE TAXATION

The following items have been included in arriving at (loss)/profit before taxation:

	Note	Group 2018 S\$	2017 S\$
Depreciation of property, plant and equipment	10	189,609	184,462
Employee benefits expense	A	4,822,124	5,679,474
Foreign exchange loss, net		2,186,304	592,027
Legal and professional fees		216,622	218,094
Marketing expenses/(overprovision of marketing expenses) in relation to development property under construction, net		17,333	(181,526)
Operating lease expenses		82,768	75,845
Audit fees:			
– Auditor of the Company		120,000	126,000
– Other auditors		54,000	75,205
Note A: Employee benefits expense			
Employee benefit expense (including directors):			
– Salaries, bonuses and other benefits		4,510,170	5,395,930
– Defined contribution plans		203,853	207,863
– Share-based expense		108,101	75,681
		4,822,124	5,679,474
Presented in the consolidated income statement as:			
– Cost of sales		1,333,157	1,292,029
– General and administrative expenses		3,488,967	4,387,445
		4,822,124	5,679,474

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

8. TAX (CREDIT)/EXPENSE

The major components of tax (credit)/expense for the years ended 31 December 2018 and 2017 are:

	Group	
	2018	2017
	S\$	S\$
Consolidated income statement:		
Current taxation:		
– Current income taxation	28,281	1,526,139
– (Over)/underprovision in respect of prior years	(3)	20,967
	28,278	1,547,106
Withholding tax on foreign sourced interest income	97,825	126,681
Deferred taxation (Note 24):		
– Origination and reversal of temporary differences	(137,671)	308,535
Tax (credit)/expense recognised in profit or loss	(11,568)	1,982,322

The reconciliation between income tax (credit)/expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 December 2018 and 2017 are as follows:

	Group	
	2018	2017
	S\$	S\$
(Loss)/profit before taxation	(629,353)	7,471,611
Tax at domestic rates applicable to profits in the countries where the Group operates	74,718	1,428,600
Adjustments:		
Expenses not deductible for tax purposes	69,558	104,244
Tax effect of income not taxable	(51,888)	(17,079)
Deferred tax assets not recognised	993,944	196,729
Tax effect of Singapore statutory stepped income exemption, corporate income tax rebate and tax incentives (productivity and innovation credit allowance)	(6,905)	(46,890)
(Over)/underprovision in respect of prior years	(3)	20,967
Withholding tax on foreign sourced interest income	97,825	126,681
Share of results of associates	(1,226,649)	157,392
Others	37,832	11,678
Tax (credit)/expense recognised in profit or loss	(11,568)	1,982,322

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

9. (LOSS)/EARNINGS PER SHARE

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

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

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

	Group	
	2018	2017
(Loss)/profit for the year attributable to owners of the Company used in computation of basic and diluted earnings per share (\$\$)	(599,127)	5,569,682
Weighted average number of ordinary shares for basic earnings per share computation	342,620,837	326,856,320
Effects of dilution:		
– Share options	–	1,490,825
Weighted average number of ordinary shares for diluted earnings per share computation	342,620,837	328,347,145
Basic (loss)/earnings per share (cents)	(0.17)	1.70
Diluted (loss)/earnings per share (cents)	(0.17)	1.70

7,755,000 share options granted to employees under the existing employee share option plans have not been included in the calculation of diluted (loss)/earnings per share as they are anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties S\$	Leasehold improvements S\$	Motor vehicles S\$	Computers S\$	Office equipment S\$	Furniture and fittings S\$	Total S\$
Group Cost							
At 1 January 2017	3,528,610	96,068	86,903	270,920	47,469	54,348	4,084,318
Additions	–	52,638	58,002	71,730	4,975	620	187,965
Translation adjustment	–	–	(1,167)	5	(166)	–	(1,328)
At 31 December 2017 and 1 January 2018	3,528,610	148,706	143,738	342,655	52,278	54,968	4,270,955
Additions	–	–	9,231	9,530	1,236	479	20,476
Write-offs	–	–	–	(1,617)	(710)	(1,904)	(4,231)
Translation adjustment	–	(1,734)	(5,313)	(426)	(618)	–	(8,091)
At 31 December 2018	3,528,610	146,972	147,656	350,142	52,186	53,543	4,279,109
Accumulated depreciation							
At 1 January 2017	244,000	52,192	43,451	232,967	33,964	33,828	640,402
Charge for the year	75,077	21,237	26,050	43,797	9,763	8,538	184,462
Translation adjustment	–	12	(366)	1	(129)	–	(482)
At 31 December 2017 and 1 January 2018	319,077	73,441	69,135	276,765	43,598	42,366	824,382
Charge for the year	75,077	29,650	36,300	35,183	5,642	7,757	189,609
Write-offs	–	–	–	(1,617)	(710)	(1,904)	(4,231)
Translation adjustment	–	(310)	(3,554)	(237)	(534)	–	(4,635)
At 31 December 2018	394,154	102,781	101,881	310,094	47,996	48,219	1,005,125
Net carrying amount							
At 31 December 2018	3,134,456	44,191	45,775	40,048	4,190	5,324	3,273,984
At 31 December 2017	3,209,533	75,265	74,603	65,890	8,680	12,602	3,446,573
At 1 January 2017	3,284,610	43,876	43,452	37,953	13,505	20,520	3,443,916

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

	Computers S\$
Company Cost	
At 1 January 2017, 31 December 2017, 1 January 2018 and 31 December 2018	1,868
Accumulated depreciation	
At 1 January 2017	1,816
Charge for the year	52
At 31 December 2017, 1 January 2018 and 31 December 2018	1,868
Net carrying amount	
At 31 December 2018	–
At 31 December 2017	–
At 1 January 2017	52
<u>Assets pledged as security</u>	

The Group's leasehold property with a carrying amount of S\$3,134,456 (31 December 2017: S\$Nil; 1 January 2017: S\$Nil) is mortgaged to secure the Group's bank loans (Note 23).

11. INVESTMENTS IN SUBSIDIARIES

	Company		
	31 December 2018	31 December 2017	1 January 2017
	S\$	S\$	S\$
Unquoted equity shares, at cost	9,152,597	9,152,597	9,152,597

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

11. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
			2018	2017
Held by the Company				
Figtree Projects Pte. Ltd. ("FPPL")*	Singapore	General contractors (building construction including major upgrading works) and providers of general building engineering services	100	100
Figtree Developments Pte. Ltd. ("FDPL")*	Singapore	Property development	100	100
Held through FPPL				
Figtree Projects (Shanghai) Co., Ltd.#	People's Republic of China ("PRC")	Project management service	60	60
Figtree Projects (Chongqing) Co., Ltd. ("FPCQ") ⁺	PRC	Project management service	85	85
Figtree Projects Sdn Bhd [®]	Malaysia	Project management service	100	100
Held through FPCQ				
Figtree Construction (Chongqing) Co., Ltd. ⁺	PRC	Project management service	100	100
Figtree Construction (Suzhou) Co., Ltd. ^{+ -}	PRC	Project management service	100	-
Held through FDPL				
Figtree Real Estate Pty Ltd ("FREPL") ⁺	Australia	Property development	100	100
Held through FREPL				
Figtree La Trobe Pty Ltd ⁺	Australia	Property development	100	100

* Audited by Ernst & Young LLP, Singapore.

Audited by Shanghai Yuanzhi Certified Public Accountants, PRC.

® Audited by Gow and Tan Chartered Accountants, Malaysia.

+ Not required to be audited.

- Incorporated during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

12. INTERESTS IN ASSOCIATES

	Group		
	2018	31 December 2017	1 January 2017
	S\$	S\$	S\$
Unquoted equity shares, at cost	4,123,353	4,123,353	40,000
Deemed capital contribution ⁽¹⁾	1,842,397	1,842,397	1,709,498
Accumulated share of profits	6,208,873	1,302,279	1,931,848
Accumulated share of translation and other reserves	(1,109,558)	(121,267)	174,547
Net carrying amount	11,065,065	7,146,762	3,855,893
Comprising of:			
Vibrant Properties Pte Ltd	7,705,361	3,244,779	3,855,893
Vibrant Pucheng Logistics (Chongqing) Co., Ltd	3,359,704	3,901,983	–
Net carrying amount	11,065,065	7,146,762	3,855,893

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

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

Name	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
			2018	2017
Held through FDPL				
Vibrant Properties Pte. Ltd. ("VPPL")*	Singapore	Investment holding	40	40
Vibrant Pucheng Logistics (Chongqing) Co., Ltd. #	PRC	Logistics services	20	20
Vibrant Pucheng Property Management (Chongqing) Co., Ltd.#	PRC	Logistics services	20	20
Held through VPPL				
Fervent Industrial Development (Suzhou) Co., Ltd ("Fervent")^	PRC	Development of industrial and storage facilities	80	80
DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd^	PRC	Real estate development	60	60
Vibrant Investment & Management (Shanghai) Co., Ltd ("VIM")+	PRC	Investment holding	100	100
Fervent III Developments Pte Ltd +-	Singapore	Development of industrial and storage facilities	100	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

12. INTERESTS IN ASSOCIATES (CONT'D)

Name	Country of incorporation and place of business	Principal activities	Proportion (%) of ownership interest	
			2018	2017
Held through VIM				
Vibrant Development (Changshu) Co., Ltd ⁺	PRC	Investment holding	100	100
Held in trust for VIM				
Master Development (Jiangyin) Co., Ltd ("MDJ") [#] [⊗]	PRC	Real estate development	–	60

* Audited by KPMG LLP, Singapore.

Audited by KPMG LLP, China

^ Audited by Grant Thornton LLP(致同会计师事务所)(特殊普通合伙), PRC

+ Not required to be audited.

- Incorporated during the year.

⊗ The 60% shareholding in MDJ is held in trust by an external party via a trust agreement dated 20 June 2016. The indirect associate was subsequently disposed on 30 November 2018.

Acquisition of an associate

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

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

The purchase price allocation of the acquisition of Vibrant Pucheng was not completed at the date of the 2017 financial statements were authorised for issue. Accordingly, on a provisional basis, the Group recognised a goodwill of S\$2,955,000.

The purchase price allocation exercise was subsequently completed during the financial year ended 31 December 2018 with no change to the provisional value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

12. INTERESTS IN ASSOCIATES (CONT'D)

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

Summarised balance sheet:

	VPPL Group			Vibrant Pucheng	
	2018 S\$'000	31 December 2017 S\$'000	1 January 2017 S\$'000	31 December 2018 S\$'000	31 December 2017* S\$'000
Non-current assets	75,558	56,280	44,747	38,161	4,118
Current assets (including cash and cash equivalents of S\$6,539,763; 2017: S\$19,716,848)	30,474	201,636	184,627	2,792	12,248
Total assets	106,032	257,916	229,374	40,953	16,366
Non-current liabilities	36,856	28,340	65,939	–	–
Current liabilities	28,473	200,308	133,600	38,928	11,629
Total liabilities	65,329	228,648	199,539	38,928	11,629
Net assets	40,703	29,268	29,835	2,025	4,737
Less: Non-controlling interests	(26,047)	(25,761)	(24,467)	–	–
Net assets attributable to parent	14,656	3,507	5,368	2,025	4,737
Proportion of the Group's ownership	40%	40%	40%	20%	20%
Group's share of net assets	5,863	1,403	2,147	405	947
Deemed capital contribution	1,842	1,842	1,709	–	–
Provisional goodwill on acquisition	–	–	–	–	2,955
Goodwill on acquisition	–	–	–	2,955	–
Carrying amount of the investments	7,705	3,245	3,856	3,360	3,902

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

12. INTERESTS IN ASSOCIATES (CONT'D)

Summarised statement of comprehensive income:

	VPPL Group		Vibrant Pucheng	
	31 December		31 December	
	2018	2017	2018	2017*
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	123,511	1,103	5,938	2,016
Profit/(loss) after tax, attributable to parent	13,491	(1,198)	(2,449)	(752)
Other comprehensive income	(2,056)	631	(263)	–
Total comprehensive income, attributable to parent	11,435	(567)	(2,712)	(752)

* Vibrant Pucheng was acquired on 20 July 2017. Accordingly, the summarised balance sheet as at 1 January 2017 has not been presented.

13. LOANS TO A SUBSIDIARY

	Company		
	31 December	31 December	1 January
	2018	2017	2017
	S\$	S\$	S\$
Loans to a subsidiary	1,628,377	1,628,377	1,628,377
Accrued interests on loans to a subsidiary	384,903	325,042	209,038
	2,013,280	1,953,419	1,837,415

Loans to a subsidiary are dominated in Singapore dollars, unsecured and bear interests at 6% (31 December 2017: 6%; 1 January 2017: 6%) per annum. The loans and interests are repayable in August 2020 (31 December 2017: August 2019, 1 January 2017: August 2018) and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

14. LOANS TO AN ASSOCIATE

	Group		
	2018	31 December 2017	1 January 2017
	S\$	S\$	S\$
Loans to an associate:			
– Interest-free loans	16,329,152	15,971,974	14,737,745
– Interest-bearing loans	4,992,266	4,780,012	8,272,896
	21,321,418	20,751,986	23,010,641
Presented as:			
Current	16,329,152	4,305,922	16,599,298
Non-current	4,992,266	16,446,064	6,411,343
	21,321,418	20,751,986	23,010,641

Interest-free loans

Interest-free loans are unsecured and repayable between December 2018 and May 2019 (31 December 2017: between May 2018 and January 2020; 1 January 2017: between May 2017 to December 2018). The loans are denominated in Singapore dollars, except for an amount of S\$5,705,312 (31 December 2017: S\$5,336,471, 1 January 2017: S\$4,414,014) which are denominated in United States dollars.

Interest-bearing loans

The loans are unsecured, bear fixed interest at 6% (31 December 2017: 6%; 1 January 2017: 6% to 8%) per annum, repayable in January 2021 (31 December 2017: January 2019; 1 January 2017: January 2017) and are to be settled in cash. The loans are denominated in Singapore dollars, except for an amount of S\$Nil (31 December 2017: S\$Nil, 1 January 2017: S\$4,353,510) which are denominated in United States dollars.

15. AMOUNTS DUE FROM SUBSIDIARIES

Amounts due from subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash. Such amounts include dividend receivable of S\$1,000,000 (31 December 2017: S\$3,050,000, 1 January 2017: S\$4,100,000) and management fees charged to the subsidiaries of S\$1,509,981 (31 December 2017: S\$1,724,932, 1 January 2017: S\$2,185,199); while the remaining balance relates to payments made on behalf of the subsidiaries.

16. AMOUNTS DUE FROM AN ASSOCIATE

Amounts due from an associate are unsecured, non-interest bearing, repayable on demand and are to be settled in cash. Such amounts relate to payments made on behalf of the associate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

17. DEVELOPMENT PROPERTIES

	Group		
	2018	31 December 2017	1 January 2017
	S\$	S\$	S\$
Properties under construction:			
– Freehold land and building	–	18,212,260	18,165,204
– Development costs	–	12,398,637	4,337,166
	–	30,610,897	22,502,370

As at 31 December 2017 and 1 January 2017, the entire development properties were expected to be recovered more than 12 months after the reporting period.

On 29 October 2018, the Group entered into an agreement to sell the development project, 303 La Trobe, held under an indirect subsidiary, Figtree La Trobe Pty Ltd, to an independent third-party purchaser. The sale is expected to be completed within 12 months and development properties have been classified as assets of disposal group classified as held for sale as at 31 December 2018 (Note 21).

18. TRADE RECEIVABLES

	Group		
	2018	31 December 2017	1 January 2017
	S\$	S\$	S\$
Trade receivables	889,354	1,879,544	4,315,172
Less: Allowance for doubtful debt	–	(1,125,000)	(2,454,632)
	889,354	754,544	1,860,540

Trade receivables

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

18. TRADE RECEIVABLES (CONT'D)

Related party balances

Included in trade receivables and contract assets are amounts due from related parties amounting to S\$1,518,109 (31 December 2017: S\$2,961,199; 1 January 2017: S\$4,430,875).

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to S\$1,582,126 as at 31 December 2017 and S\$439,224 as at 1 January 2017 that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the year is as follows:

	Group	
	31 December 2017 S\$	1 January 2017 S\$
Trade receivables past due but not impaired:		
Lesser than 30 days	1,203,846	–
30 to 60 days	–	289
61 to 90 days	–	–
91 to 120 days	255,911	–
More than 120 days	122,369	438,935
	1,582,126	439,224

Trade receivables that are impaired

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

	Group	
	31 December 2017 S\$	1 January 2017 S\$
Trade receivables – nominal amounts	1,125,000	2,454,632
Less: Allowance for impairment	(1,125,000)	(2,454,632)
	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

18. TRADE RECEIVABLES (CONT'D)

Trade receivables that are impaired (cont'd)

	Group	
	31 December 2017 S\$	1 January 2017 S\$
<i>Movement in allowance accounts:</i>		
At 1 January	2,454,632	–
Charge for the year	–	2,454,632
Written off	(6,700)	–
Write back	(1,322,932)	–
At 31 December	1,125,000	2,454,632

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

Expected credit losses

The movement in allowance for expected credit losses of trade receivables and contract assets computed based on lifetime ECL are as follows:

	Group	
	Trade receivables 2018 S\$	Contract assets 2018 S\$
<i>Movement in allowance accounts:</i>		
At 1 January	1,125,000	–
Write back	(1,125,000)	–
At 31 December	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

19. OTHER RECEIVABLES

	2018 S\$	Group 31 December 2017 S\$	1 January 2017 S\$
Non-current:			
Deposits held in trust	–	13,680,062	5,732,716
Current:			
Refundable deposits	95,718	81,589	91,217
GST receivables	8,954	–	–
Sundry receivables	168,410	97,165	31,695
	273,082	178,754	122,912
Total other receivables	273,082	13,858,816	5,855,628

Deposits held in trust

Deposits held in trust relate to cash deposits held in trust by conveyancing lawyer on development properties sold prior to the date of revenue recognition. Included in the deposits are interest receivables of S\$Nil (31 December 2017: S\$110,528, 1 January 2017: S\$Nil) at prevailing bank rates. Such cash deposits are correspondingly recognised as "Trade and other payables" in non-current liabilities on the consolidated financial statements (Note 22) and are denominated in Australian dollars.

On 29 October 2018, the Group entered into an agreement to sell the development property, 303 La Trobe, held under an indirect subsidiary, Figtree La Trobe Pty Ltd, to an independent third-party purchaser. The sale of the development property includes the deposits held in trust and is expected to be completed within 12 months from 31 December 2018. As such, deposits held in trust have been classified as assets of disposal group classified as held for sale as at 31 December 2018 (Note 21).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

20. CASH AND SHORT-TERM DEPOSITS

	Group			Company		
	2018	31 December 2017	1 January 2017	2018	31 December 2017	1 January 2017
	S\$	S\$	S\$	S\$	S\$	S\$
Cash at banks and on hand	468,702	737,756	7,315,222	9,688	73,294	723,505
Short-term fixed deposits	–	1,016,631	6,038,015	–	–	–
Cash and cash equivalents in the consolidated cash flow statement	468,702	1,754,387	13,353,237	9,688	73,294	723,505

Short-term deposits are made for varying periods of less than 3 months, depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates. The weighted average effective interest rate of the short-term fixed deposits is 1% (31 December 2017: 1%, 1 January 2017: 1%) per annum.

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

	Group			Company		
	2018	31 December 2017	1 January 2017	2018	31 December 2017	1 January 2017
	S\$	S\$	S\$	S\$	S\$	S\$
United States dollars	242	30,382	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

21. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 29 October 2018, the Group entered into an agreement to sell the development project, 303 La Trobe held under an indirect subsidiary, Figtree La Trobe Pty Ltd, to an independent third-party purchaser. As at 31 December 2018, the assets and liabilities comprising mainly of development properties, deposits held in trust and other payables related to the development project have been presented in the balance sheet as "Assets of disposal group classified as held for sale" and "Liabilities directly associated with disposal group classified as held for sale". The sale is expected to complete on 15 April 2019.

Balance sheet disclosures:

	Group 2018 S\$
Assets:	
Development properties	28,702,621
Deposits held in trust	12,986,820
Assets of disposal group classified as held for sale	41,689,441
Liabilities:	
Deposits received from customers	12,698,518
Accrued operating expenses	3,499,238
Liabilities directly associated with disposal group classified as held for sale	16,197,756
Net assets directly associated with disposal group classified as held for sale	25,491,685

Deposits held in trust

Deposits held in trust relate to cash deposits held in trust by conveyancing lawyer on development properties sold prior to the date of revenue recognition. Included in the deposits are interest receivables of \$288,302 at prevailing bank rates. Such cash deposits are correspondingly recognised as "deposits received from customers" and are denominated in Australian dollars.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

22. TRADE AND OTHER PAYABLES

	Group			Company		
	2018	31 December 2017	1 January 2017	2018	31 December 2017	1 January 2017
	S\$	S\$	S\$	S\$	S\$	S\$
Non-current:						
Deposits received from customers (Note 19)	–	13,569,534	5,732,716	–	–	–
Accrued operating expenses	–	3,700,082	894,414	–	–	–
	–	17,269,616	6,627,130	–	–	–
Current:						
Trade payables	2,544,896	3,648,430	6,332,340	216,121	22,980	13,335
Accrued subcontractors' costs	3,877,115	7,287,447	13,979,274	–	–	–
Accrued operating expenses	2,952,186	2,201,080	4,194,946	1,574,223	1,135,955	1,789,983
GST payables	–	20,208	289,869	–	840	26,556
Sundry payables	195,172	213,989	94,260	–	–	–
Other borrowings	2,746,310	–	–	–	–	–
	12,315,679	13,371,154	24,890,689	1,790,344	1,159,775	1,829,874
Total trade and other payables	12,315,679	30,640,770	31,517,819	1,790,344	1,159,775	1,829,874

Trade payables/sundry payables

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

Other borrowings

Other borrowings relate to advances from related parties for working capital purpose, bear interest at 2.2% to 3.8% per annum, unsecured, repayable on demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

23. BANK BORROWINGS

	Maturity	Group		
		2018	31 December 2017	1 January 2017
		S\$	S\$	S\$
SGD loans at 2.5% p.a. + bank's cost of funds for one month	2019	2,500,000	–	–
SGD loan at floating interest rate	2019	1,200,000	3,300,000	–
		3,700,000	3,300,000	–

SGD loans at 2.5% per annum + bank's cost of funds for one month

The loan is secured by a legal mortgage of the Group's leasehold property, 8 Central Link Jalan Kilang Barat #03-01/02/09 (Note 10) and a corporate guarantee provided by the Company (Note 32(b)) and is repayable in January 2019. The loan has been further renewed to 16 April 2019 at 4.35% p.a.

The loan includes financial covenants which require the Group to maintain a minimum tangible net worth of at least \$25,000,000 throughout the tenure of the loan and the total facilities limit and/or outstanding shall not exceed 80% of the estimated market value ("EMV") of the leasehold property at all times.

SGD loan at floating interest rate

The loan is secured by a corporate guarantee provided by the Company (Note 32(b)) and is repayable on 26 March 2019. The loan has been further renewed to 26 April 2019 at 3.65% p.a.

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

	2017	Cash flows	2018
	S\$	S\$	S\$
Bank borrowings	3,300,000	400,000	3,700,000
Other borrowings (Note 22)	–	2,746,310	2,746,310
	3,300,000	3,146,310	6,446,310

	1 January 2017	Cash flows	2017
	S\$	S\$	S\$
Bank borrowings	–	3,300,000	3,300,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

24. DEFERRED TAX LIABILITIES

Deferred tax as at 31 December relates to the following:

	Group					Company		
	Consolidated balance sheet			Consolidated income statement		Balance sheet		
	31					31		
	2018	2017	2017	2018	2017	2018	2017	2017
S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Gross deferred tax liabilities:								
Differences in depreciation for tax purpose	(6,770)	(17,110)	(18,770)	10,340	1,660	–	–	–
Undistributed earnings of overseas subsidiaries held by an associate	(215,500)	(215,500)	(215,500)	–	–	–	–	–
Unremitted interest income	(872,864)	(648,910)	(433,552)	(223,954)	(215,358)	(72,704)	(56,094)	(39,485)
	(1,095,134)	(881,520)	(667,822)			(72,704)	(56,094)	(39,485)
Gross deferred tax assets:								
Provisions	354,471	20,000	114,837	334,471	(94,837)	–	–	–
Unutilised tax losses	16,814	–	–	16,814	–	–	–	–
	371,285	20,000	114,837			–	–	–
Net deferred tax liabilities	(723,849)	(861,520)	(552,985)			(72,704)	(56,094)	(39,485)
Deferred income tax expense (Note 8)				137,671	(308,535)			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

24. DEFERRED TAX LIABILITIES (CONT'D)

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately S\$8,891,059 (31 December 2017: S\$5,577,912, 1 January 2017: S\$4,922,148) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Tax consequences of proposed dividends

There are no income tax consequences (2017: S\$Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 30).

25. SHARE CAPITAL

	Group and Company			
	2018		2017	
	No. of shares	S\$	No. of shares	S\$
<i>Issued and fully paid ordinary shares:</i>				
At 1 January	337,406,232	29,418,521	315,656,244	26,083,664
Issuance of ordinary shares as scrip dividend	10,574,060	1,522,664	20,589,988	3,187,330
Exercise of employee share options	–	–	1,160,000	178,872
Share issuance expense	–	(29,213)	–	(31,345)
At 31 December	347,980,292	30,911,972	337,406,232	29,418,521

During the financial year 31 December 2018, the Company issued 10,574,060 (2017: 20,589,988) new ordinary shares for the value of S\$1,522,664 (2017: S\$3,187,330) to eligible shareholders who have elected to participate in the Scrip Dividend Scheme in respect of the dividend declared and paid for the financial year ended 31 December 2017 (2017: 31 December 2016).

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

26. MERGER DEFICIT

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

27. SHARE OPTION RESERVE

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

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these awards. There were no cancellations or modifications to the 2013 ESOS in both 2018 and 2017. Details of the 2013 ESOS are included in the Directors' Statement.

Movement of share options during the financial year

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

	2018		2017	
	Number '000	WAEP cents	Number '000	WAEP cents
Outstanding at 1 January	5,525	13.01	4,435	12.42
Granted and accepted	2,420	11.00	2,460	14.00
Forfeited	(190)	13.09	(210)	12.72
Exercised	–	–	(1,160)	13.06
Outstanding at 31 December	7,755	12.38	5,525	13.01

- The weighted average fair value of options granted during the financial year was 49.80 (2017: 64.20) cents.
- The range of exercise prices for the share options outstanding at the end of the year was between 11.00 and 14.00 (2017: 12.00 and 14.00) cents.
- The weighted average remaining contractual life for these options is 4.83 years (2017: 5.46 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

27. SHARE OPTION RESERVE (CONT'D)

Fair value of share options granted

The fair value of the share options granted is estimated at the date of the grant using Black-Scholes Pricing model, taking into account the terms and conditions upon which the options were granted. The model takes into account historic dividends, share price fluctuation covariance of the Company and each entity of the group of competitors to predict the distribution of relative share performance. The following table lists the inputs to the Black-Scholes Pricing model for the years ended 31 December 2018, 31 December 2017 and 1 January 2017:

	31 December 2018	31 December 2017	1 January 2017
Dividend yield (%)	4.6%	5.96% - 7.43%	7.94%
Expected volatility (%)	46% - 49%	65.9%	33% - 73%
Risk-free interest rate (% per annum)	1.30%	1.30%	2.39%
Expected life of option (years)	6.00	4.00	4.50
Weighted average share price (cents)	13.70	17.00	15.00

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

28. FOREIGN CURRENCY TRANSLATION RESERVE

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

29. OTHER RESERVES

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

30. DIVIDENDS

	Group and Company	
	2018	2017
	S\$	S\$
Declared and paid during the financial year:		
<i>Dividends on ordinary shares:</i>		
Final exempt (one-tier) dividends for 2017: 0.63 (2016: 1.25) cents per share		
– Cash payment	602,995	771,748
– Issue of scrip dividend (Note 25)	1,522,664	3,187,330
	2,125,659	3,959,078
Proposed but not recognised as a liability as at 31 December:		
<i>Dividends on ordinary shares, subject to shareholders' approval at the AGM:</i>		
– Final tax-exempt (one-tier) dividends for 2018: 0.30 (2017: 0.63) cents per share	1,043,941	2,125,659

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Sales and purchases of services

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

	Group	
	2018	2017
	S\$	S\$
Contract revenue from related parties	2,677	1,914,469
Interest income from loans to an associate	441,290	939,079

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Compensation of key management personnel

	Group	
	2018	2017
	S\$	S\$
Salaries and bonuses	1,587,460	2,819,220
Defined contributions plans	61,320	64,347
Directors' fees	245,000	245,000
Other short-term benefits	9,630	32,588
Share-based payments	43,913	31,767
Total compensation paid to key management personnel	1,947,323	3,192,922
<i>Comprise amounts paid to:</i>		
– Directors of the Company	1,023,226	1,665,717
– Other key management personnel	924,097	1,527,205
Total compensation paid to key management personnel	1,947,323	3,192,922

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

Directors' interests in the 2013 ESOS

During the financial year:

- 200,000 (2017: 200,000) share options were granted to a Company's Executive Director under the 2013 ESOS (Note 27) at an exercise price of 11.00 (2017: 14.00) cents each, which remained outstanding at the end of the financial year.
- The director exercised options for Nil (2017: 230,000) ordinary shares of the Company at a price of Nil (2017: 13.06) cents each, with a total consideration of S\$Nil (2017: S\$30,038) paid to the Company.

At the end of the reporting period, the total number of outstanding share options granted by the Company to the abovementioned director under the 2013 ESOS amounted to 650,000 (2017: 450,000). No share options have been granted to the Company's Non-Executive Directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

32. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Operating lease commitments – as lessee

The Group has entered into commercial property leases for its office premise and certain office equipment. Future minimum rental payables under non-cancellable operating leases as at 31 December 2018 and 2017 are as follows:

	Group		
	2018	31 December 2017	1 January 2017
	S\$	S\$	S\$
Not later than one year	38,576	73,454	37,658
Later than one year but not later than five years	12,906	51,901	37,321
	51,482	125,355	74,979

(b) Contingent liabilities

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

- It has provided corporate guarantees to certain banks in respect of banking facilities of S\$32,500,000 (31 December 2017: S\$32,000,000, 1 January 2017: S\$32,000,000) offered to a subsidiary; and
- It has provided a corporate guarantee to a bank for the performance of a contract for a subsidiary. No liability is expected to arise (31 December 2017: S\$Nil; 1 January 2017: S\$Nil).

33. SEGMENT INFORMATION

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

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

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

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit margins of the products and services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

33. SEGMENT INFORMATION (CONT'D)

	Design and build		Property development		Corporate		Per consolidated financial statements	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Revenue:								
Sales to external customers and a related party, representing total revenue	2,374,538	17,563,288	-	-	-	-	2,374,538	17,563,288
Results:								
Write back of allowance for doubtful trade debt	1,125,000	1,322,932	-	-	-	-	1,125,000	1,322,932
Interest income	-	-	-	-	637,779	1,090,722	637,779	1,090,722
Interest expense	-	-	-	-	165,499	52,486	165,499	52,486
Depreciation	189,126	183,900	483	510	-	52	189,609	184,462
Share of results of associates	-	-	4,906,594	(629,569)	-	-	4,906,594	(629,569)
Income tax (credit)/expense	-	-	-	-	(11,568)	1,982,322	(11,568)	1,982,322
Segment (loss)/profit, before tax	(1,683,003)	10,139,124	2,776,218	(331,723)	(1,722,568)	(2,335,790)	(629,353)	7,471,611
Assets:								
Interests in associates	-	-	11,065,065	7,146,762	-	-	11,065,065	7,146,762
Additions to property, plant and equipment	20,476	187,965	-	-	-	-	20,476	187,965
Segment assets	14,897,779	21,786,732	69,140,486	67,508,213	17,887	77,181	84,056,152	89,372,126
Liabilities:								
Segment liabilities	14,794,653	17,233,001	16,516,361	17,910,305	1,859,861	1,219,917	33,170,875	36,363,223

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

33. SEGMENT INFORMATION (CONT'D)

	Design and build S\$	Property development S\$	Corporate S\$	Per consolidated financial statements S\$
1 January 2017				
Assets:				
Interests in associates	–	3,855,893	–	3,855,893
Segment assets	43,613,357	47,091,291	726,378	91,431,026
Liabilities:				
Segment liabilities	33,297,024	7,768,206	1,876,948	42,942,178

Geographical information

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

	Revenue		Non-current assets		
	2018 S\$	2017 S\$	31 December 2018 S\$	2017 S\$	1 January 2017 S\$
Singapore	1,366,364	17,107,977	19,241,080	26,908,783	13,665,368
China	1,008,174	455,311	90,235	130,113	44,779
Australia	–	–	–	13,680,565	5,733,721
	2,374,538	17,563,288	19,331,315	40,719,461	19,443,868

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

34. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other 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.

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

Trade receivables (Note 18), other receivables (Note 19), loans to a subsidiary (Note 13), loans to an associate (Note 14), amounts due from subsidiaries (Note 15), amounts due from an associate (Note 16), cash and short-term deposits (Note 20), trade and other payables (Note 22) and bank borrowings (Note 23)

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

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

	Fair value measurements at the end of the reporting period using				Carrying amount S\$
	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$	
2018					
Group					
Assets:					
Loans to an associate (Note 14)	–	–	21,321,418	21,321,418	21,321,418
Company					
Assets:					
Loans to a subsidiary (Note 13)	–	–	2,013,280	2,013,280	2,013,280

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

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

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

Determination of fair value

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

35. 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, credit risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks.

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

(a) Credit risk

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

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

(a) Credit risk (cont'd)

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Debt instruments at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information from external credit rating companies, such as Standard and Poor, Moody's and Fitch, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data such as GDP growth and central bank base rates.

NOTES TO THE FINANCIAL STATEMENTS

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

(a) Credit risk (cont'd)

(i) Debt instruments at amortised cost (cont'd)

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

Category	Definition of category	Basis of recognition of expected credit loss provision	Basis for calculating interest revenue
Grade I	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12-month expected credit losses	Gross carrying amount
Grade II	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime expected credit losses	Gross carrying amount
Grade III	Interest and/or principal repayments are 60 days past due.	Lifetime expected credit losses	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to estimation techniques or assumptions made during the reporting period.

The Group assessed the qualitative and quantitative factors that are indicative of the risk of default based on experienced credit judgement. These exposures are considered to have low risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis. There was no loss allowance provision made on debt instruments carried at amortised cost.

(ii) Trade receivables and contract assets

The Group provides for lifetime expected credit losses for all trade receivables, and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates, adjusted for factors that are specific to the debtors, as well as forward looking information as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

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

(a) Credit risk (cont'd)

(i) Trade receivables and contract assets (cont'd)

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets using provision matrix:

	Contract Assets S\$'000	Current S\$'000	1 to 30 days past due S\$'000	More than 30 days past due S\$'000	More than 60 days past due S\$'000	More than 90 days past due S\$'000	Total S\$'000
Gross carrying amount	4,597	484	–	155	–	250	889
Loss allowance provision	–	–	–	–	–	–	–

Information regarding loss allowance movement of trade receivables is disclosed in Note 18.

During the year, there was no loss allowance provision made on trade receivables and contract assets.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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 asset recognised in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

(a) Credit risk (cont'd)

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 and contract assets at the balance sheet date is as follows:

	2018		Group 31 December 2017		1 January 2017	
	S\$	% of total	S\$	% of total	S\$	% of total
	By country:					
Singapore	5,391,955	98	11,551,798	99	19,247,315	99
China	94,109	2	65,792	1	97,948	1
	5,486,064	100	11,617,590	100	19,345,263	100

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18 (trade receivables).

NOTES TO THE FINANCIAL STATEMENTS

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

(b) Liquidity risk

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

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

Analysis of financial instruments by remaining contractual maturities

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

	One year or less S\$	One to five years S\$	Total S\$
Group			
31 December 2018			
Financial assets:			
Loans to an associate	16,495,873	5,405,765	21,901,638
Amounts due from an associate	11,289	–	11,289
Trade receivables	889,354	–	889,354
Other receivables	273,082	–	273,082
Cash and short-term deposits	468,702	–	468,702
Total undiscounted financial assets	18,138,300	5,405,765	23,544,065
Financial liabilities:			
Trade and other payables (exclude GST payables)	12,315,679	–	12,315,679
Bank borrowings	3,721,700	–	3,721,700
Total undiscounted financial liabilities	16,037,379	–	16,037,379
Total net undiscounted financial assets	2,100,921	5,405,765	7,506,686

NOTES TO THE FINANCIAL STATEMENTS

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

(b) Liquidity risk (cont'd)

	One year or less S\$	One to five years S\$	Total S\$
Group			
31 December 2017			
Financial assets:			
Loans to an associate	4,490,653	16,725,377	21,216,030
Trade receivables	754,544	–	754,544
Other receivables	178,754	14,222,843	14,401,597
Cash and short-term deposits	1,754,387	–	1,754,387
Total undiscounted financial assets	7,178,338	30,948,220	38,126,558
Financial liabilities:			
Trade and other payables (exclude GST payables)	13,350,946	17,269,616	30,620,562
Bank borrowings	3,334,750	–	3,334,750
Total undiscounted financial liabilities	16,685,696	17,269,616	33,955,312
Total net undiscounted financial (liabilities)/assets	(9,507,358)	13,678,604	4,171,246
Group			
1 January 2017			
Financial assets:			
Loans to an associate	16,787,880	6,980,553	23,768,433
Trade receivables	1,860,540	–	1,860,540
Other receivables	122,912	5,732,716	5,855,628
Cash and short-term deposits	13,353,237	–	13,353,237
Total undiscounted financial assets	32,124,569	12,713,269	44,837,838
Financial liabilities:			
Trade and other payables (exclude GST payables)	24,600,820	6,627,130	31,227,950
Total undiscounted financial liabilities	24,600,820	6,627,130	31,227,950
Total net undiscounted financial assets	7,523,749	6,086,139	13,609,888

NOTES TO THE FINANCIAL STATEMENTS

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

(b) Liquidity risk (cont'd)

	One year or less S\$	One to five years S\$	Total S\$
Company			
2018			
Financial assets:			
Loans to a subsidiary	–	2,173,039	2,173,039
Amounts due from subsidiaries	23,063,740	–	23,063,740
Amounts due from an associate	11,289	–	11,289
Cash and short-term deposits	9,688	–	9,688
Total undiscounted financial assets	23,084,717	2,173,039	25,257,756
Financial liabilities:			
Trade and other payables (exclude GST payables)	1,790,344	–	1,790,344
Total undiscounted financial liabilities	1,790,344	–	1,790,344
Total net undiscounted financial assets	21,294,373	2,173,039	23,467,412
31 December 2017			
Financial assets:			
Loans to a subsidiary	–	2,051,122	2,051,122
Amounts due from subsidiaries	22,091,370	–	22,091,370
Cash and short-term deposits	73,294	–	73,294
Total undiscounted financial assets	22,164,664	2,051,122	24,215,786
Financial liabilities:			
Trade and other payables (exclude GST payables)	1,158,935	–	1,158,935
Total undiscounted financial liabilities	1,158,935	–	1,158,935
Total net undiscounted financial assets	21,005,729	2,051,122	23,056,851

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

(b) Liquidity risk (cont'd)

	One year or less S\$	One to five years S\$	Total S\$
Company			
1 January 2017			
Financial assets:			
Loans to a subsidiary	–	1,867,036	1,867,036
Amounts due from subsidiaries	20,282,649	–	20,282,649
Cash and short-term deposits	723,505	–	723,505
Total undiscounted financial assets	21,006,154	1,867,036	22,873,190
Financial liabilities:			
Trade and other payables (exclude GST payables)	1,803,318	–	1,803,318
Total undiscounted financial liabilities	1,803,318	–	1,803,318
Total net undiscounted financial assets	19,202,836	1,867,036	21,069,872

The table below shows the contractual expiry by maturity of the Company's contingent liabilities (Note 32). The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

	One year or less S\$	One to five years S\$	Total S\$
Company			
2018			
Corporate guarantees	–	32,500,000	32,500,000
31 December 2017 and 1 January 2017			
Corporate guarantees	–	32,000,000	32,000,000

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

(c) Foreign currency risk

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

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

Sensitivity analysis for foreign currency risk

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

	Group	
	2018 S\$ Profit before tax	2017 S\$ Profit before tax
USD/SGD – strengthened 5% (2017: 5%)	285,278	268,343
– weakened 5% (2017: 5%)	(285,278)	(268,343)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

36. FINANCIAL INSTRUMENTS BY CATEGORY

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

	Note	Group		Company	
		Debt at amortised cost S\$	Liabilities at amortised cost S\$	Debt at amortised cost S\$	Liabilities at amortised cost S\$
31 December 2018					
Assets					
Loans to a subsidiary	13	–	–	2,013,280	–
Loans to an associate	14	21,321,418	–	–	–
Amounts due from subsidiaries	15	–	–	23,063,740	–
Amounts due from an associate	16	11,289	–	11,289	–
Trade receivables	18	889,354	–	–	–
Other receivables	19	273,082	–	–	–
Cash and short-term deposits	20	468,702	–	9,688	–
Liabilities					
Trade and other payables ⁽¹⁾	22	–	12,315,679	–	1,790,344
Bank borrowings	23	–	3,700,000	–	–
		22,963,845	16,015,679	25,097,997	1,790,344

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

36. FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

	Note	Group		Company	
		Loans and receivables S\$	Liabilities at amortised cost S\$	Loans and receivables S\$	Liabilities at amortised cost S\$
31 December 2017					
Assets					
Loans to a subsidiary	13	–	–	1,953,419	–
Loans to an associate	14	20,751,986	–	–	–
Amounts due from subsidiaries	15	–	–	22,091,370	–
Trade receivables	18	754,544	–	–	–
Other receivables	19	13,858,816	–	–	–
Cash and short-term deposits	20	1,754,387	–	73,294	–
Liabilities					
Trade and other payables ⁽¹⁾	22	–	30,620,562	–	1,158,935
Bank borrowings	23	–	3,300,000	–	–
			37,119,733	33,920,562	24,118,083
					1,158,935

⁽¹⁾ Exclude GST payables

	Note	Group		Company	
		Loans and receivables S\$	Liabilities at amortised cost S\$	Loans and receivables S\$	Liabilities at amortised cost S\$
1 January 2017					
Assets					
Loans to a subsidiary	13	–	–	1,837,415	–
Loans to an associate	14	23,010,641	–	–	–
Amounts due from subsidiaries	15	–	–	20,282,649	–
Trade receivables	18	1,860,540	–	–	–
Other receivables	19	5,855,628	–	–	–
Cash and short-term deposits	20	13,353,237	–	723,505	–
Liabilities					
Trade and other payables ⁽¹⁾	22	–	31,227,950	–	1,803,318
			44,080,046	31,227,950	22,843,569
					1,803,318

⁽¹⁾ Exclude GST payables

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

37. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2018 and 2017.

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

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

	Note	Group	
		2018	2017
		S\$	S\$
Trade and other payables	22	12,315,679	30,640,770
Bank borrowings	23	3,700,000	3,300,000
Total debt		16,015,679	33,940,770
Equity attributable to owners of the Company		50,909,975	53,045,440
Debt to equity (times)		0.31	0.64

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

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Directors on 29 March 2019.

SHAREHOLDING STATISTICS

AS AT 15 MARCH 2019

Class of shares	No. of shares	%
Ordinary	347,980,292	100.0
Treasury	Nil	0.0
Total Issued Shares	347,980,292	100.0
Subsidiary Holdings	Nil	0.0

Voting Rights	On a poll	:	One vote for each ordinary share
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SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 15 March 2019, 15.18% of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited is complied with.

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Siaw Ken Ket @ Danny Siaw	87,000,633	25.00	285,804 ⁽¹⁾	0.08
Singapore Enterprises Private Limited	76,174,186 ⁽²⁾	21.89	–	–
Tan Chew Joo	35,021,111	10.06	14,399,675 ⁽³⁾	4.14
Fung Tze Ping	30,800,347	8.85	–	–
Teoh Hoon Song	27,165,750	7.81	–	–
Oei Tjhing Bo Robert	22,500,000	6.47	–	–

Notes:

- (1) Mr Siaw Ken Ket @ Danny Siaw has a deemed interest in the shareholdings held by his wife, Ms Tay Guek Nah.
- (2) Vibrant Group Limited is deemed to be interested in 76,174,186 shares held by Singapore Enterprises Private Limited ("SEPL") by virtue of its shareholding interest in SEPL.
- (3) Mr Tan Chew Joo has a deemed interest in the shareholdings held by his daughter, Ms Eileen Tan.

SHAREHOLDING STATISTICS

AS AT 15 MARCH 2019

DISTRIBUTION OF SHAREHOLDERS AS AT 15 MARCH 2019

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	21	3.93	837	0.00
100 – 1,000	23	4.31	12,747	0.01
1,001 – 10,000	110	20.60	775,751	0.22
10,001 – 1,000,000	364	68.16	31,327,794	9.00
1,000,001 and above	16	3.00	315,863,163	90.77
Total	534	100.00	347,980,292	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 15 MARCH 2019

	SHAREHOLDER'S NAME	NO OF SHARES	%
1	SIAW KEN KET @ DANNY SIAW	87,000,633	25.00
2	SINGAPORE ENTERPRISES PTE LTD	76,174,186	21.89
3	TAN CHEW JOO	35,021,111	10.06
4	FUNG TZE PING	30,800,347	8.85
5	TEOH HOON SONG	27,165,750	7.81
6	OEI TJHING BO ROBERT	22,500,000	6.47
7	EILEEN TAN	12,763,153	3.67
8	DBS NOMINEES PTE LTD	7,936,283	2.28
9	CHONG CHOON LIM	3,870,046	1.11
10	RAFFLES NOMINEES (PTE) LIMITED	3,526,228	1.01
11	PHILLIP SECURITIES PTE LTD	2,010,549	0.58
12	CITIBANK NOMINEES SINGAPORE PTE LTD	1,920,305	0.55
13	RAMESH S/O PRITAMDAS CHANDIRAMANI	1,426,490	0.41
14	LAU KOK SENG (LIU GUOCHENG)	1,337,000	0.38
15	LIM CHYE HAI (LIN CAIHAI)	1,238,159	0.36
16	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,172,923	0.34
17	MAYBANK KIM ENG SECURITIES PTE. LTD.	931,009	0.27
18	LIEW YANN MIN	911,000	0.26
19	LAM CHIN SIEW	783,253	0.23
20	NG HOCK KON	705,400	0.20
	Total	319,193,825	91.73

NOTICE OF ANNUAL GENERAL MEETING

FIGTREE HOLDINGS LIMITED

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Figtree Holdings Limited (the "Company") will be held at 8 Jalan Kilang Barat, #03-01 Central Link, Singapore 159351 on Thursday, 25 April 2019 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the audited financial statements for the financial year ended 31 December 2018 together with the Independent Auditor's Report thereon. **[Resolution 1]**
2. To declare a one-tier tax exempt first and final dividend of S\$0.003 per ordinary share for the financial year ended 31 December 2018. **[Resolution 2]**
3. To re-elect Mr Lee Kim Huat retiring pursuant to Article 98 of the Constitution of the Company. **[Resolution 3]**

Mr Lee Kim Huat will, upon re-election as Director of the Company, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. He will be considered independent for the purpose of Rule 704(7) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "Catalist Rules"). Information of Mr Lee Kim Huat can be found on page 16 of the Annual Report. There are no relationships including immediate family relationships between Mr Lee Kim Huat and other Directors or its 10% shareholders.

4. To re-elect Mr Lee Choong Hiong retiring pursuant to Article 98 of the Constitution of the Company. **[Resolution 4]**

Mr Lee Choong Hiong will, upon re-election as Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit Committee. He will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. Information of Mr Lee Choong Hiong can be found on page 17 of the Annual Report. There are no relationships including immediate family relationships between Mr Lee Choong Hiong and other Directors or its 10% shareholders.

5. To approve Directors' fees of S\$245,000 for the financial year ended 31 December 2018. [2017: S\$245,000] **[Resolution 5]**
6. To re-appoint Messrs Ernst & Young LLP as auditor of the Company and to authorise the Directors to fix their remuneration. **[Resolution 6]**
7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

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

8. Authority to allot and issue shares

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

- (a) (i) allot and issue shares in the capital of the Company ("Shares") (whether by way of rights, bonus or otherwise); and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuant of any Instruments made or granted by the Directors while this Resolution was in force,

Provided always that:

- (i) the aggregate number of Shares (including Shares to be issued in pursuance to Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 100% of the issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares (including Shares to be issued in pursuance to Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro-rata* basis to existing shareholders of the Company does not exceed 50% of the issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:-
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising of share options or vesting of share awards which are outstanding and/or subsisting at the time this Resolution is passed, provided the share options and share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares.

NOTICE OF ANNUAL GENERAL MEETING

- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being of the Company; and
- (iv) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." (See Explanatory Note 1) **[Resolution 7]**

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

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

By Order of the Board

Lee Bee Fong
Company Secretary
Singapore, 10 April 2019

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

- (1) **Resolution 7**, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting, to allot and issue Shares and convertible securities in the Company. The number of Shares and convertible securities which the Directors may allot and issue under this Resolution would not exceed 100% of the issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing this Resolution. For issue of Shares other than on a *pro-rata* basis to all shareholders of the Company, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
- (2) **Resolution 8**, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the next Annual General Meeting, to grant options and to allot and issue Shares pursuant to the exercise of options granted under the Figtree Employee Share Option Scheme (the "Scheme"). The maximum number of new Shares to be issued under the Scheme (including options granted under the Scheme and all outstanding options or awards granted under such other share-based incentive schemes of the Company) shall not exceed 15% of the issued Shares (including treasury shares and subsidiary holdings) from time to time. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

NOTES:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

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

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

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

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

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Lee Kim Huat and Mr Lee Choong Hiong are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 25 April 2019 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(5) of the Catalist Rules of the SGX-ST, the information relating to the retiring Directors as set out in Appendix 7F of the Catalist Rules of the SGX-ST is disclosed below:

	Mr Lee Kim Huat	Mr Lee Choong Hiong
Date of Appointment	8 October 2013	8 October 2013
Date of last re-appointment	27 April 2016	27 April 2016
Age	65	69
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Lee Kim Huat as the Lead Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr Lee Kim Huat is considered independent for the purposes of Catalist Rule 704(7).	The re-election of Mr Lee Choong Hiong as the Independent Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr Lee Choon Hiong is considered independent for the purposes of Catalist Rule 704(7).
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee.	Independent Director, Chairman of the Remuneration Committee and member of the Audit Committee.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lee Kim Huat	Mr Lee Choong Hiong
Professional qualifications	<ul style="list-style-type: none"> • Bachelor of Arts (Accounting) from Newport University • Diploma in Business Studies from the City College of Higher Education (London) • Post-graduate Diploma in Accounting and Finance from The London School of Economics and Political Science • Associate of The Association of Cost and Executive Accountants • Fellow Certified Corporate Executive Accountant of the Association of Certified Project Accountants 	<ul style="list-style-type: none"> • Bachelor of Science (Building) from the University of Singapore • Member of The Singapore Institute of Surveyors and Valuers
Working experience and occupation(s) during the past 10 years	2012 to Present: Chief Operating Officer and Finance Director of Nordic Global Holdings Pte. Ltd and its Subsidiaries	1986 to Present: Owner of LCH Quantity Surveying Pte. Ltd. 2005 to 2017: Owner of LTY + LCH (JV)
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 1,799,775 shares, representing 0.52%	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of Interest (including any competing business)	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lee Kim Huat	Mr Lee Choong Hiong
Other Principal Commitments Including Directorships		
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Past (for the last 5 years)	1. Asia Capital Market Advisory Pte. Ltd. 2. Nordic Port Equipment Sdn. Bhd. 3. Technics Oil and Gas Limited	1. Negara Technology Pte. Ltd. 2. LTY + LCH (JV)
Present	Chief Operating Officer and Finance Director of Nordic Global Holdings Pte. Ltd and its Subsidiaries	1. LCH Quantity Surveying Pte. Ltd. 2. LCH Quantity Surveying Korea Co. Ltd
Information required pursuant to Catalist Rules 704(6) and/or 704(7)		
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lee Kim Huat	Mr Lee Choong Hiong
Information required pursuant to Catalist Rules 704(6) and/or 704(7) (cont'd)		
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lee Kim Huat	Mr Lee Choong Hiong
Information required pursuant to Catalist Rules 704(6) and/or 704(7) (cont'd)		
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lee Kim Huat	Mr Lee Choong Hiong
Information required pursuant to Catalist Rules 704(6) and/or 704(7) (cont'd)		
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Mr Lee Kim Huat	Mr Lee Choong Hiong
Disclosure applicable to the appointment of Director only		
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	N.A.	N.A.

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ANNUAL GENERAL MEETING PROXY FORM

*I/We _____ * NRIC/Passport No. _____
of _____ (Address)

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

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

and/or (delete as appropriate)

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

or failing *him/her/them, the Chairman of the Annual General Meeting as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company to be held at 8 Jalan Kilang Barat, #03-01 Central Link, Singapore 159351 on Thursday, 25 April 2019 at 10.00 a.m., and at any adjournment thereof.

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

No.	Resolutions Relating To:	Number of Votes For	Number of Votes Against
ORDINARY BUSINESS			
1	Adoption of Directors' Statement, Independent Auditor's Report and the Audited Financial Statements for the financial year ended 31 December 2018		
2	Declaration of a one-tier tax exempt first and final dividend of S\$0.003 per ordinary share for the financial year ended 31 December 2018		
3	Re-election of Mr Lee Kim Huat as a Director of the Company		
4	Re-election of Mr Lee Choong Hiong as a Director of the Company		
5	Approval of Directors' Fees of S\$245,000 for the financial year ended 31 December 2018		
6	Re-appointment of Messrs Ernst & Young LLP as Auditors of the Company		
SPECIAL BUSINESS			
7	Authority for Directors of the Company to allot and issue new shares		
8	Authority for Directors of the Company to grant options and to allot and issue new shares pursuant to the Figtree Employee Share Option Scheme		

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

Dated this _____ day of _____ 2019

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

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

* Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

IMPORTANT NOTES TO PROXY FORM :

1. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore). If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
"Relevant intermediary" has the meaning ascribed to it in Section 181(6) of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 8 Jalan Kilang Barat, #03-01 Central-Link, Singapore 159351 not less than 48 hours before the time appointed for holding the meeting.
5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 April 2019.

Affix
postage
stamp
here

FIGTREE HOLDINGS LIMITED

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

CORPORATE INFORMATION

**COMPANY REGISTRATION NUMBER
201315211G**

Registered Office

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

Directors

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

Tan Chew Joo
(Executive Director and Cost Director)

Thomas Woo Sai Meng
(Non-Executive Director)

Lee Kim Huat
(Lead Independent Director)

Lee Choong Hiong
(Independent Director)

Pong Chen Yih
(Independent Director)

Audit Committee

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

Nominating Committee

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

Remuneration Committee

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

Company Secretary

Lee Bee Fong

Share Registrar

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

Principal Bankers

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

Independent Auditor

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

Sponsor

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



FIGTREE HOLDINGS LIMITED

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

FIGTREE HOLDINGS LIMITED ANNOUNCING ANNUAL REPORT 2018